

Strategy and Business Plan

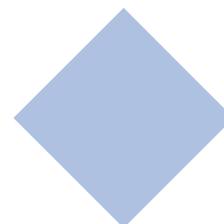
2022-2023



FINANCIAL AND
CONSUMER SERVICES
COMMISSION

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Introduction

The Financial and Consumer Services Commission (FCNB or the Commission) has a critical role to play in New Brunswick's economy. The need to reduce risk and harm and build trust, awareness and fairness in New Brunswick's financial and consumer markets is one of the reasons we oversee the provision of financial services – an industry whose participants handle more than \$34 billion of New Brunswick consumers' money. Regulation is at the heart of consumer protection. However, this harm reduction exercise requires balancing business and public interests or it runs the risk of dampening competition and innovation. Effective regulation creates confidence in the province's financial and commercial markets while protecting New Brunswickers from harms in those markets. It requires its benefits to outweigh any potential cost to consumers, including higher prices or fewer choices. It also requires constant and vigilant monitoring of potential harms, which is complicated by a world of constant changes in products, services and technologies.

Guided by the goals outlined in this 2022-2023 Strategy and Business Plan, we are reviewing and modernizing our practices so we can continue to be ready to deliver on our comprehensive mandate in an environment that is continually evolving.

Mandate, Vision and Values

In our Strategy and Business Plan for 2021-2022, we noted the need to reflect on our fundamental vision and values, which serve as the underpinnings of our governance, to determine whether any adjustments were needed to align with the current state of our organization and our environment. Given the Commission was in the midst of a comprehensive governance review and was dedicating efforts to respond efficiently to the pandemic, the holistic review of our vision and values was postponed to this fiscal year. As part of the process for the development of this Strategy and Business Plan for 2022-2023, we are pleased to report that our board, management and staff were involved in facilitated sessions that led to a refreshed vision and a set of six values to guide our work.

Our Mandate

To provide regulatory services that protect the public interest, enhance public confidence and promote understanding of the regulated sectors through educational programs.

Our Vision

The refreshed vision is intended to reflect the collaborative approach that we take in everything we do. It includes our consultation with stakeholders to inform our direction, our cooperation with other regulators to identify opportunities for improvement and harmonization, and our interaction with industry participants and consumers across our regulated sectors as we develop and deliver educational initiatives. It is an expression of how we expect to work collaboratively internally and with stakeholders in the pursuit of excellence in our services.

Working together for regulatory excellence in financial and consumer services for New Brunswickers.

Our Values

Professional:

Bring our best to the table every day to deliver high quality, forward-thinking work.

Respectful:

Treat each other and the people we serve with dignity and respect.

Accountable:

Be accountable for our work, our words and our actions.

Ethical:

Act with integrity, be trustworthy and fair.

Inclusive:

Respect and welcome different ideas, strengths, beliefs, interests, personal situations and diverse backgrounds.

Supportive:

Work collaboratively, support learning and growth and celebrate each other's successes.

Role and Mandate

The Commission is an independent, arm's length, self-funded Crown corporation (under Part IV of the [Public Service Labour Relations Act](#)) responsible for regulating New Brunswick's financial and consumer marketplaces.

The Commission's enabling legislation is the [Financial and Consumer Services Commission Act](#). Our mandate is two-fold:

- to provide regulatory services that protect the public interest while enhancing public confidence in the regulated sectors; and
- to promote understanding of the regulated sectors through educational programs.

With offices in both Fredericton and Saint John and a complement of over 100 employees, the Commission is responsible for the administration and enforcement of the following provincial legislation:

- *Financial and Consumer Services Commission Act*
- *Auctioneers Licence Act*
- *Collection and Debt Settlement Services Act*
- *Commissioners for Taking Affidavits Act*
- *Consumer Product Warranty and Liability Act*
- *Cooperatives Act*
- *Cost of Credit Disclosure and Payday Loans Act*
- *Credit Unions Act*
- *Credit Reporting Services Act*
- *Direct Sellers Act*
- *Franchises Act*
- *Gift Cards Act*
- *Insurance Act*
- *Loan and Trust Companies Act*
- *Mortgage Brokers Act*
- *Nursing Home Pension Plans Act*
- *Pension Benefits Act*
- *Pre-arranged Funeral Services Act*
- *Real Estate Agents Act*
- *Securities Act*
- *Securities Transfer Act*
- *Unclaimed Property Act*

Soon to be joining the above list will be the *Pooled Registered Pension Plans (PRPP) Act*, which will be proclaimed when the accompanying regulations are completed. Once

in force, this new legislation will provide employees of small- to medium-sized businesses and self-employed New Brunswickers who do not have access to a workplace pension with a new retirement planning option. Once the PRPP regime is in place, New Brunswick will sign an agreement with the Federal Government, which will assign some of the responsibilities for administration of the legislation, namely licensing, registration and supervision of PRPPs, to the federal Office of the Superintendent of Financial Institutions. Entering into this Multilateral Agreement allows for the harmonization of the regulation and supervision of PRPPs across the country. FCNB will continue to provide oversight of the legislation and deal with particular regulatory matters, such as the locking-in and withdrawal of funds from a PRPP account.

