



Government of
Saskatchewan

Strategic Plan 2007 - 2010

Saskatchewan Financial
Services Commission

**Strategic Plan
2007-2010**

**Saskatchewan Financial
Services Commission**

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Overview

The Saskatchewan Financial Services Commission (the “SFSC”) was established on February 1, 2003 through the amalgamation of the Saskatchewan Securities Commission, the Financial Institutions Section of the Consumer Protection Branch and the Pension Benefits Branch.

The SFSC is Saskatchewan’s primary regulator of the financial services industry, including the credit union system, insurance, pensions, securities, trust and loans, loan brokers and mortgage brokers. Regulatory responsibilities include providing input into developing provincial legislation, regulations, policies and standards (the rules); interpreting and applying the rules; and, taking appropriate action to protect the rights and interests of consumers of financial services when the rules are broken.

Similar to other financial services regulators, the ongoing operations of the SFSC encompass a broad range of regulatory functions, including:

- **Licensing and Registration.** Financial institutions, pension plans and financial intermediaries require approval to conduct business. The SFSC requires applicants to provide enough information to allow assessment of whether the applicant is suitable to conduct business in the chosen field.
- **Audit and Compliance.** On an ongoing basis, the SFSC monitors those regulated to verify they are capable of meeting their obligations to consumers and are conducting themselves in compliance with the rules.
- **Market Conduct and Complaint Handling.** The SFSC ensures there are effective processes in place to receive and investigate complaints from consumers. Complaints are reviewed and appropriate information is collected to determine whether there are violations of rules.
- **Enforcement.** The SFSC exercises its influence and its legislative powers to hold to account those who have violated the rules. Enforcement may be initiated based on information from complainants, information obtained from audit and compliance activities, or from other sources.

The SFSC’s regulatory functions include both prudential and market conduct regulation. Prudential regulation addresses the financial soundness of those regulated, while market conduct regulation refers to supervising compliance related to consumer protection provisions including disclosure, confidentiality, fair practices and prohibited methods of doing business.

In fulfilling its mandate, the SFSC relies upon, and provides oversight in respect of, the following self regulatory organizations (the “SROs”):

- Credit Union Deposit Guarantee Corporation
- General Insurance Council of Saskatchewan
- Hail Insurance Council of Saskatchewan
- Life Insurance Council of Saskatchewan
- Investment Dealers Association of Canada
- Mutual Fund Dealers Association of Canada

The SFSC is led by a seven-person Commission that is established under *The Saskatchewan Financial Services Commission Act* (the “Act”). Section 9 of the Act provides the Commission with the following mandate:

- coordinate financial services regulators;
- provide for the development of policies to protect the interests of consumers of financial services;
- provide for the development of policies to regulate financial services and any persons who, or associations or groups of persons that, provide financial services; and
- perform any responsibilities of a financial services regulator pursuant to any financial services legislation that are assigned to the commission by the regulations under the Act.

Pursuant to this last point, the responsibilities of the Saskatchewan Securities Commission have been assigned to the Saskatchewan Financial Services Commission.

The SFSC is organized into three divisions: the Securities Division, the Financial Institutions Division and the Pensions Division.

The **Securities Division** protects investors by regulating trading in securities, without undue restrictions, to ensure that:

- those who sell securities to investors are honest and competent;
- investors are provided with selling documents which contain truthful, complete and understandable information on which to base their investment decisions;
- buyers and sellers have equal access to information about companies whose shares trade in secondary markets; and
- those who take undue advantage of investors are held to account.

The **Financial Institutions Division** regulates and supervises Saskatchewan credit unions; trust, loan and finance companies; insurance companies; payday lenders; and loan and mortgage brokers. The Division protects the public interest and enhances public confidence by encouraging sound and ethical business practices for insurers and financial institutions authorized to operate in Saskatchewan.

The **Pensions Division** protects the pension entitlements of plan members from undue loss and promotes the equitable treatment of plan members. The Pensions Division reviews pension plans to ensure that legislative standards are met with respect to the structure and administration of employment pension plans, including the investment and ongoing funding of plans.

The SFSC is assigned to the Minister of Justice and Attorney General. Saskatchewan Justice provides considerable support to the SFSC including legal, administrative, accounting, human resource and information technology services. In addition, Saskatchewan Justice provides advice to the Minister and Government on the legislation administered by the SFSC.

Vision

The SFSC's vision is to cultivate an environment in which everyone in Saskatchewan has confidence in and can enjoy the benefits of a vibrant financial marketplace.

