



Guidance for: Banks/FBB/T&L/Coop/
Retail Associations/
Life/P&C

February 27, 2013

To: All Federally Regulated Financial Institutions (FRFIs)

Subject: Instruction Guide on Administrative Procedures for the Late and Erroneous Filing Penalty (LEFP) Framework

FRFIs are required to submit to OSFI various statutory filings as well as those deemed by the Superintendent necessary to conduct its supervisory responsibilities.

The LEFP Framework, which became fully operational in 2002, was introduced to encourage the prompt filing of error free returns. Under the Framework, FRFIs not submitting error free returns by the applicable filing deadline may be subject to financial penalties.

In order to assist FRFIs in understanding the LEFP Framework, OSFI has for a number of years maintained an LEFP Administrative Procedures instruction guide. The guide provides a general overview of the Framework, outlines the returns subject to the regime, the penalty structure, and the penalty appeal process.

The April 2011 version of the Guide has been updated to improve clarity and outline a simplified appeal process.

We would like to highlight the fact that the appeal process is intended for situations where a FRFI can demonstrate “compelling” reasons for objecting to a penalty. A compelling reason could include situations that are generally beyond the control of the FRFI, such as a major systems failure or a major power outage. Situations that would not be considered compelling would include delayed postal or courier delivery, internal control breakdowns, staff shortages, or a FRFI’s previous good filing record/first time occurrence.

Questions regarding the LEFP Framework may be directed to OSFI’s Regulatory Information Division by telephone at 613-990-1889.

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