

VIEWPOINT

Update on CAP guidelines

By Nurez Jiwani & Ann Leduc

The Joint Forum is currently hammering out guidelines for capital accumulation plans.



Last year the Joint Forum worked to revise the proposed regulatory principles for capital accumulation plans (CAPs), releasing them in mid-2002.

To ensure widespread participation, the Joint Forum kept the process transparent.

Broad involvement was cultivated and stakeholders regularly updated. All 44 stakeholder submissions were considered and the principles subsequently revised.

The new principles have since been approved by the Joint Forum and are now available, along with copies of stakeholder submissions, on the Web sites of the Canadian Association of Pension Supervisory Authorities (www.capsa-acor.org), the Canadian Council of Insurance Regulators (www.ccir-ccrra.org) and the individual securities regulators.

Both our committee and an industry task force established to help the Joint Forum, are now developing guidelines for CAPs. The task force includes representatives from pension, insurance and securities industry stakeholder associations. We are working to ensure that all interested parties have a say in the process.

Many stakeholders may be affected by the proposals.

As a result, the drafting of these guidelines requires extensive consultation. At the same time, an independent review of the nature of the judicial relationship among the stakeholders in a CAP was commissioned which may impact the application of the guidelines in Quebec.

Once finalized, the CAP guidelines should address the three overriding concerns for stakeholders:

1. Do members of CAPs have the necessary information and assistance 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?

The guidelines for capital accumulation plans are expected to be ready for the Joint Forum meeting in April, at which time they will be sent out for broad public consultation.

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VOLATILITY



Illustration by David Brown

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