Mission

The SFSC strengthens Saskatchewan's financial marketplace and protects consumers by regulating providers of financial products and services in an effective, efficient and balanced manner.

Regulatory Principles

The SFSC is committed to:

Competency. Other regulators and stakeholders rely on the SFSC because it has staff with the skills, knowledge and attitude required to deliver its commitments.

Consultation. The SFSC consults those who may be affected by a proposed regulatory change.

Transparency. The SFSC seeks to develop understandable rules that are complete and easy to access, and, when appropriate, to provide explanations and communicate its decisions.

Proportionate Regulation. When developing and applying rules, the SFSC considers the cost of compliance and the intended results. Regulatory actions are proportionate to the risk posed and contribute to sound business practices within the financial services sector.

Flexibility and Discretion. Recognizing there are many possible regulatory solutions, the SFSC exercises its discretion to achieve the most practical and affordable solutions that achieve the intended objective without compromising consumer protection.

Cooperation. The SFSC works with regulators in other jurisdictions and self regulatory organizations to achieve regulatory efficiency and effectiveness.

Harmonization. The SFSC seeks to harmonize rules and systems across sectors and jurisdictions to the greatest extent possible. The SFSC will make exceptions when justified by the unique situation in Saskatchewan.

Accountability. The SFSC holds those being regulated responsible and accountable for complying with the rules. The SFSC is accountable to the government and to the public for applying the spirit and substance of the regulatory regime.

Accessibility. The SFSC is approachable by consumers and those it regulates.

The SFSC is committed to fulfilling its regulatory responsibilities. However, the SFSC recognizes that not every problem requires a regulatory solution. Therefore, the SFSC is also committed to providing strategic solutions. The SFSC considers a wide range of alternative actions such as supplying expertise and advice, acting as a mediator and providing forums for industry dialogue.

Values

The actions of the SFSC's personnel are guided by the following commitments:

Openness. We share information and listen openly. We encourage understanding of and involvement in decision making.

Respect. We treat everyone fairly and with dignity, respect and compassion.

Professionalism. We exhibit a positive, courteous, conscientious, and businesslike manner in the workplace. We take personal responsibility for achieving the goals of the SFSC.

Fairness. We are impartial and unbiased in our decision making.

Decisiveness. We make clear, timely and responsible decisions.

Creativity. We encourage innovation and continuous improvement of our business processes and service provision.

Initiative. We empower our staff and encourage them to question the status quo.

Service. We provide quality and timely service by listening to, understanding and addressing the needs of our customers, clients and employees. We provide our people with the training and tools they need to do their jobs.

Work/life balance. We recognize and accommodate our employees' needs to balance their responsibilities and interests outside of work with meeting the increasing demands of the workplace.

Collaboration. We work together internally and with those we regulate to deliver the best possible solution.

The Regulatory Environment

The financial services sector is used by virtually all individuals and businesses in Saskatchewan. Transactions range from routine deposits and bill payments, to borrowing and investing activities, to insuring against risk. An effective and efficient financial services sector is a prerequisite to a robust economy.

The past few years have been very good ones for most of the financial services sector. Profits have been healthy and there have been few public failures of financial institutions. Within Saskatchewan, the financial services sector continues to be a significant contributor to Saskatchewan's economic growth, employing over 25,000 people and representing approximately \$1.2 billion or eight percent of Saskatchewan wages.¹ Nationally, financial assets controlled by Canadian households totalled \$2.2 trillion while household debt was \$760 billion at the end of 2005.²

While most of the industry has prospered, a significant number of defined benefit pension plans have incurred funding deficits after a sustained period of relatively low interest rates and volatile equity returns, combined with the maturation of plans as the baby boom generation moves into retirement.

The financial services marketplace continues to undergo significant changes such as:

- Deregulation has allowed the entrance of non-traditional service providers and has allowed existing market participants to expand into new geographic markets and new product lines. This has created more choices for consumers, but has increased the complexity of consumers' decision making and the regulation of these activities.
- The costs of disseminating information have decreased and consumers are flooded with information. Many consumers lack the financial literacy required to properly assess this information, and may not understand the benefits and risks associated with the choices offered to them³.
- Consolidations and mergers of financial service providers continue. For the larger players, globalization is also occurring. As financial service providers expand to offer a broader range of financial products across multiple jurisdictions, many providers are subject to different regulators.
- Pension plans and other wealth management products are becoming increasingly important as the baby boomers retire.