The Commission benefits the public by working to protect the integrity of the financial and consumer marketplaces by:

- Licensing and registering more than 36,000 entities and individuals across a wide variety of industries to ensure they are suitable for our marketplaces.
- Reviewing the disclosure that reporting issuers and businesses raising capital must provide to investors.
- Conducting compliance reviews on the operations of businesses and individuals operating in our regulated sectors to ensure they are abiding by New Brunswick's laws and regulations and meeting their obligations to consumers and investors.
- Taking action against those who contravene the province's financial and consumer services laws.
- Educating New Brunswickers so they are better equipped to make informed decisions within the marketplaces we regulate.
- Developing regulatory proposals through stakeholder consultations and collaboration with provincial, national and international regulatory counterparts, industry and consumer associations to address regulatory concerns.

The Commission is overseen by a board of directors, which consists of a chair and eight members who are appointed by the Lieutenant-Governor in Council. They are accountable to the government through the Minister of Finance and Treasury Board. The board sets and oversees the Commission's strategic direction and budget, approves policies, recommends changes to legislation and is responsible for management oversight, including reviewing risks and opportunities facing the organization. Each year, the Commission creates an annual report on its governance practices, which is available on [our website](#).

Operating Environment

Consistent with tradition, this year's process also began with employees. To stay abreast of issues within the industries we regulate, the financial technology ecosystem and the cybersecurity realm, the Commission formed an Emerging Issues Working Group. Chaired by our Chief Information Officer, this group has representation from each of our regulatory divisions and from our support services. Its mandate is to identify developments that may impact or have an influence on our organization or the sectors we regulate, assess the potential impacts of these developments and, as appropriate, develop recommendations for action where warranted. Its latest report was assembled with a view to informing this year's business planning process. A summary of this working group's findings is included in the Emerging Issues section below.

Emerging Issues:

Economy and Financial Environment: The COVID-19 pandemic continues to affect the markets FCNB regulates and the environment in which FCNB employees perform their work. To achieve its strategic goals and objectives, FCNB must monitor the financial and consumer markets for emerging risks facing New Brunswickers as the economy continues to recover, and act to address such risks. While New Brunswick's economic recovery remains on track, with employment and retail trade above pre-pandemic levels, New Brunswick's consumer price index is up above five per cent compared to a year ago. With levels of inflation growing across Canada along with high housing prices, interest rates are likely to rise over 2022 to slow down the economy. This will affect both consumer and investor behaviour when it comes to borrowing, spending and investing, particularly for Canada's housing market, which has been fueled in part by historically low mortgages rates and low inventory rates. With demand exceeding supply across the country, also known as a sellers' market, home buyers are finding themselves in multiple offer situations. This is true in New Brunswick as well. Residential listings were at a 10-year low at the end of December 2021^[1] with the average price of homes sold at a record \$267,785, up 34.9% from December 2020.

The ongoing challenges for first-time home buyers featured prominently in the 2021 federal election campaign, with the Liberals proposing a Home Buyers' Bill of Rights that would, among other proposed changes, ban blind bidding. This practice, which is not regulated under Canadian real estate law, prevents prospective buyers and their realtors from knowing competing offers, and ultimately drives up home prices. In New Brunswick, a real estate agent is not obligated to disclose the number of competing offers or any contents of those offers, including the offering price. Only with the seller's permission is the agent able to disclose if the buyer is in a multiple offer situation. FCNB will continue to monitor the financial and consumer markets for emerging risks, and work with both the New Brunswick Real Estate Association and our provincial counterparts to monitor provincial housing market conditions and examine bidding practices in other real estate markets, respectively.

1. [New Brunswick Real Estate Association | CREA Statistics](#)

Cybersecurity: As technology becomes increasingly pivotal in financial and consumer marketplaces, so does the potential for consumer harm from cybersecurity threats to these markets. Data breaches and cyberattacks occurred before the pandemic. However, the vulnerability in the security posture of many organizations has surely increased since 2020 with the rise in remote work and the rapid adoption of cloud-based services. FCNB must continue to monitor potential vulnerabilities in its own systems and require the same of the industries and institutions it regulates as part of consumer protection.

Technological Advancements: Rapidly evolving technologies have driven much change in the financial and consumer marketplaces. They are increasingly borderless and technologically advanced, and the pandemic has only accelerated these changes as online models for the provision of goods and services forced many consumers, usually older, toward electronic transactions. At the same time, the growing complexity of new financial services and products (for example, online trading platforms, robo-advisors and crypto assets) as well as emerging ones is placing a greater burden of financial responsibility on individuals. Open banking, for example, is an emerging trend elsewhere in the world. While not currently offered in Canada, the federal government is considering how to safely introduce it to Canadians. It is a system where consumers can choose to securely share their financial transaction data with financial technology companies and other financial service providers, which can then use that information to develop competitive, innovative and consumer-centric products and services.

