



# **Strategic Plan**

## **April 2019-March 2022**

April 2019

# Contents

**MESSAGE FROM THE CHAIR ..... 3**

**OUR STRUCTURE ..... 5**

**OUR VALUES ..... 5**

**OUR APPROACH ..... 5**

**VISION ..... 6**

**MANDATE ..... 6**

**ROLE ..... 6**

**PRIORITIES AND INITIATIVES FOR 2019-2022 ..... 7**

## Message from the Chair

On behalf of the members of the Canadian Association of Pension Supervisory Authorities (CAPSA), it is my pleasure to present CAPSA's 2019-2022 Strategic Plan.

CAPSA achieved significant progress on the key initiatives outlined in its last Strategic Plan. Over the last three years, we have partnered with industry stakeholders through annual in-person stakeholder dialogue sessions, industry working groups and consultations on a variety of issues. The continued commitment of pension regulators to collaborate at the national level has guided CAPSA activities and helped us identify new and continuing initiatives for the next cycle.



Leah Fichter  
Chair, CAPSA

Given the recent focus by governments on how best to balance plan sustainability with the need for benefit security for plan beneficiaries, CAPSA developed recommendations for policy makers towards a common standard for funding of pension benefits. It has also published research and key findings on the use of leverage within pension plans, and will work towards implementing recommendations from these findings. These initiatives demonstrate CAPSA's continued commitment towards a harmonized approach to pension regulatory principles. This approach is also reflected in CAPSA's new Strategic Plan that includes reviews of its existing guidelines as they relate to funding policies, and aims to develop new guidance on Environmental, Social and Governance factors in pension investments.

The revised Defined Contribution Pension Plans Guideline and the Electronic Communication in the Pension Industry Guideline, along with a new Guideline on Searching for Un-locatable Members of a Pension Plan demonstrate CAPSA's role in developing guidelines to improve pension plan administration and enhance protection for pension plan beneficiaries.

The changing environment has created opportunities for new plan designs, products, processes and requirements. CAPSA has considered the resulting complexities and challenges to develop a Strategic Plan that can assist pension plan administrators in meeting their fiduciary duty while protecting the entitlements of pension plan beneficiaries.

Since joining the International Organisation of Pension Supervisors (IOPS) in 2015, CAPSA has actively participated in a number of IOPS initiatives. This allows CAPSA to participate in dialogue with international pension supervisors and benefit from their pension policy supervision and best practices.

CAPSA will strive to add value for policy makers, plan administrators and members, by working on mechanisms that facilitate an efficient regulatory system, help plan administrators meet their responsibilities and protect members' benefits.



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

## **Our Structure**

CAPSA is a national association of pension regulators from each Canadian province (except Prince Edward Island), and the federal government. Canada Revenue Agency and Statistics Canada are associate members of CAPSA.

The principal responsibility of the regulators is to administer the pension plan regulatory system under their authority. In particular, they must ensure that the design and administration of pension plans complies with the law. The regulatory authorities also act as key advisors to their governments on issues related to pension plans.

As members of CAPSA, the regulatory authorities collaborate in order to solve common issues. CAPSA is committed to enhancing and maintaining confidence in the pension sector.

Since 2015, CAPSA has been a member of the International Organisation of Pension Supervisory Authorities (IOPS), an independent international body of pension supervisors. This allows CAPSA to participate in dialogue with international pension supervisors and benefit from their pension policy supervision and best practices.

## **Our Values**

Organizations are driven by the shared values of their members. These values define acceptable behaviour and dictate how members relate to one another and to stakeholders.

We have a shared commitment to:

- Teamwork
- Responsiveness
- Openness, Accessibility and Transparency
- Accountability
- Innovation

## **Our Approach**

- We are proactive, consultative and collaborative.
- We coordinate our regulatory activities and share information.
- We conduct research and examine pension issues and trends in order to respond effectively and stay informed.
- We strive to work with our stakeholders in order to develop outcomes that meet our common objectives.

## **Vision**

Harmonized regulatory approaches  
to the supervision of pension plans across Canada.

## **Mandate**

To facilitate an efficient and effective pension regulatory system in Canada by developing practical solutions and guidance to further the coordination and harmonization of pension regulatory principles across Canada.

## **Role**

CAPSA's role is to promote the coordination and harmonization of regulatory principles and practices in the supervision of pension plans.

CAPSA provides a forum where pension regulators across the country share information on regulatory issues in their jurisdiction, and where possible, collaborate in developing practical solutions to address them.

CAPSA develops regulatory policies and guidelines to improve pension plan administration and support pension plan administrators in meeting their fiduciary duty, while enhancing the protection provided to pension plan members across Canada.

## Priorities and Initiatives for 2019-2022

Every three years, CAPSA develops a number of strategic priorities that provide a framework for its initiatives.

#	Strategic Priorities	Strategic Initiatives
1.	<b>Support the adoption and continued implementation of the Agreement Respecting Multi-Jurisdictional Pension Plans.</b>	<ul style="list-style-type: none"> <li>i. Finalize the Agreement and facilitate its adoption.</li> </ul>
2.	<b>Promote a common regulatory approach and consistent standards for pension plan administration in specific areas.</b>	<ul style="list-style-type: none"> <li>i. Implement recommendations of the CAPSA Leverage Working Group.</li> <li>ii. Review and update CAPSA Guideline No. 7 – Pension Plan Funding Policy, including enhancing funding policy guidelines for Target Benefit Plans.</li> <li>iii. Review and update CAPSA Guideline No. 3 – Capital Accumulation Plans.</li> <li>iv. Support harmonization of jurisdictional frameworks and review of CAPSA guidance in light of new decumulation products.</li> </ul>
3.	<b>Proactively identify emerging pension issues.</b>	<ul style="list-style-type: none"> <li>i. Research and develop guidelines on the integration (i.e. interpretation, role and use) of Environmental, Social and Governance factors in the supervision of pension fund investment and risk management.</li> <li>ii. Research and develop guidelines that will assist pension stakeholders in developing and building robust cybersecurity plans.</li> </ul>

		<ul style="list-style-type: none"> <li>iii. Conduct research and examine the application of transformative technologies such as Artificial Intelligence, Fintech and Regtech in the Canadian pension landscape.</li> </ul>
4.	<b>Work collaboratively with other entities.</b>	<ul style="list-style-type: none"> <li>i. Membership in and engagement with the International Organisation of Pension Supervisors by participating in meetings and projects.</li> <li>ii. Participate in the Joint Forum of Financial Market Regulators to consider issues across pensions, insurance and securities sectors in Canada.</li> <li>iii. Examine options for collaboration with organizations to assess opportunities to establish a national database of un-locatable members of multi-jurisdictional pension plans.</li> </ul>
5.	<b>Increase stakeholder awareness of CAPSA.</b>	<ul style="list-style-type: none"> <li>i. Deliver presentations and participate in national industry events.</li> <li>ii. Develop information/material for pension industry publications.</li> <li>iii. Enhance engagement and coordination with stakeholders to:                         <ul style="list-style-type: none"> <li>a. explore evolving trends and common interests in the pension landscape; and,</li> <li>b. develop outcomes to meet common objectives.</li> </ul> </li> </ul>