

About OSFI

OSFI is an office of the Government of Canada created by virtue of s.4 of the OSFI Act, presided over by the Minister of Finance. However, OSFI is not a legal entity separate from the Government of Canada.

OSFI is led by a Governor in Council (GIC) Appointee for a seven-year term. The current Superintendent is Peter Routledge.

OSFI is listed in Schedule I.1 of the Financial Administration Act (FAA) and as such governed by the same financial and accountability principles as other government departments. However, OSFI is also designated in schedule V of the FAA as a “separate agency” as it pertains to human resources management including classification standards and authority to enter into collective agreements/bargaining.

OSFI has approximately **1,300 employees** and a budget of approximately **\$322M**. OSFI has offices in Vancouver, Toronto, Ottawa, and Montreal.

Unlike the vast majority of other branches of the government more than 99% of our expenses are cost-recovered, primarily through assessments of federally regulated financial institutions and private pension plans. These expenses have no impact on the Government of Canada’s fiscal position and do not rely on parliamentary appropriations. More importantly, **the fees we charge regulated financial institutions are very modest, accounting for about 0.1% of their revenues or 0.3% of their pre-tax earnings.**

Differences about how we operate compared to other GC Departments

	OSFI	Most Government of Canada Departments
Created by statute	OSFI Act	Specific acts establishing each Department
Status	“office of the GOC” or a division of the Federal public service	Department
Staff	Public servants	Public servants
Governance	Minister presides over OSFI Deputy head - Superintendent	Minister presides over department Deputy head- Deputy Minister
Direction by the Minister	Superintendent has full discretion to exercise his statutory powers (except taking control)	Minister implements policy and general direction of the department
Financing with public funds	Assessment fees and appropriations	Appropriations
Management of personnel	Superintendent is the employer	TBS is the employer
Enter into collective bargaining and classification of positions	Superintendent with the approval of the GIC	TBS

What we do

The Office of the Superintendent of Financial Institutions (OSFI) protects depositors, policyholders, financial institution creditors, and pension plan members, while allowing financial institutions to compete and take reasonable risks. In doing so, we contribute to **public confidence** in the Canadian financial system.

OSFI regulates and supervises more than 400 financial institutions and 1,200 pension plans.

This includes: all banks in Canada; all federally incorporated trust and loan companies; insurance companies; fraternal benefit societies; and 1,200 federally regulated private pension plans.

OSFI's core activities and functions

We work to:

- ensure federally regulated financial institutions (FRFIs) and federally regulated pension plans (FRPPs) remain in sound financial condition
- supervise financial institutions in order to determine whether they have adequate policies and procedures to protect themselves against threats to their integrity or security, including foreign interference
- act early when issues arise and require FRFIs and FRPPs to take necessary corrective measures without delay
- monitor and evaluate risks and promote sound risk management by FRFIs and FRPPs

OSFI is headed by the Minister of Finance and reports to Parliament through the Minister. OSFI's legislation distinguishes between the powers of the Minister of Finance (e.g., approval of corporate transactions) and the Superintendent (e.g., examination of financial institutions), which are exercised independently.

Superintendent Deputy Head of OSFI	Minister of Finance Presides over OSFI
<ul style="list-style-type: none">✓ Full discretion to exercise his/her statutory powers (except taking control)✓ Can direct the FRFI to take any measures necessary to remedy a prudential risk✓ In extraordinary situations can take control of a FRFI	<ul style="list-style-type: none">✓ Must agree that the taking control of financial institution is consistent public good✓ Can direct the Superintendent to take control of a FRFI for national security reasons
<ul style="list-style-type: none">✓ Provides reports for Tabling in the House of Commons to the Minister of Finance<ul style="list-style-type: none">⦿ Annual Report⦿ Departmental Plan⦿ Departmental Results Report	<ul style="list-style-type: none">✓ Tables OSFI reporting requirements in the House of Commons
<ul style="list-style-type: none">✓ Reports on the findings of examinations of FRFIs and FRPPs (annually)✓ Reports on the adequacy of policies and procedures to protect against threats, including foreign interference (annually)	<ul style="list-style-type: none">✓ Maintains awareness of the state of Canada's financial industry
<ul style="list-style-type: none">✓ Administers the approvals process for financial institutions to conduct business/ transactions including:✓ Processing all applications for ministerial approval under applicable legislation	<ul style="list-style-type: none">✓ Approves financial institutions to conduct business in Canada