¹ Economic Review 2005, Saskatchewan Bureau of Statistics. Note that real estate is included in this definition of financial services.

² The Wealth of Canadians: An Overview of the Results of the Survey of Financial Security, 2005, Statistics Canada

³ The Wealth of Canadians: An Overview of the Results of the Survey of Financial Security, 2005, Statistics Canada.

Regulation is an important element of the financial services sector. The Department of Finance (Canada) indicated “the three primary goals of financial sector regulation (are to):

- maintain the stability of the financial system;
- provide a framework within which consumers have access to the highest possible standard of quality and service; and
- maintain the integrity of financial markets.”⁴

Regulation of the financial services sector continues to be complex, with shared jurisdiction between the federal and provincial governments and the delegation of some regulatory authority to SROs.

The federal government:

- has sole jurisdiction for banks for both prudential and market conduct;
- regulates the financial soundness of federally incorporated life and health insurers and subsidiaries of foreign insurers;
- regulates the financial soundness of federally incorporated property and casualty insurers;
- regulates the financial soundness of federally incorporated trust and loan companies;
- regulates credit union centrals; and
- regulates pension plans of certain industries of federal concern such as banking, broadcasting and inter-provincial transportation.

Saskatchewan, through the SFSC:

- has sole jurisdiction for the underwriting, distribution and sale of securities;
- oversees the Investment Dealers Association and the Mutual Fund Dealers Association (together with other securities regulators);
- regulates the market conduct of federally and provincially incorporated life and property and casualty insurers;
- regulates the financial soundness of provincially incorporated life and property and casualty insurers;
- regulates the market conduct and financial soundness of provincially incorporated trust, loan and financing companies;
- oversees the General, Life and Hail Insurance Councils of Saskatchewan;
- regulates the market conduct of loan brokers, mortgage brokers and payday lenders;
- ensures that the credit unions’ system regulator, Credit Union Deposit Guarantee Corporation, regulates credit unions; and
- regulates pension plans not under federal purview.

⁴Consumer Protection In The Financial Services Sector; Report of the Standing Senate Committee on Banking, Trade and Commerce, June 2006.

There is also significant industry self-regulation within Saskatchewan by the Investment Dealers Association of Canada, the Mutual Fund Dealers Association of Canada, Credit Union Deposit Guarantee Corporation, and the three insurance councils.

A number of federal and provincial initiatives are focused on co-ordinating and harmonizing financial services regulation. Regulators work together through organizations such as the Joint Forum of Financial Market Regulators, the Canadian Association of Pension Supervisory Agencies, the Canadian Council of Insurance Regulators, and the Canadian Securities Administrators. The SFSC actively participates in these national bodies. The strategic plans for these organizations can be found at: www.jointforum.ca; www.capsa-acor.org; www.ccir-ccra.org; and www.csa-acvm.ca.

Saskatchewan and Quebec are the only jurisdictions in Canada to have created an integrated financial market regulator. In Saskatchewan, the SFSC:

- creates a single point of access for consumers and the financial services industry;
- strengthens Saskatchewan's voice at the national policy making level;
- improves Saskatchewan's ability to address overlaps and gaps in the regulatory system; and
- contributes to operational effectiveness.

Strategic Issues

In developing its strategic priorities, SFSC identified the following key strategic issues:

- **Increased Enforcement Expectations.** A convergence of factors has increased risks for many consumers of financial services:
 - many are nearing retirement age when wealth accumulation maximizes;
 - the need for individual rather than institutional decision making regarding retirement assets due to the growth of defined contribution plans or conversion of their defined benefit plans to individual investment accounts prior to retirement;
 - a sustained period of low interest rates which make potential returns from riskier investments more attractive; and
 - increased direct access to a variety of service providers and complex products.

In the face of these risk factors and increasing consumer expectations, federal and provincial governments and the financial services industry have indicated their desire for increased enforcement action against those who break the rules.

- **Continued Jurisdictional Uncertainty.** In the past, financial services legislation was often focused on one industry segment such as securities, insurance or banking. As the market evolves to include new service providers and products, it is sometimes unclear which regulator has responsibility and authority. These ambiguities create gaps and duplications in legislation, and present a challenge to forming a timely response to emerging issues.
- **Harmonization.** The entire industry, including those regulated, the regulators, governments and consumers agree conceptually with increased regulatory harmonization. There should be regulatory consistency between industry sectors and for like products and services, across jurisdictions. Regulatory gaps and duplication should be minimized.

