



September 9, 2024

**Re: CAPSA Guideline No. 3 – Guideline for Capital Accumulation Plans and
CAPSA Guideline No. 10 – Guideline for Risk Management for Plan
Administrators**

The Canadian Association of Pension Supervisory Authorities (CAPSA), is pleased to announce the release of two Guidelines to support Pension and Capital Accumulation Plan Administrators and Plan Sponsors. Guideline No. 3 – Guideline for Capital Accumulation Plans (CAP Guideline) and Guideline No. 10 – Guideline for Risk Management for Plan Administrators (Risk Management Guideline) represent CAPSA’s view of leading practices in pension management in these areas. Both documents are available on the [CAPSA website](#).

CAPSA’s 2024 CAP Guideline replaces the 2004 CAP Guideline. Significant developments have occurred in the financial services industries over the past 20 years and the new Guideline reflects regulators’ views on the responsibilities of CAP sponsors, administrators and service providers in the current marketplace. It also clarifies expectations surrounding information to be communicated to members.

The CAP Guideline was transitioned from the Joint Forum of Financial Market Regulators (Joint Forum) to CAPSA in 2004. Recognizing that many capital accumulation plans are products of the insurance and securities industry, and in the interests of harmonized industry regulation, CAPSA’s CAP Guideline Committee which led the review of the Guideline was comprised of members of CAPSA as well as representatives from both the Canadian Council of Insurance Regulators (CCIR) and the Canadian Securities Administrators (CSA). CCIR and CSA representatives lent their expertise in their respective industries to bring forward current perspectives of insurance and securities regulators to the CAP Guideline.

Also released on September 9, 2024, is CAPSA’s Risk Management Guideline. Previously, CAPSA had individual documents to address specific types of risk most common to pension plans. In response to stakeholder input received during the 2022 consultation, CAPSA shifted development to one comprehensive Risk Management Guideline to consolidate approaches to pension risk management on topics including:

- cyber security,
- use of leverage,
- third-party advisors or service providers,
- investment governance and;
- environmental, social and governance (ESG).



Both guidelines recognize the wide range in size and sophistication of plans, administrators, and sponsors. Proportionality is woven throughout the guidelines. CAPSA recommends each sponsor and administrator review the guidelines and explore how they will implement the recommended practices in a manner that works for their membership and organization. Pension plans of all sizes should be able to determine how best to implement the guidelines effective September 9, 2024, taking into consideration the legal requirements, size and sophistication of the plan. Where IT system changes or process changes are needed to support the guidelines, they should be implemented by January 1, 2026.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Angela Mazerolle', is written over a horizontal line.

Angela Mazerolle
CAPSA Chair,
CAPSA CAP Guidelines Committee Chair
Vice President, Regulatory Operations
Financial and Consumer Services Commission of New Brunswick