

Joint Forum of Financial Market Regulators

Forum conjoint des autorités de réglementation du marché financier

FOR IMMEDIATE RELEASE (May 28, 2004)

REGULATORS RELEASE GUIDELINES FOR CAPITAL ACCUMULATION PLANS

May 28, 2004 (TORONTO) – Pensions, insurance and securities regulators across Canada today released guidelines for the operation of Capital Accumulation Plans (CAPs).

The guidelines were developed by the Joint Forum of Financial Market Regulators (Joint Forum) with the assistance of an industry task force and reflect the expectations of regulators and industry best practices.

CAPs include defined contribution pension plans, group registered retirement savings plans, deferred profit sharing plans and group registered education savings plans. These plans are usually offered by employers for the benefit of their employees and permit the employees to make investment decisions among two or more options offered within the plan.

Over three million Canadians have accumulated approximately \$60 billion of assets in over 40,000 CAPs established across the country. The intent of the guidelines is to ensure that these CAP members have the information and assistance they need to make informed investment decisions when investing assets they are accumulating for retirement and other purposes. In addition, the guidelines outline and clarify the rights and responsibilities of CAP sponsors, service providers and CAP members, and aim to ensure that, regardless of the applicable regulatory regime, there is a similar regulatory result for all CAP products and services.

“The guideline approach allows for a high degree of harmonization across sectors and across the country,” according to David Wild, Chair of the Joint Forum and Chair of the Saskatchewan Financial Services Commission. “It also provides flexibility to adapt to continuing changes in the CAPs marketplace,” added Mr. Wild.

While the guidelines are being released today, a 19-month transition period has been established for CAP sponsors and service providers to make any necessary revisions to the operation of their capital accumulation plans. Regulators expect the guidelines to be followed in full by December 31, 2005.

Joint Forum of Financial Market Regulators

Forum conjoint des autorités de réglementation du marché financier

Nurez Jiwani, Chair of the Joint Forum Committee on Capital Accumulation Plans, indicated that the guidelines were developed with extensive industry consultation, including focus group sessions with employers, employees and service providers across Canada. “As a result, there has been strong industry input and support in the development of the guidelines, as well as praise for the collaborative process adopted by regulators,” added Mr. Jiwani.

The Joint Forum was founded in 1999 by the Canadian Council of Insurance Regulators (CCIR), the Canadian Association of Pension Supervisory Authorities (CAPSA) and the Canadian Securities Administrators (CSA) as a mechanism for coordinating the development of harmonized, cross-sectoral, cross-jurisdictional solutions to financial services regulatory issues.

Copies of the guidelines can be viewed at www.capsa-acor.org, www.ccir-ccrra.org, www.csa-acvm.ca, or www.jointforum.ca.

Contact:

Nurez Jiwani
(416) 590-8478
njiwani@fSCO.gov.on.ca