The securities sector has made the most progress with its passport efforts and other activities to adopt highly harmonized securities law, but more work remains. The deposit taking sector has the least harmonization between the numerous provincial and federal regulators. On a cross-sectoral basis, regulators are turning their attention to both harmonization of market conduct regulation as well as increasing the consistency of licensing and compliance requirements for like products.

- **Consumer Information.** Regulators are concerned that many consumers appear to lack the time or competencies to process the vast amount of complex information available in order to make effective decisions about the financial products and services offered to them. Few consumers understand the risks of these products and services, and do not know how the regulatory structure works. They are often uncertain of their rights and responsibilities. A less informed consumer is more vulnerable to fraud, overcharging, and other abuses.

- **Resource Constraints And Utilization.** The SFSC has the same regulatory responsibilities as other provinces despite its relatively limited resources. Consequently, the SFSC is a strong proponent of effectively using its limited resources, including working with other regulators to leverage resources and avoid duplicating efforts.
- **Evolution of Self Regulatory Organizations.** The SFSC relies on both national and provincial SROs to perform some regulatory functions. These organizations vary widely in their scope of activity and their degree of interaction with the SFSC. There currently are changes such as mergers and governance reform occurring within the SROs themselves.

Goals, Objectives and Actions

The SFSC's has maintained the following four strategic goals.

1. **A fair and effective financial regulatory system for Saskatchewan.** The SFSC ensures appropriate rules are in place to regulate the financial services sector. The SFSC is giving attention to requirements for new categories of entrants and new products as well to the changing conditions in existing market segments. By increasing harmonization with other Canadian jurisdictions, updating Saskatchewan's legislation and other rules, and working effectively with the self regulatory organizations, the SFSC will maintain and enhance the quality of its regulation.
2. **Confidence in the SFSC and the Saskatchewan financial marketplace.** The financial services industry depends on public and industry confidence. The SFSC recognizes that while most financial services providers follow the rules, the actions of those few who breach the rules can have significant negative impacts on confidence levels. The SFSC is increasing its emphasis on timely compliance and enforcement actions to deter wrong-doing, detect incidences of wrong-doing and reduce the harmful impact on consumers. At the same time, the SFSC will take steps to increase availability of tools and information that will help consumers protect themselves and make better decisions about their financial transactions.
3. **Regulatory consistency between sectors and for like products and services.** The SFSC is building increased cross-sectoral understanding and cooperation through participation in national initiatives and through the SFSC's integrated organizational structure and governance. The SFSC will work with the SROs to look for opportunities for enhanced consistency.
4. **Effective results with limited resources.** As a government agency, the SFSC is accountable to the public for the resources it uses. The SFSC is committed to continuous improvement of its operational efficiency.

Objectives and actions related to these four goals are included in the following tables. The fiscal year (March 31) of expected completion for each action is indicated by a checkmark.

Goal 1: Fair and Effective Financial Regulatory System for Saskatchewan
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	2008	2009	2010
Objective 1: Increased Harmonization of Rules With Other Canadian Jurisdictions			
1. Implement highly harmonized and simplified securities laws: <ul style="list-style-type: none"> a. <i>The Securities Amendment Act, 2006 (No. 2)</i>; b. National Instrument 41-101 <i>General Prospectus Requirements</i>; c. National Instrument 31-103 <i>Registration Requirements</i>; d. Amend <i>The Securities Act, 1988</i> to enable the adoption of NI 31-103 <i>Registration Requirements</i>; e. National Instrument 62-104 <i>Take-over and Issuer Bids</i>; f. National Instrument 55-101 <i>Insider Reporting</i>; g. consequential amendments to <i>The Securities Regulations</i>. 	✓ ✓ ✓	 ✓ ✓ ✓	 ✓
2. As part of the Canadian Council of Insurance Regulators, develop a common model code for risk based review of the market conduct of insurance companies and intermediaries.			✓
Objective 2: Up-to-Date Saskatchewan Rules			
1. Develop revised rules for the regulation for payday lenders.	✓		
2. Amend <i>The Saskatchewan Insurance Regulations</i> regarding investment eligibility to more readily allow investments in debt instruments of corporations.	✓		
3. Repeal and replace <i>The Mortgage Brokers Act</i> and Regulations to provide an appropriate regulatory response to a fast growing industry.		✓	
4. Identify the changes necessary to the rules for Saskatchewan deposit taking institutions to be consistent with international standards regarding capital requirements (Basel II).		✓	
5. Review and, if required, amend funding rules and legislation for defined benefit plans.			✓

