

Agenda Item 5(a)
September 22/20 EOC Meeting

September 14/20, CAFII held a Get Acquainted and Dialogue Meeting with Frank Lofranco, FCAC Deputy Commissioner, Supervision and Enforcement; and FCAC Staff Executive Colleagues

On 14 September, 2020, CAFII held a Get Acquainted and Dialogue Meeting with recently appointed FCAC Deputy Commissioner Frank Lofranco and three FCAC staff executive colleagues: Brad Schnarr, Manager, Supervision and Enforcement; Stephen Wild, Senior Research & Policy Officer; and Thierry Plante, Senior Consumer Education Officer (focused on financial literacy).

This 90-minute virtual meeting was well-attended by approximately 30 CAFII member representatives. A key, CAFII-relevant insight gained from this meeting is that Stephen Wild, Senior Research & Policy Officer, who reports to Brad Schnarr, Manager, Supervision and Enforcement, who in turn reports to Frank Lofranco, Deputy Commissioner, Supervision and Enforcement, will be the lead on drafting the “appropriateness provision/test” for financial products which is embedded within the Financial Consumer Protection Framework (FCPF) section of Bill C-86 which received Royal Assent in December 2018.

That drafting/development work will be completed over the next six to eight months. Part of the FCAC’s process will involve determining which financial products the appropriateness provision/test should apply to, including whether or not Authorized Insurance Products (credit protection insurance and travel insurance) offered by federally regulated financial institutions should be covered.

The FCAC’s critical path for the development and finalization of the appropriateness provision/test includes a pre-consultation with a sounding board/test group in late Fall 2020 or early Winter 2021, followed by a full public consultation on a draft of appropriateness provision/test.

Other key insights gained in the meeting were:

- there are three pillars or streams of responsibility which fall under Frank Lofranco as FCAC Deputy Commissioner, Supervision and Enforcement: Regulatory Guidance & Co-ordination; Supervision (which the FCAC is being more proactive about, given increased powers and resources); and Enforcement (when breaches do occur).
- as Deputy Commissioner, Supervision and Enforcement, Frank Lofranco is effectively the FCAC’s second-in-command (2IC). However, Commissioner Judith Robertson is putting in place a new management team at the Agency, which will include the appointment of a Deputy Commissioner, Consumer Education (with a focus on financial literacy) in the near future.
- Commissioner Robertson has made the decision that the FCAC will have an official Toronto office presence; and after the COVID-19 pandemic when this plan is officially announced and comes to fruition, Deputy Commissioner Frank Lofranco will head up and work out of that FCAC satellite office in Toronto, where he is currently located.
- implementation of the FCPF falls under Brad Schnarr as Manager, Supervision and Enforcement.