



# STATEMENT OF PRIORITIES FOR 2010

**Presenter**  
**Hillary Deveaux**  
**Executive Director**



# Strategic Direction

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**COMPETENCE**<sub>CE</sub>

**PROACTIVE  
REGULATORY  
ENVIRONMENT**

**PROFESSIONAL  
BUSINESS  
CULTURE**

# Critical Success Factors





# The Challenges Ahead

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- Working with resource constraints
- The timeline for the consolidation of financial services regulatory body
- The effective date of the new securities legislation
- The implementation of recommendations resulting from various consultancies



# Operational Plans for 2010

- Review the operations of the Commission to identify areas of risk and required improvements
- Augment internal systems and the work environment to support employee relations
- Enhance Governance of the Commission
- Improve efficiency of the Commission
- Improve the Legislative Framework of the Commission
- Consistent, High Standards of Ongoing Operations



# 2010 Goals and Specific Initiatives

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## GOAL # 1

- Review the operations of the Commission to identify areas of risk and required improvements

## Specific Initiatives:

- Conduct a risk assessment of the external environment (the markets we regulate and associated risks)
- Implement recommendations from risk assessment initiatives



# 2010 Goals and Specific Initiatives

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## GOAL # 2

- Enhance internal systems and the work environment to support employee relations

## Specific Initiatives:

- Enhance Team Work Initiatives
- Enhance Performance Evaluation Tools
- Improve communication



# 2010 Goals and Specific Initiatives

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## GOAL # 3

- Enhance Governance of the Commission

## Specific Initiatives:

- Review Code of Ethics for staff
- Update internal departmental procedures and other documentation (ongoing)
- Improve transparency through regular reporting and publications



# 2010 Goals and Specific Initiatives

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## Goal #4

- Improve efficiency of the Commission

## Specific Initiatives

- Improve database systems to support regulatory and statistical functions.
- Concentrate on technical skills development
- Enhance network and user support tools within the commission
- Re-Vamp Website



# 2010 Goals and Specific Initiatives

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## Goal #5

- Improve the Legislative Framework of the commission

## Specific Initiatives

- Conclude development of new SIA and SIR legislation
- Conduct a comprehensive review of:
  - FCSPA
  - IFA



# 2010 Goals and Specific Initiatives

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## Goal #6

➤ Ongoing Operations

## Specific Initiatives

- Securities Industry Act Implementation
- FSAP – Execution of Action Plan to eliminate gaps in the regulatory framework
- Consolidation of the Financial Services Regulators



# Conclusion

## 2010 PRIORITIES

1. Review the operations of the Commission to identify areas of risk and required improvements
2. Enhance Internal systems and the work environment to support employee relations
3. Enhance Governance of the Commission
4. Improve efficiency of the Commission
5. Improve the Legislative Framework of the Commission
6. Consistent, High Standards of Ongoing Operations

## OUTCOME

The strategic direction should result in an organisation that is respected for its competence, professional business culture, and proactive regulatory environment.



**THANK YOU**



# Update from The Authorizations Department

Presenter  
Peggy E. Knowles  
Acting Manager



# Areas of Focus

- Delegated Authority
- Components of the Application Process
- Fast-track process
- Financial and Corporate Service Providers
- Challenges



# Delegated Authority

- FCSPA - Except enforcement matters
- IFA - Recognized Foreign Funds
- SIA - Associated Persons
- Further Considerations



# The Application Process

- Complete applications
  - Components
  - Delays in the process of applications
  - Documentation deficiencies
  
- Stale-dating Guidelines
  - Applicable to all categories of Licensing and Registration
  - Incomplete applications pending for a 90 day period



# The Fast Tracking Process

- Professional Funds
- Smart Funds
- 72 hour application process timeline
- Up to 21 days to make application whole



# Financial and Corporate Service Providers

- Implementation of Changes
- Annual Renewal Process
- The Fee Billing Process
- The Annual Information Update Form

# Blank Licenses

- Reconciliation Exercise
- Way forward



# CHALLENGES

- Filings of licences by Unrestricted Administrators
- Applications
- Penalty Fees