Goal 2: Confidence in the SFSC and the Saskatchewan Financial Marketplace
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	2008	2009	2010
Objective 1: Effective Compliance			
1. Keep pace with changing financial reporting requirements as a result of the convergence of Canadian GAAP with international financial accounting standards.			✓
2. Create compliance program for new categories of registrants under <i>The Securities Act, 1988</i> who are not members of an SRO.		✓	
3. Design and implement compliance requirements under the new mortgage brokers legislation.			✓
4. Design and implement compliance requirements for the regulation of payday lenders.		✓	
Objective 2 – Effective Enforcement			
1. Implement the new financial compensation provisions of <i>The Securities Act, 1988</i> .	✓		
2. Implement a new strategy and approach in the Enforcement Branch of Securities Division to stop illegal distributions more quickly and hold wrongdoers to account.	✓		
3. Work with Saskatchewan Justice to find ways of achieving more efficient, effective and timely prosecutions for offences under <i>The Securities Act, 1988</i> .	✓		
4. Set up information sharing processes with the RCMP and other police services in Saskatchewan. Consider other ways to work in a more integrated manner on enforcement issues.	✓		
Objective 3 – Effective Consumer Information			
1. Implement the consumer education strategy including redesign of the SFSC’s website and development of material regarding scams and consumer rights. Work with Saskatchewan Justice to seek other ways of improving communications effectiveness.		✓	

Goal 3: Regulatory Consistency between Industry Sectors and for “Like” Products and Services

	2008	2009	2010
Objective 1: Effective Participation in National Initiatives of the Joint Forum of Financial Market Regulators			
1. Participate on the Joint Forum standing committee on effective dispute resolution of consumer complaints.	✓	✓	✓
2. Participate on the Joint Forum project to harmonize point of sale disclosure documents for mutual funds and segregated funds.			✓
3. Participate on the Joint Forum project to examine the regulation of intermediaries who sell mutual funds and segregated funds and identify ways to minimize possible conflicts or undue burden while promoting equivalent consumer protection.			✓
4. Participate on the Joint Forum committee reviewing the effectiveness of the Capital Accumulation Plan guidelines.	✓		
Objective 2: Reduction in Regulatory Gaps and Inconsistencies Resulting from Differences in Saskatchewan’s Business Models or Legislation			
1. Finalize policy issues on regulation of deposit agents in Saskatchewan.	✓		
2. Bring greater consistency between the rules applied to the raising of capital by credit unions, co-operatives and new generation co-operatives and securities rules.	✓		
Objective 3: Effective SROs			
1. Develop assessment criteria and confirm that SROs are meeting their public interest mandates.		✓	

Goal 4: Effective Results with Limited Resources			
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	2008	2009	2010
Objective 1: Increased Operational Efficiency			
1. Upgrade the information technology application used to support the Pensions Division.		✓	
2. Create a policy branch within Financial Institutions Division.	✓		
3. Create a unit to regulate payday lenders. Examine linkages to other government programs dealing with consumer credit issues.	✓		
4. Develop and implement a human resources plan for the SFSC that analyzes the present and future workforce, identifies risks and provides key actions to manage risks.	✓		
Objective 2: Reduction in Work that is Duplicated in Other Jurisdictions			
1. Implement the second phase of a passport system for securities with the SFSC participating as a primary regulator.	✓		

Status of Action Items from Last Strategic Plan

The following table provides a summary of the status of the action plans identified in SFSC's previous (2004-2007) strategic plan.

Goal 1: Fair and Effective Financial Regulatory System for Saskatchewan

Objective 1: Increased Harmonization of Rules with Other Canadian Jurisdictions

1. Adopt uniform securities laws
At the time of the development of the strategic plan, the CSA was pursuing a project in respect of uniform securities legislation. That project was subsumed by the 2004 Memorandum of Understanding which committed most provinces to, among other things, pursue highly harmonized securities law. Considerable progress has been achieved.
 - Continuous disclosure requirements
Completed
 - Long form prospectus requirements
National Instrument (NI) 41-101 General Prospectus Requirements was released for comment in December 2006
 - Registration requirements
Rule to be released for comment early in 2007
 - Registration and prospectus exemptions
Completed
 - Take-over bid rules
Rule to be implemented in June 2007
 - Integrated disclosure
NI 44-101 Short Form Prospectus was amended to broaden the class of issuers that can use a short form prospectus
 - Uniform Securities Act
Legislative amendments introduced in 2006 fall session to bring highly harmonized law

