

Joint Forum of Financial Market Regulators

Forum conjoint des autorités de réglementation du marché financier

CANADIAN ASSOCIATION OF PENSION SUPERVISORY AUTHORITIES

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BUREAU DES SERVICES FINANCIERS

Louise Champoux-Paillé
President

January 15, 2003

Dear stakeholders:

On May 24, 2002 a letter was sent by the Joint Forum of Financial Market Regulators to stakeholders to provide an update on the initiative to develop guidelines that would facilitate the implementation of the revised principles for investment disclosure in capital accumulation plans (CAPs) previously approved by the Joint Forum. This letter is to update you on the status of the initiative and advise you that the revised principles have now been posted on the websites of the Joint Forum's constituent organizations.

Since July 2002, the Joint Forum Working Committee on Investment Disclosure in Capital Accumulation Plans has worked with an industry task force to develop guidelines to implement the revised principles. The industry task force includes representatives from insurance, pension and securities stakeholder associations. It is expected that the committee will present the proposed guidelines to the Joint Forum at its April meeting where the Joint Forum will be asked to approve a broad public and industry consultation on the guidelines. Concurrent with the work of the committee, an independent review of the nature of the judicial relationship among the stakeholders in a CAP has been commissioned which may impact the future application of the guidelines in Quebec.

When they are finalized, the guidelines should address the three overriding concerns that face the various stakeholders in capital accumulation plans:

- 1) Do members of CAPs have the information and assistance they need to make informed investment decisions?
- 2) What are the responsibilities of employers, administrators, members and service providers with respect to CAPs?
- 3) Is there a similar regulatory result for all CAP products and services regardless of the regulatory regime?

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The revised principles have been posted on the websites of the Joint Forum's constituent organizations: the Canadian Association of Pension Supervisory Authorities <http://www.capsa-acor.org>, the Canadian Council of Insurance Regulators <http://www.ccir-ccrra.org> and the Canadian Securities Administrators <http://www.csa-acvm.ca>.

On behalf of the members of the Joint Forum and the Working Committee we would like to thank the stakeholder associations and the individual representatives participating on the industry task force for their collaboration in developing the proposed CAP guidelines.

Yours truly,

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David Wild
Chair, Joint Forum of Financial Market Regulators
Chair of the Saskatchewan Financial Services Commission, and
Superintendent of Pensions, Saskatchewan