**THANK YOU**



# Update from The Market Surveillance Department

Presenter  
Sandra M. Duncombe  
Acting Manager



# Areas of Focus

- **Supervisory activities**
- **Initiatives**
- **Challenges**



# Supervisory Activities

- **Offsite supervision**
- **Regulation**



# Initiatives

- **Enhanced surveillance programme**
- **Attachments to industry**
- **Enforcement process**



# Challenges

- **Take over code**
- **Corporate governance guidelines**
- **Oversight of the secondary markets**



**THANK YOU!**



# Update From The Inspections Department

Presenter  
Addie Winder  
Manager



# Areas of Focus

- Status of Coordination of Supervisory Activities (Joint Examination Protocol).
- On-Site Examination Coverage 2009.
- Planned On-Site Examination Coverage for 2010.
- Progress in Moving Toward a More Risk-Based Framework.
- General Comments Regarding On-Site Examination Activities.



**THANK YOU!**

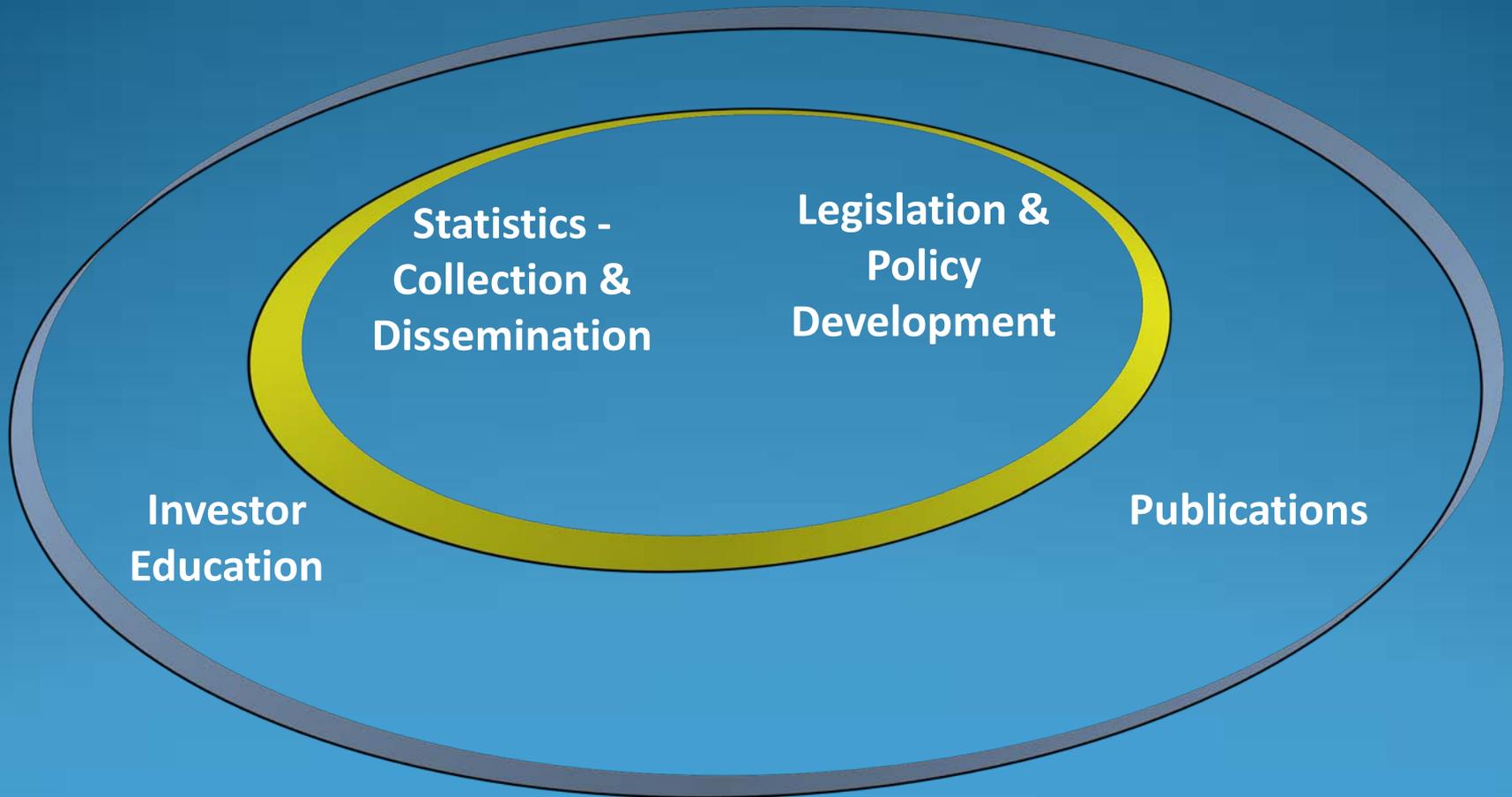


# Update from the Policy & Research Department

Presenter  
Jessika Sawyer  
Manager



