

Agenda Item 4.5
April 16/19 Board Meeting

FSRA Start-Up As Successor Regulator To FSCO In Ontario

Transition Updates

FSRA continues to make progress in preparation to assume regulatory functions currently delivered by the Financial Services Commission of Ontario (FSCO) and the Deposit Insurance Corporation of Ontario (DICO). We are working closely with the Ministry of Finance, FSCO and DICO to ensure a smooth transition of regulatory authorities, as well as to start the transformation required to achieve burden reduction and regulatory effectiveness.

With an ambitious transformation mandate, FSRA will not simply be a continuation of existing Ontario regulators. FSRA's aim is to be an efficient and effective regulator that serves the public interest. We are committed to doing the right things and doing things right.

We remain on track for Spring 2019, with a phased transition starting in April to facilitate a June launch.

Draft 2019-20 Priorities and Budget

Consultations on FSRA's draft 2019-20 Priorities and Budget included meetings with FSRA's seven [Industry Advisory Groups](#), a consumer round-table, and public consultation from January 21 to February 14, 2019.

The learnings from the consultation on the priorities and budget have been incorporated into FSRA's 2019-22 Business Plan, which was submitted to the Ministry of Finance on February 28, 2019. As per the *Agencies and Appointments Directive*, the Business Plan will be posted on the FSRA website when approved.

Rules

The legislative framework in the FSRA Act provides FSRA with specific rule-making authorities under the regulated sector statutes and the FSRA Act, including the authority to make rules governing fees and other charges. By delegating rule-making authority to FSRA, the Legislature empowers FSRA to use its expertise to create and implement principles-based rules, giving FSRA additional flexibility to respond to market and/or product changes.

The rule-making process includes a mandatory consultation period during which stakeholders are encouraged to comment and provide feedback on the proposed new rule or change. Proposed rules will be posted on this page. [Subscribe to our mailing list](#) to be notified of consultations and other FSRA news. [Rule-making Overview](#)

Proposed Fee Rule

On September 28, 2018 the Ontario Legislature proclaimed FSRA's rule-making authority under the [Financial Services Regulatory Authority of Ontario Act, 2016 \(FSRA Act\)](#).

This is a significant milestone that enables FSRA to make rules, including those governing fees and other charges required for FSRA to operate as an independent, self-funded agency that will operate on a cost recovery basis.

As part of the transition of FSCO's and DICO's regulatory mandate to FSRA, FSRA has developed an initial fee rule to obtain funding from the financial services sectors it regulates. The proposed fee rule is intended to enable FSRA to maintain continuity of FSCO and DICO operations and build enhanced capacity, resources and expertise to efficiently and effectively anticipate and respond to the dynamic pace of change in marketplace, industry and consumer expectations.

The proposed fee rules are based on foundational values and principles established by the FSRA Board: simple, consistent, fair, transparent, future-focused, efficient and effective.

Prior to formal statutory public consultations on the proposed fee rule FSRA established seven [ad hoc, special purpose Fee Rule Industry Advisory Groups](#) to provide regulated sector industry insight and views to the FSRA management and Board of Directors.

April 1, 2019:

[We moved to a new location](#)

Our location:

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