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Mr. Grant Vingoe
Chair and Chief Executive Officer
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Dear Mr. Vingoe:

As you begin planning for 2022-23, I am pleased to write to you in your capacity as Chair and Chief Executive Officer (CEO) of the Ontario Securities Commission (OSC). Pursuant to the requirements of the *Agencies and Appointments Directive*, this letter sets out my expectations for the OSC for the 2022–23 fiscal year.

Ontario's board-governed agencies are vital partners in ensuring the delivery of high-quality services to the people of Ontario. The OSC plays a vital function in administering and enforcing Ontario's rules and regulations in the securities sector. The work that you and your fellow board members undertake to establish the goals, objectives, and strategic direction for the OSC ensures that it:

- protects investors from unfair, improper or fraudulent practices;
- fosters fair, efficient and competitive capital markets;
- promotes confidence in capital markets;
- fosters capital formation; and
- contributes to the stability of the financial system and the reduction of systemic risk.

It is important that this direction is consistent with government priorities, your agency mandate, key policies and directives and my directions, where appropriate. I thank you for your willingness to serve.

As part of the Government of Ontario, I expect all agencies to act in the best interest of the people by being efficient, effective, and providing fiscally responsible value for taxpayers. Demonstrating respect for public dollars is more important than ever as families, workers, and employers have faced immense challenges due to COVID-19 and continue to make sacrifices to bring an end to the pandemic. Therefore, my expectation is that every action, decision, and expenditure made by your agency will be respectful of the interests of the taxpayer and the people we serve.

This includes:

1. Competitiveness, Sustainability and Expenditure Management

- Operating within your agency's approved budget;
- Identifying and pursuing opportunities for innovative practices and/or improved sustainability;
- Complying with applicable direction related to supply chain centralization and Realty Interim Measures for agency office space;
- Adhering to directives and policies regarding expenditure management and executive compensation; and
- Working with the ministry, where appropriate, to advance the *Ontario Onwards Action Plan*.

2. Transparency and Accountability

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting;
- Adhering to requirements of the *Agencies and Appointments Directive*, accounting standards and practices and the *Public Service of Ontario Act* ethical framework, and responding to audit findings, where applicable; and
- Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.

3. Risk Management

- Developing and implementing an effective process for the identification, assessment, and mitigation of risks, including planning for and responding to health and other emergency situations, including but not limited to COVID-19; and
- Developing a continuity of operations plan that identifies time critical/essential services and personnel.

4. Workforce Management

- Optimizing the OSC's organizational capacity to support the best possible public service delivery; and
- Modernizing and redeploying resources to priority areas when or where they are needed.

5. Data Collection

- Improving how OSC uses data in decision-making, information-sharing and reporting, including by leveraging available or new data solutions to inform outcome-based reporting and improve service delivery; and
- Supporting transparency and privacy requirements of data work and data sharing with the ministry, as appropriate.

6. Digital Delivery and Customer Service

- Exploring and implementing digitization or digital modernization strategies for online service delivery and continuing to meet and exceed customer service standards through transition; and
- Adopting digital approaches, such as user research and agile development.

7. Diversity and Inclusion

- Developing and encouraging diversity and inclusion initiatives that promote an equitable, inclusive, accessible, anti-racist and diverse workplace;
- Demonstrating leadership of an inclusive environment free of harassment; and
- Adopting an inclusion engagement process to ensure all voices are heard to inform policies and decision-making.

8. COVID-19 Recovery

- Identifying and pursuing service delivery methods (digital or other) that have evolved since the start of COVID-19; and
- Supporting the recovery efforts from COVID-19.

In addition to these government-wide priorities, I expect the OSC to focus on:

- Continuing to support implementation of the recommendations from the Capital Markets Modernization Taskforce Report, to the extent that they align with government priorities;
- Supporting the work to implement the governance changes that would result from proclamation of the *Securities Commission Act, 2021*;
- Continuing to support the government's consultation on the draft Capital Markets Act;
- Working with the government to foster economic growth through Ontario's Capital Markets Plan;
- Engaging market participants with the objective of supporting innovation and promoting capital formation and regulatory compliance through the Office of Economic Growth and Innovation;
- Taking a leadership role in securities regulation to foster fair and efficient capital markets in Ontario and Canada;
- Enhancing transparency by ensuring that qualitative and quantitative analysis of anticipated costs and benefits of a proposed rule would be provided within the OSC's rule publications and shared as part of the consultations on the proposal to better inform public comments and the rule-making process;
- Conducting its affairs with a focus on ensuring efficiencies and red tape reduction are a priority for all internal and external processes;
- Supporting the government on strategic policy initiatives as needed;
- Delivering responsive regulation through collaboration with stakeholders and other regulators;
- Identifying opportunities to enhance the competitiveness of Ontario businesses while maintaining appropriate investor protections; and

- Working with regulatory partners in identifying, addressing, and mitigating systemic risk and promoting stability.

As the OSC focuses on delivering the above priorities, it should continue to focus on finding efficiencies and limit expenditure increases to mitigate the financial impact on recovering businesses. Through these measures, we can continue to ensure that the OSC is continuing to fulfill its legislated mandate. We are confident that the people of Ontario are going to unleash the economic growth that is necessary for job creation, prosperity, and a stronger province.

I thank you and your fellow board members for your continued support, and for your valuable contributions. Should you have any questions/concerns, please feel free to contact Francisco Chinchon, Assistant Deputy Minister, Financial Services Policy Division at (647) 284-6374 or francisco.chinchon@ontario.ca.

Sincerely,



Peter Bethlenfalvy
Minister of Finance

- c. Richard Clark, Chief of Staff, Minister's Office, Ministry of Finance
Greg Orencsak, Deputy Minister, Ministry of Finance
Nancy Mudronic, Associate Deputy Minister, Office of Regulatory Policy and Agency Relations, Ministry of Finance
Francisco Chinchon, Assistant Deputy Minister, Ministry of Finance
Michael Waterston, Director (A), Legal Services Branch, Ministry of Finance