# POLICY & RESEARCH DEPARTMENT





# AREAS OF FOCUS

- **Statistical Function**
- **Legislative and Policy Development**
- **Publications**
- **Investor Education Program – *Getting My Money Right***



# The Statistical Function

- Collection, Analysis and Dissemination of Data
- Currently data is only collected as a part of the statistical function from Investment Funds Administrators or operators – **the E-filing process**



# Investment Funds

## INVESTMENT FUNDS

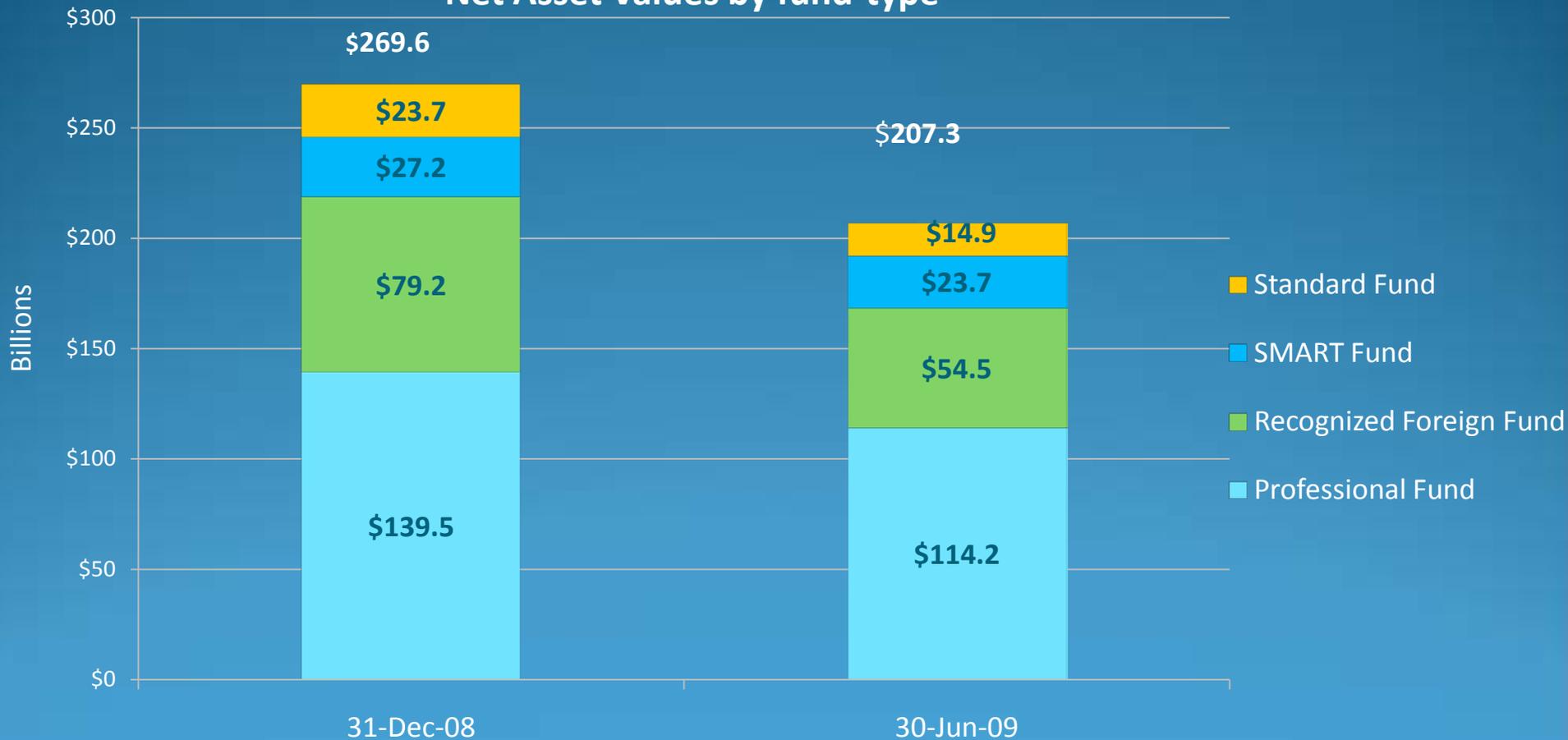
<b>Fund Category</b>	<b><u>31 DEC. 04</u></b>	<b><u>31 DEC. 05</u></b>	<b><u>31 DEC. 06</u></b>	<b><u>31 DEC. 07</u></b>	<b><u>31 DEC. 08</u></b>	<b><u>30 JUN. 09</u></b>	<b><u>31 DEC. 09</u></b>
Standard Funds	275	285	132	144	122	100	82
Professional Funds	337	242	298	286	307	285	259
Recognized Foreign Funds	151	84	171	206	269	225	182
SMART Funds	75	88	122	146	169	194	264
<b>TOTAL FUNDS</b>	<b>838</b>	<b>699</b>	<b>723</b>	<b>782</b>	<b>811</b>	<b>804</b>	<b>787</b>
<b>TOTAL NAVs (BILLIONS)</b>	<b>\$163.4</b>	<b>\$175.2</b>	<b>\$204.7</b>	<b>\$297.6</b>	<b>\$269.6*</b>	<b>\$207.3**</b>	<b>N/A***</b>