2. Adopt harmonized pension legislation
 - Consult on principles of model pension law
Following three years of development, a broad national consultation was held in 2004 to obtain stakeholder feedback on the proposals for a model law. A subsequent consultation on funding principles for the model law was conducted in 2005.
 - Draft legislation based on model pension law principles
Based on stakeholder feedback, the principles were divided into three categories: non-contentious principles, principles requiring further development and contentious principles. A stakeholder task force was established to help finalize the non-contentious principles and regulators developed model regulations related to

these principles. CAPSA has established projects to address several principles requiring more work. CAPSA is considering its next steps in respect of the contentious issues.

- Amend pension legislation based on the model law
Recommendations regarding the non-contentious principles will be presented to governments for their consideration in 2007. These principles comprise approximately 70% of a pension statute.

Objective 2: Up-to-Date Saskatchewan Rules

1. Update insurance legislation
Project planning identified the need to consider a significant number of changes to insurance legislation in addition to those identified below. It was determined that the SFSC currently does not have the capacity to adequately research, analyze, develop alternatives and consult on the possible changes. The project has been deferred while alternatives can be considered. The SFSC has been monitoring initiatives in other jurisdictions regarding amendments to insurance legislation.
 - Provisions related to capital requirements and solvency testing
Deferred
 - Provisions related to compensation plans
Deferred
 - Market conduct provisions and investment rules
Market conduct provisions are being assessed through a CCIR project. Investment rule changes are being considered
2. Update trust and loan legislation – regulations regarding reporting requirements for finance companies; and, requirements for deposit insurance for non-deposit taking trust companies
Completed
3. Assess approach to regulating persons selling insurance products incidental to their major lines of business
The project was deferred pending a Supreme Court of Canada (SCC) decision regarding the constitutionality of a decision of the Superintendent of Insurance for Alberta to licence bank-owned insurance subsidiaries under insurance legislation. Saskatchewan intervened in the case which was heard by the SCC in April 2006.
4. Implement pension plan governance and self-assessment program
Completed

Objective 3: Effective Self Regulatory Organizations

1. Revise and approve bylaw amendments for the General, Life & Hail Insurance Councils
Completed
2. Review delegation order for General, Life & Hail Insurance Councils
In progress
3. Develop delegation order for CUDGC
The Credit Union Deposit Guarantee Corporation (CUDGC) has not asked for further powers to be delegated. No further work will be conducted unless initiated by CUDGC.
4. Review role of the Securities Division in oversight of the Investment Dealers Association and Mutual Fund Dealers Association
Completed
5. Review the process of hearing appeals of decisions of the General, Life and Hail Insurance Councils
The issue was addressed in the re-writing of the Councils' by-laws. New steps in the appeal process were developed.

Goal 2 – Confidence in SFSC and the Saskatchewan Financial Marketplace

Objective 1: Effective Compliance Programs

1. Implement a compliance review program for firms registered under securities law that are not members of a self regulatory organization
Completed
2. Implement a continuous disclosure review program for publicly traded companies
Completed
3. Implement a compliance review program for pension plan administrators
Completed
4. Assess compliance review programs for insurance and trust and loan companies
FID has expanded its compliance reviews to include a greater emphasis on governance policies, delegation agreements and risk management
5. Implement rules to bolster investor confidence including CEO certification of filings, composition of audit committees, auditor oversight and corporate governance disclosure
Completed

Objective 2 – Enforcement Effectiveness

1. Implement legislative or regulatory responses to address consumer issues related to alternate credit organizations such as payday lenders
A proposed federal government change to the Criminal Code will allow provinces to develop legislation to address payday lenders. Saskatchewan anticipates introducing legislation in spring 2007.
2. Update SFSC’s enforcement strategy, tools, processes and communications, including a review of the compliance programs conducted by the Investment Dealers Association and the Mutual Fund Dealers Association; and, an assessment of whether to provide SFSC with restitution powers for securities
Completed. Restitution was recommended to the Minister and is part of the amendments to The Securities Act, 1988 introduced in the fall 2006.

Objective 3 – Effective and Efficient Consumer Education

1. Assess strategy for educating consumers including the feasibility of delivery of a program by SFSC
Completed. Several initiatives identified in the strategy are outstanding.

