



October 21, 2011

Dear Pension Industry Stakeholder:

Re: CAPSA Strategic Plan 2012-2015

The Canadian Association of Pension Supervisory Authorities (CAPSA) is nearing completion of its three year strategic plan for 2008-2011. CAPSA has started the process for the development of a new three year strategic plan for 2012-2015. An integral part of this process is to solicit input from our stakeholders.

CAPSA's role is to promote the simplification, harmonization and coordination of regulation of pension plans. CAPSA provides a forum where pension regulators across Canada share information on regulatory issues being addressed in their jurisdiction, and where possible, collaborate in developing solutions to address regulatory issues. CAPSA develops harmonized regulatory policies and guidelines to improve pension plan administration and enhance the protection provided to pension plan members across Canada.

Over the past four years, CAPSA has had a number of significant achievements, including:

- The finalization of the Agreement Respecting Multi-Jurisdictional Pension Plans (the Agreement) which was signed by the governments of Ontario and Quebec and the accompanying commentary guide and administrative procedures for implementation of the agreement. The Agreement came into effect for these jurisdictions on July 1, 2011. It is expected that the remaining jurisdictions will sign the Agreement in 2012 or as soon as possible after that. The Agreement is intended to replace the Memorandum of Reciprocal Agreement (MRA) in order to provide the clarity which is required for the administration and regulation of multi-jurisdictional pension plans in the context of the current regulatory environment.
- The release of CAPSA *Guideline No. 5: Guideline on Fund Holder Arrangements* which is intended to clarify the nature of fund holder arrangements and their related responsibilities.
- The soon to be released *Pension Plan Prudent Investment Practices Guideline* and its companion document the *Self-Assessment Questionnaire on Prudent Investment Practices*, and the *Pension Plan Funding Policy Guideline*. These

guidelines are part of CAPSA's strategic initiative to promote consistency in the governance of pension funds and funding.

- Ongoing support of the National Pension Compliance Officers Association (NPCOA). NPCOA's role is to act as a forum where pension compliance officers focus on implementation, protocols and the pension plan regulatory process. NPCOA facilitates technical training on common issues for front-line compliance officers by acting as a learning resource as well as providing training on CAPSA initiatives, best practices and other related topics.

The development of the new CAPSA strategic plan will include a review of the current regulatory environment and trends, determination of CAPSA's strategic priorities over the next three years and specific initiatives to address these priorities.

We are particularly interested in your thoughts on specific challenges and opportunities in the pension regulatory system that you believe can and should be addressed by CAPSA in its new strategic plan and how.

The specific initiatives will be chosen for maximum positive impact within the following framework:

- Issues must impact more than one jurisdiction.
- Issues must be within the mandate of pension regulators.
- Issues must have concrete, definable and measurable results.

We would request that your proposals be as detailed as possible and include an indication of how the proposals would advance CAPSA's goals, who would benefit and how results could be measured.

Attached for your reference is CAPSA's current strategic plan.

Please send your suggestions by December 15, 2011 to the CAPSA Secretariat at the address below or by e-mail to capasa-acor@fsco.gov.on.ca. Electronic copies of submissions would be preferred. Please note that it is the intention of CAPSA that submissions received pursuant to this consultation process will be made public.

Thank you for your consideration,

Yours truly,



Mark Prefontaine

Chair,
The Canadian Association of Pension Supervisory Authorities (CAPSA)

c.c. Members of CAPSA