\*This NAV is based on data filed by licensees for 711 of the active funds

\*\* The Dec. 31, 2009 statistical filing period is currently open; a NAV estimate is to be provided by February, 2010.

# Investment Funds cont'd

Net Asset Values by fund-type

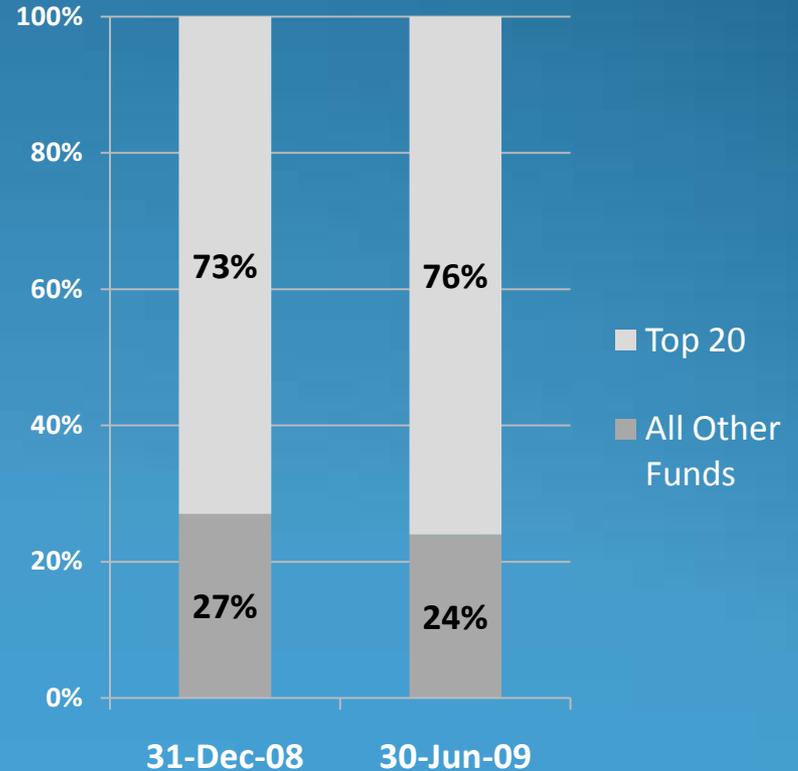


# NAVs of Investment Funds

## Top Funds by Net Asset Values



## Top Funds By Percentage of Total Net Asset Values





# The Statistical Function

- The Collection of Other Statistical Data – SIAs and FCSPAs



# Legislation and Policy Development

- Focus on the development of policies and guidelines under the new SIA as well as the comprehensive reviews of the FCSPA and the IFA



