

June 9, 2022

**Subject: Your feedback on an ‘inclusive’ Guideline on Risk Management to include ESG, Leverage and Cyber**

In January this year, The Canadian Association of Pension Supervisory Authorities (CAPSA) established a Committee with a mandate to develop a Risk Management Guideline, to support plan administrators in fulfilling their fiduciary obligations including appropriate consideration of their applicable standard of care. Good risk management is a key characteristic of a well-run plan and an important part of the plan administrator’s role in protecting members’ benefits. An effective framework for managing risk will assist plan administrators in keeping plan assets safe and protecting the plan from adverse risks.

The original intention as per the [January announcement](#) was to develop a stand-alone Risk Management Guideline. Since then however, CAPSA has identified an opportunity to streamline its guidance for improved effectiveness and to avoid duplication across several Guidelines. We are soliciting stakeholder feedback to gauge reaction to instead issuing an inclusive Guideline on Risk Management which would encompass a broader range of common risks.

Instead of releasing three separate Guidelines on ESG, Leverage and Cyber, plus a Guideline on Risk Management, CAPSA would issue an inclusive Risk Management Guideline that would cover foundational risk management concepts associated with the good administration of pension plans, regulatory expectations, and risk-specific sections. For example, there would be sections on ESG, Leverage and Cyber. It would also include a section on Investment Risk, using input from the Office of the Superintendent of Financial Institutions’ consultation, as well as a Target Benefit section, using input from the BC Financial Services Authority’s consultations.

Given the substantive nature of such a Guideline, CAPSA will work towards providing a user-friendly format and one that can be effectively maintained and updated going forward.

Based on stakeholder input on the approach outlined above, CAPSA will:

- a. Develop an inclusive Risk Management Guideline that will contain sections on ESG, Leverage and Cyber. These sections will reflect stakeholder feedback on the current consultation drafts.

OR

- b. Publish three stand-alone Guidelines (ESG, Leverage and Cyber), plus a separate principles-based Guideline relating to risk management practices.



---

CAPSA values stakeholder input and engagement and appreciates your feedback in helping us work towards outcomes that meet our common objectives.

Please provide your comments to [capsa-acor@fsrao.ca](mailto:capsa-acor@fsrao.ca) by September 15, 2022.

Leah Fichter  
CAPSA Chair  
Executive Director, Pensions Division  
Deputy Superintendent of Pensions  
Financial and Consumer Affairs Authority  
of Saskatchewan

Caroline Blouin  
Chair, Risk Management Guideline Committee  
Executive Vice President, Pensions  
Financial Services Regulatory Authority of Ontario