Partners and Counterparts

Domestic

OSFI Act establishes the Financial Institutions Supervisory Committee (FISC) for coordination on supervisory and regulatory matters. The Superintendent chairs the meeting and members include:

- the Governor of the Bank of Canada
- the Deputy Minister of Finance
- the President and Chief Executive Officer (CEO) of the Canada Deposit Insurance Corporation
- the Commissioner of the Financial Consumer Agency of Canada

While a close partner, the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is not a member of this committee. FINTRAC and OSFI share some information regarding the supervision of institutions, and compliance-related information.

	FINTRAC	OSFI
Mandate	Canada's financial intelligence unit and anti-money laundering and anti-terrorist financing supervisor. FINTRAC helps to combat money laundering, terrorist activity financing, sanctions evasion and threats to the security of Canada.	Canada's prudential regulator and supervisor of most banks, federal insurance companies, and trust and loans companies. Its role is to determine whether they are in sound financial condition.
Role	Ensures compliance with requirements under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), including financial entities, securities dealers, life insurance companies, brokers and agents, casinos, money services businesses, and real estate brokers and sales representatives, among others. FINTRAC is the primary agency responsible for conducting anti-money laundering and anti-terrorist financing assessments of federally regulated financial institutions and ensuring their compliance with the PCMLTFA.	Established to protect depositors, policyholders, financial institution creditors, and pension plan members, while allowing financial institutions to compete and take reasonable risks.
How OSFI and FINTRAC work together*	FINTRAC discloses financial intelligence to OSFI where there are reasonable grounds to suspect that the information would be relevant to threats to the security of Canada and that the information is relevant to the exercise of the powers or performance of the duties and functions of the Superintendent of OSFI. FINTRAC also can share with OSFI strategic intelligence related to money laundering, terrorist activity financing, sanctions evasion and the financing of threats to the security of Canada.	When FINTRAC determines that a financial institution fails to meet its regulatory compliance requirements of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, OSFI is informed and takes action because it could indicate weakness in a financial institution's risk control environment or corporate culture. Based on FINTRAC's information, OSFI will undertake supervisory examinations to verify that the institution has effective corporate governance, appropriate regulatory compliance management and oversight of culture risks in place.

***Note:** Under the PCMLTFA and the OSFI Act, FINTRAC and OSFI have respective authorities to be able to share information related to the compliance of federally regulated financial institutions with Parts 1 and 1.1 of the PCMLTFA.

International

International organizations play a key role in the development of regulatory frameworks. They create a strong and stable global financial system. These organizations include:

- the Financial Stability Board
- the Basel Committee on Banking Supervision
- the International Association of Insurance Supervisors

	Minister of Finance Counterpart	Superintendent Counterpart
United States	Secretary of the Treasury, Scott Bessent	Vice Chair for Supervision, Board of Governors of the Federal Reserve System Michelle W. Bowman (Nominee) Comptroller of the Currency, Rodney E. Hood (acting) / Jonathan V. Gould (Nominee)
United Kingdom	Chancellor of the Exchequer, Rachel Reeves	Deputy Governor for Prudential Regulation and Chief Executive Officer of the Prudential Regulation Authority, Sam Woods
Australia	Minister of Finance, Katy Gallagher MP	Australian Prudential Regulation Authority Chair, John Lonsdale

Office of the Chief Actuary

OSFI houses the **Office of the Chief Actuary** (OCA). The OCA is an independent unit that prepares actuarial valuations of social security programs and Government of Canada pensions and insurance plans, including the Canada Pension Plan, the Old Age Security Program, the Canada Student Financial Assistance Program, and federal pension plans. The only parliamentary appropriations OSFI receives are small and limited to the **Office of the Chief Actuary** (OCA).