# Publications

- Semi-Annual Digest
- Annual Report

# Investor Education

## Investing Fundamentals

## Optimizing Investments

## Market Dynamics

New Investor

- **Education**
  - Investment Fraud
  - Professional Advisors
- **Goals**
  - Wealth Creation
  - Risk vs. Reward
  - Time Value of Money

- **Education**
  - Fees and Expenses - Professional Management
- **Goals**
  - Active v. Passive
  - Market Participant Conflicts

- **Education**
  - State of Market
  - Regulatory Change
  - Market Nuances and Structure
- **Goals**
  - Proxy Voting
  - Identifying Corporate Fraud

Sophisticated Investor





# *Getting my Money Right*

## Investor Education Activities 2010

- Joint Initiatives
- Essay Competition
- Public Service Announcements (PSAs)



Thank you



# Update from The Office of Legal Counsel

Presenter  
Mechelle Martinborough

# Office of Legal Counsel

Legislative  
Development

International  
Requests

Enforcement

Investigations



# OLC Update 2010

Status of Outstanding Matters for  
2009

The Year Ahead - 2010 Activities

Statistics



# Status of 2009 Matters

- Securities Legislation
- Investments Funds Legislation
- SMART Fund Rules
- IOSCO MMOU
- Physical Presence

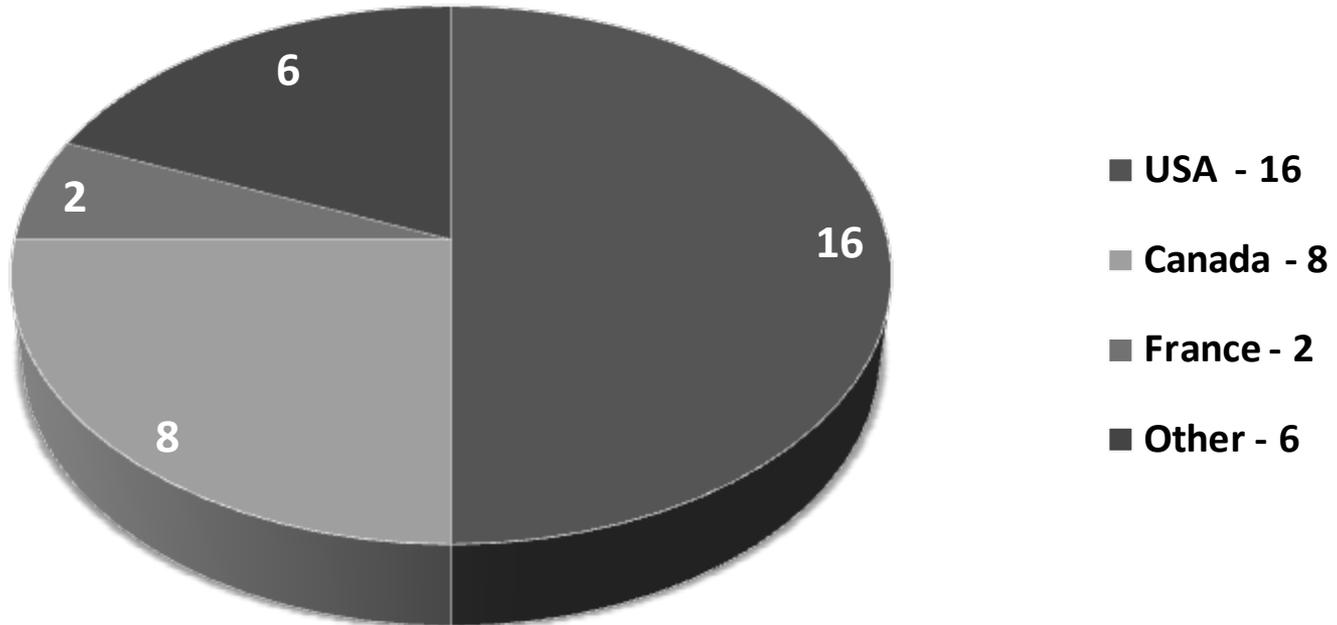


# Legislative Developments

- Securities Legislation
  - Rules and Guidelines
  - Implementation
- Investment Funds Legislation
- Financial Corporate Service Providers Act
  - Review
  - Development of Amendments
  - Section 21 Exemption