Objective 4 – Public Awareness of SFSC

1. Improve tools and techniques used to report SFSC’s accountability to the government and other stakeholders
Completed
2. Develop contingency plans for dealing with any significant failure in the financial marketplace
Addressed in sector specific projects

Goal 3: Regulatory Consistency between Industry Sectors and for “Like” Products and Services

Objective 1: Effective Participation in Initiatives of the Joint Forum of Financial Market Regulators

1. Review issues surrounding financial intermediary licensing including competency, the regulation of advice and harmonizing dual licensing (securities and insurance)
The SFSC leads a Joint Forum project examining the regulation of intermediaries that sell mutual funds and segregated funds with the objective of recommending ways to minimize possible conflicts or undue burden while promoting equivalent consumer protection.

2. Harmonize the regulation of mutual funds and individual variable insurance contracts
The SFSC leads a Joint Forum committee to harmonize the point-of-sale disclosure system for segregated funds and mutual funds. Consultations and legislation/rule development will take until 2009 to complete.
3. Clarify information sharing between the Canadian Financial Services OmbudsNetwork and SFSC; and, continue to monitor the development of standards for the ombudservices
The SFSC leads a Joint Forum committee dealing with the Financial Services OmbudsNetwork. The task of the committee has expanded beyond information sharing to deal broadly with governance matters and interactions with regulators.
4. Develop a practice standard that defines a code of conduct that could apply to all financial services intermediaries in their distribution of financial products and services
Completed by a committee led by the SFSC. A number of professional and trade organizations have incorporated or referenced the Joint Forum's practice standards.
5. Implement guidelines for capital accumulation plans for pensions, securities, and financial institutions
Completed. The SFSC will participate on a committee examining the success of the project in 2007.

Objective 2: Reduction in Regulatory Gaps and Inconsistencies Resulting from Differences in Business Models or Legislation

1. Update regulation of deposit agents
Completed. There remains an outstanding issue in respect of insurance. As well, national policy/rule developments related to principal protected notes and the CSA's registration requirements have implications for the future of the local instrument.
2. Review regulation of mortgage brokers
A draft re-write of The Mortgage Brokers Act has been released for comment and is anticipated to be introduced in spring 2007.
3. Review the rules applied to the raising of capital by credit unions, co-operatives and new generation co-operatives
The SFSC supports regulating the capital raising activity of co-ops and credit unions under The Securities Act, 1988. Legislative options are being explored.

Objective 3: Effective SFSC Governance

1. Document the governance policies and practices for SFSC
Completed
2. Implement the Saskatchewan government's framework for the protection of personal information filed with SFSC
The SFSC is serving as a pilot project in government for a methodology developed by the newly-created Access and Privacy Branch for implementing the privacy framework. Work should be complete in 2007.

