



THE SCHOOL OF PUBLIC POLICY



**GLOBAL
RISK**
INSTITUTE



UNIVERSITY OF CALGARY
FACULTY OF LAW

Financial Institution Regulation: Optimizing the Risk-Return Trade-off

OVERVIEW

Regulation of financial institutions plays a crucial role in protecting the public interest while also needing to facilitate competition and allow the industry to successfully adapt to rapidly changing conditions. However, executives in banking, insurance, securities and other parts of the financial sector uniformly report that regulatory matters account for an extraordinary, and increasing, proportion of their time.

For many financial executives the regulatory system is somewhat of a black hole. A more informed understanding of the financial regulatory framework and its underlying principles enables executives to deal with the challenges of regulatory compliance more efficiently and more effectively.

This workshop provides an understanding of the regulatory framework in place in Canada for the financial industry: banks, insurance companies, and securities dealers. Participants will examine how well the Canadian system is meeting its objectives, what important trade-offs occur, and explore the international forces that are influencing Canada's regulatory regime.

WORKSHOP OBJECTIVES

- A. Give participants a clear understanding of both the principal rules that govern some of the biggest businesses in our economy, as well as the policy rationales for those rules;
- B. Canvass the breadth of financial institutions in Canada, and the structure of the various federal and provincial regulatory regimes;
- C. Gain insight into the structure and underlying principles that support the regulatory system and how Canadian regulatory principles and practices are evolving;
- D. Reflect on some of the key challenges that face regulators and financial institutions in the coming decade.

Venue:

University of Calgary Downtown Campus
The School of Public Policy
Nexen Technology and Event Centre
5th Floor, 906 – 8th Avenue SW
Calgary, AB T2P 1H9

SCHEDULE & TOPICS:

Day 1	TOPIC(S) & ACTIVITIES
May 23 8:30-9:45	Introduction to Financial Institutions Economic purpose of regulation Consumer Protection Systems Speaker: Norma Nielson
May 23 10:00-11:45	History of Financial Institution Regulation in Canada; Current Model (including federal vs provincial responsibilities) Speakers: Lawrie Savage, Executive Fellow, School of Public Policy & Doug McLean, Executive Director, BC FICOM
May 23 12:00-1:20	When the ship is sinking Keynote speaker: Brenda Eprile, Home Capital Group
May 23 1:30-4:45 with break	Bank Act: 101 <ul style="list-style-type: none"> • Part 1 – Background; Business Powers & Restrictions; Investment Powers & Restrictions; Budget Implementation Act; Federal Players • Part 2 – OSFI’s Risk-Based Approach to Supervision • Part 3 – Corporate Governance Speakers: Blair Keefe and Eli Monas, Torys LLP
Day 2	TOPIC(S) & ACTIVITIES
May 24 8:30-8:50	Enterprise Risk Management Framework for Financial Institutions <ul style="list-style-type: none"> • Enterprise Risk Management Framework Overview <ul style="list-style-type: none"> ○ Including risk appetite/strategy alignment, risk identification, assessment, response, governance, reporting and culture Speaker: Michael Stramaglia, Executive in Residence, Global Risk Institute
May 24 8:50-9:45	<ul style="list-style-type: none"> • Focus on Risk Identification – Best practices and survey of emerging risks • “Bowtie” Exercise Speaker: Mark Caplan, President, Global Risk Institute
May 24 9:45-10:00	Coffee Break
May 24 10:00-10:30	<ul style="list-style-type: none"> • Focus on Risk Governance – Best practices and managing regulator expectations Speaker: Mark Caplan, President, Global Risk Institute
May 24 10:30-11:45	<ul style="list-style-type: none"> • Focus on Risk Culture – Hallmarks of Strong Risk Culture, Red Flags • Various cases will be referenced

	<p>Speakers: Michael Stramaglia, Executive in Residence, Global Risk Institute</p>
May 24– Luncheon	<p>Working lunch: discussion of regulatory issues in participants’ example institutions</p>
May 24 1:00-2:45	<p>Similarities and Differences in Supervision of Insurance Companies (and pensions) Speakers: Norma Nielson; Lawrie Savage</p>
May 24 3:00-5:30	<p>Securities overview</p> <ul style="list-style-type: none"> • Registration rules • How the regulatory scheme works (including IIROC, MFDA, etc) • “Pain points” observed in reviews of securities dealers <p>Speaker: Navdeep Gill, Legal Counsel, Market Regulation, Alberta Securities Commission</p>