

Financial Sector Regulation Bill

Chapter 1 – Definitions

- **Financial products** – bank deposits, insurance policies, unit in a unit trust (CIS), etc.
- **Financial services** defined as services performed in relation to *financial products, foreign financial products, and financial instruments (cl.3)* :
 - Offering, promoting, marketing or distributing
 - Providing advice, recommendations or guidance
 - Dealing or making a market
 - Operating or managing or providing administrative services

Chapter 2 RESERVE BANK AND FINANCIAL STABILITY

- Must monitor financial system for potential systemic risks (cl. 12)
- Manages systemic events (cl. 14-19)
- Grants powers to intervene only when there is a crisis

FINANCIAL STABILITY OVERSIGHT COMMITTEE

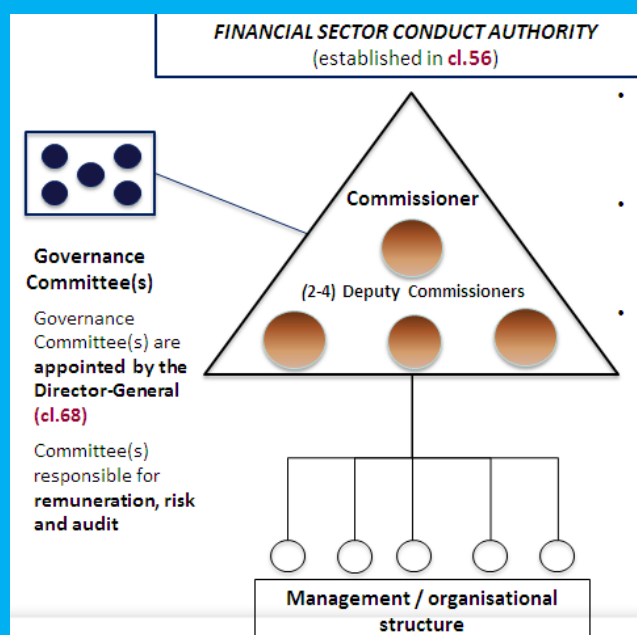
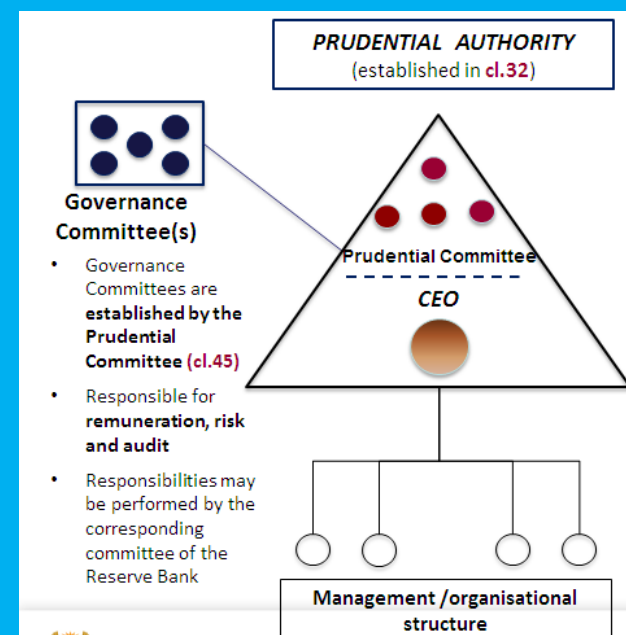
Role of the FSOC:

- Plays an **advisory** role to the Reserve Bank to support it in fulfilling its financial stability mandate (cl. 20-24)
- Supported by Financial Sector Contingency Forum (cl 25)

REGULATOR ACTIONS

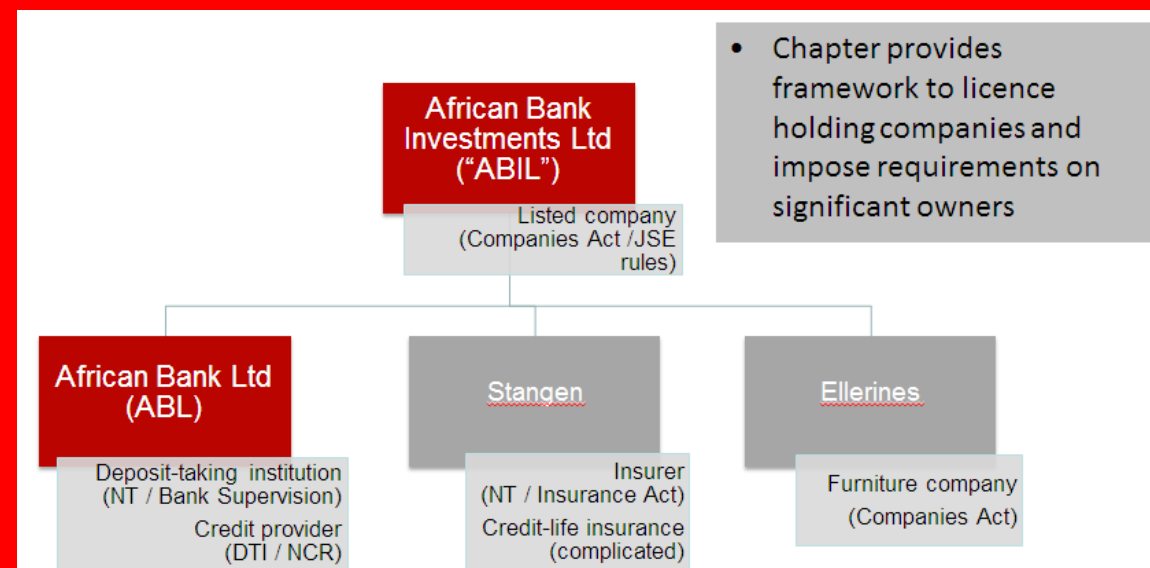
- **CHAPTER 6: ADMINISTRATIVE ACTIONS**
Provisions of PAJA apply; regulators can establish administrative action committees
- **CHAPTER 7: REGULATORY INSTRUMENTS**
Prudential standards; conduct standards; joint standards
- **CHAPTER 8: LICENSING**
No change to existing licenses; process to license designated products and services; dual key approach
- **CHAPTER 9: INFORMATION GATHERING, INSPECTIONS AND INVESTIGATIONS**
Requests for information; routine supervisory visits; investigation when contraventions suspected
- **CHAPTER 10: ENFORCEMENT**
Remediation to rectify breach, prevent recurrence. Other option is to institute criminal prosecutions
- **CHAPTER 13: ADMINISTRATIVE PENALTIES**
Penalties for various contraventions

Chapter 3 AND 4 – PRUDENTIAL AUTHORITY; FINANCIAL SECTOR CONDUCT AUTHORITY



Chapter 11: SIGNIFICANT OWNERS

CHAPTER 12: FINANCIAL CONGLOMERATES



Chapter 5 COOPERATION AND COORDINATION

- Memoranda of Understanding
- Financial System Council of Regulators
- Interministerial Council
- FSOC

Chapter 14: OMBUDS

- FSR Bill proposes to repeal the FSOS Act
- Align ombud system to evolving Twin Peaks regulatory system
- Establishing the **Ombud Regulatory Council** as a statutory body that will establish a single point of entry into the ombud system.

Chapter 15: FINANCIAL SERVICES TRIBUNAL

- **Judicially review decisions of financial sector regulators and Ombud Regulatory Council** on application by aggrieved persons
- Panels are constituted for each application for review

Chapter 16: FEES AND LEVIES

- Money Bill to be tabled

Chapter 17: Miscellaneous