Goal 4: Maximized Results with Limited Resources

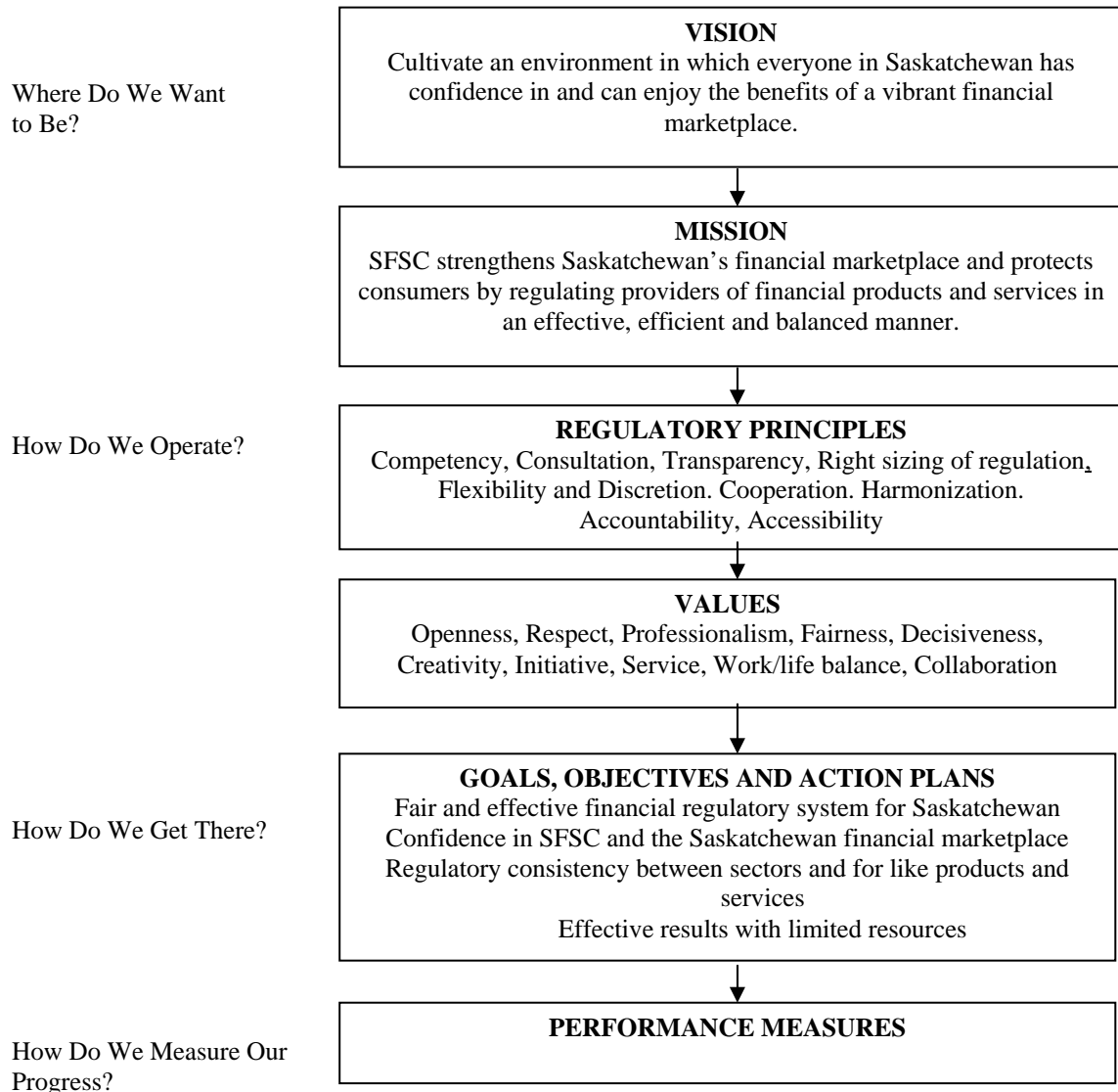
Objective 1: Increased Operational Efficiency

1. Assess the procedures, policies and resources engaged in the collection, recording and deposit of revenue by SFSC
Completed
2. Develop a business continuity plan for SFSC
Completed
3. Develop and implement an enhanced learning and development program for staff of SFSC
Completed. Continues to be a priority for the SFSC.

Objective 2: Reduction in Work that is Duplicated in Other Jurisdictions

1. Implement a mutual recognition and reliance system for registrations under *The Securities Act, 1988*
Completed
2. Implement a passport system as directed by the ministers responsible for securities regulation
Interim version of passport system is in operation. Legislation has been introduced to allow for the development of a more comprehensive version in 2007.
3. Develop memorandum of understanding with the Office of the Superintendent of Financial Institutions and with insurers for the sharing of electronic filings of financial information from non-Saskatchewan insurers by SFSC
Completed
4. Develop memorandum of understanding with the Office of the Superintendent of Financial Institutions and with insurers for the sharing of electronic filings of financial information from non-Saskatchewan insurers by SFSC
Completed

Strategic Summary



Appendix 1 – Legislation

General

- *The Saskatchewan Financial Services Commission Act*
- *The Saskatchewan Financial Services Commission Assignment Regulations*

Financial Institutions

- *The Cost of Credit Disclosure Act, 2002*
- *The Credit Union Act, 1998*
- *The Credit Union Regulations, 1999*
- *The Credit Union Insurance Business Regulations*
- *The Credit Union Act, 1985*
- *The Credit Union Regulations*
- *The Mortgage Brokers Act*
- *The Mortgage Brokers Regulations*
- *The Real Estate Act*
- *The Real Estate Regulations*
- *The Saskatchewan Insurance Act*
- *The Saskatchewan Insurance Councils Regulations*
- *The Saskatchewan Insurance Compensation Plan Regulations, 1990*
- *The Saskatchewan Insurance Regulations, 2003*
- *The Trust and Loan Corporations Act, 1997*
- *The Trust and Loan Corporations Regulations, 1999*

Pensions

- *The Pensions Benefits Act, 1992*
- *The Pension Benefits Regulations, 1993*

Securities

- *The Securities Act, 1988*
- *The Securities Regulations*
- *The Securities Commission (Regulation Procedures) Regulations*
- *The Securities Commission (Disclosure of Personal Information) Regulations*