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Joint Forum of Financial Market Regulators receive early feedback regarding total cost reporting and climate change

Toronto – The Joint Forum of Financial Market Regulators (Joint Forum) held its annual meeting on June 15, 2022. The Joint Forum brings together members of the Canadian Securities Administrators (CSA), the Canadian Council of Insurance Regulators (CCIR), the Canadian Association of Pension Supervisory Authorities (CAPSA) and representatives from the Canadian Insurance Services Regulatory Organizations (CISRO), as well as from the Mortgage Broker Regulators’ Council of Canada (MBRCC).

The Joint Forum heard feedback from key stakeholders representing industry associations and consumer advocates regarding the Total Cost Reporting (TCR) consultation. The TCR consultation ([CSA members' websites](#) and [CCIR website](#)) proposes enhanced cost disclosure reporting requirements for investment funds and segregated funds. Enhanced cost disclosure increases public protection by improving investors’ and policy holders’ awareness of ongoing embedded fees and contributes towards informed financial decisions. The consultation was launched on April 28, 2022 and formal submissions will be accepted until July 27, 2022. The Joint Forum members received initial comments on scope and implementation issues, level of information for investors and policy holders; and proposed transition period.

The Joint Forum members received presentations about climate change, in particular, the frequency, severity and costs of extreme weather events as well as some private and public sector partnerships that are currently underway. Don Forgeron, President and CEO of the Insurance Bureau of Canada, and President of the Global Federation of Insurance Associations, delivered a national and international view from the property and casualty insurance sector. Kathy Bardswick, Chair of the Government of Canada’s Sustainable Finance Action Council, highlighted the initial work of the Council and steps regulators and the private sector can take toward achieving a sustainable finance ecosystem in Canada.

“Regulators are committed to bringing TCR to market and will work closely with both the insurance and securities sectors to accomplish this in the most expedient manner,” said Robert Bradley, CCIR Chair and Superintendent of Insurance, Prince Edward Island. “Policy holders and investors deserve to understand all costs associated with owning investment and segregated fund products and be able to more easily compare their performance. Insurance regulators understand that the insurance industry is supportive of this initiative and have been aware since the release of our 2017 CCIR Position Paper on segregated funds.”

“The Total Cost Reporting project is crucial to complete the work introduced in 2013 under the CRM2 by providing investors with information on all costs, including ongoing embedded costs such as management fees and trading expenses, of owning investment funds,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “We continue to encourage registrants and insurers to conduct advance planning in order to implement the necessary changes as quickly as possible following the finalization of the TCR requirements.”

Tamara DeMos, CAPSA Vice-Chair, Chair of CAPSA’s ESG Committee and Managing Director, Private Pension Plans Division, Office of the Superintendent of Financial Institutions said that “Amongst all of the ESG considerations, the potentially intense effects of a disorderly transition to a lower carbon economy is driving regulators to accelerate and focus their efforts on climate-related risks. Pension plans need to assess their resilience to climate-related risks and meet their fiduciary obligations in an uncertain economic environment. Our work with other regulators is key to finding timely and effective risk management expectations that help protect members and beneficiaries.”

CCIR is an inter-jurisdictional association of insurance regulators. The mandate of the CCIR is to facilitate and promote an efficient and effective insurance regulatory system in Canada to serve the public interest.

The **CSA**, the council of the securities regulators of Canada’s provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

CAPSA is a national association of pension regulators whose mission is to facilitate an efficient and effective pension regulatory system in Canada. It develops practical solutions to further the coordination and harmonization of pension regulation across Canada.

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For Investor inquiries, please refer to your respective securities regulator. You can contact them [here](#).