# International Requests

International Requests 2009





# International Requests Cont'd

	Matters Carried Over	New Matters	Closed Matters	Refusals (Requests or consents)	Totals
2009	18 (from 2008)	14	11	3	21
2010	21 (from 2009)	5	10	0	16

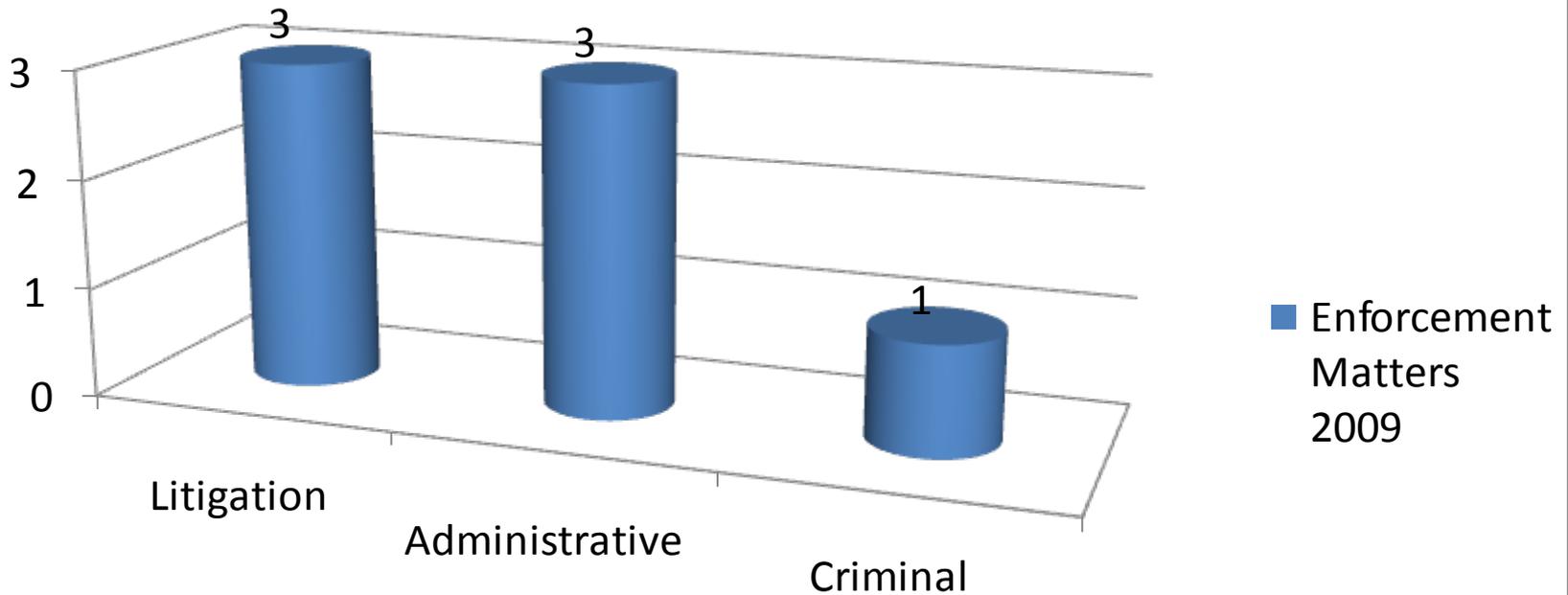


# International Requests Cont'd

- Procedural Issues
  - Commission's Internal Review of International Requests
- Substantive Issues
  - Consent for Onward Disclosure
  - Failure to comply with requests

# Enforcement

## Enforcement Matters 2009





# Enforcement Cont'd

- Procedural Issues
  - Filing of an Answer
  - Settlement Process
- Substantive Issues
  - Costs
  - Confidentiality



# Investigations

- Statistics
- Noticeable Trends
- Confidentiality



Thank You