While consumers may benefit from the convenience of online goods and services, including financial goods and services, these technologies require strong competencies in financial literacy, as well as increase consumers' risk to privacy breaches and exploitation and scams. While much of the digital asset space remains generally unregulated, the increasing interest in them also raises the spectre of increasing consumer risk. Further, service providers offering these digital financial goods and services are increasingly outside of our jurisdiction, making it difficult to regulate effectively. The use of Artificial Intelligence-driven solutions in consumer profiling could also encourage businesses to use these technologies. FCNB must monitor developments in these technological advancements, including the digitization of money and consumer profiling and marketing, as existing regulatory schemes will likely have to be adapted to accommodate these new digitally mediated goods and services.

Governmental Actions: Provincial and federal government decisions may impact the industries we regulate and, therefore, FCNB's objectives, actions and initiatives. In particular, government decisions to limit the spread of COVID-19 may affect the business operations of our regulated sectors as well as our own operations. FCNB is staying abreast of developments so as to be ready to adjust its framework.

Changing Demographics: New Brunswick's percentage of the population over the age of 65 is among the highest in the country. Seniors are often the target of investment frauds because they are more likely to have built up assets (such as retirement savings or property). Seniors may also be more vulnerable than other demographics because of their increased reliance on and trust of others, a situation exacerbated by the pandemic, potential diminished capacity, and less time to recover from a financial loss. Accordingly, as the province's population of seniors continues to increase, we anticipate that, without prevention programs, incidents of fraud and financial abuse against seniors will increase. The Commission will continue to work with national and international counterparts on legislative projects, education and prevention. We are committed to continuing our active involvement in this focused area to help counter the devastating effects of financial abuse.

Demographics also influence consumer and investor needs and behaviours. For example, the demand for self-directed investment accounts surged so rapidly during the pandemic that Order Execution Only ("OEO") dealers struggled to meet the demand. According to a 2021 study by the Ontario Securities Commission, 60 per cent of self-directed investors are male and 25 per cent of them are between the ages of 18 and 34.^[2] While this demographic is less likely to work with a financial advisor, it also fears not knowing enough about investing. At the same time, 11 per cent of this demographic are choosing high-risk investments and 13 per cent think social media is an important source of investment information.

As a result, many jurisdictions across Canada, including the Commission, focused their education efforts on this hard-to-reach demographic over the last year. When it comes to reaching various demographics, the Commission continues to search to find new ways to cut through the plethora of information and noise, and to provide New Brunswickers with the information they need to make informed financial and consumer decisions. As a result, the Commission has redirected its education and marketing efforts to target specific audiences depending on events or trends New Brunswickers are experiencing. This new approach allows us to deliver more focused and timely messaging based on situations they may be experiencing and to effectively reach more people.

2. <https://www.osc.ca/en/node/478041>

Climate Change: Climate change is impacting our society, economy and environment. Financial losses and business disruptions from extreme events, like floods, have affected, and will continue to affect, our financial and capital markets as some businesses struggle with:

- reduced asset productivity
- reduced consumer demand
- increased operating costs and capital expenditures (for example, cost to repair damaged infrastructure)
- early retirement of assets
- the higher cost of and more limited access to capital and insurance.

Climate action failure is ranked as the number one risk by likelihood and impact in the 2020 Global Risks Report.^[3] The physical risk created by an extreme climate event could lead to a sharp fall in asset prices and an increase in uncertainty, leading to a destabilized financial system. According to some reports, market and credit risks could be concentrated in certain sectors and geographies.^[4] Some emerging markets and developing economies may also be particularly affected.

In reaction, more consumers and investors are demanding products and services that are environmentally sustainable, socially responsible and produced by organizations that embrace environmental and social governance (ESG factors). As a result, interest in ESG investing is on the rise. This means regulators need to consider how to support investors in getting the information they need to make informed investment decisions when it comes to understanding these developing products and services. In January 2022, for example, the Canadian Securities Administrators (CSA) released new guidance for investment funds and their fund managers on their disclosure practices when it comes to ESG-related aspects of a fund. The guidance is intended to ensure investors have confidence in ESG-related funds and the information they need to invest in funds that meet their objectives.

3. World Economic Forum, 2020, <https://www.weforum.org/reports/the-global-risks-report-2020>

4. The Implications of Climate Change for Financial Stability, 2020, <https://www.fsb.org/wp-content/uploads/P231120.pdf>

Equitable Access to Financial Services: Some core consumer finance infrastructures have structural obstacles and barriers for the economically disenfranchised. According to the Financial Consumer Agency of Canada’s National Financial Literacy Strategy 2021-2026^[5], the financial ecosystem needs to reduce structural and systemic barriers that limit or hinder people from “accessing, understanding and using appropriate financial products, services, and education to their benefit.” These obstacles can restrict access to credit, push consumers to higher cost products, and impede Canadians from achieving better financial outcomes. The strategy identified the following ways to reduce these barriers:

- Encouraging financial institutions, governments and other stakeholders to use better communications to explain financial information, starting with plainer language.
- Targeting financial literacy initiatives through a diversity lens.
- Embedding accessibility criteria in the development of all financial literacy initiatives for people with language barriers, disabilities and distance to services.
- Building financial literacy initiatives around digital access and literacy so people without Internet access, computers or digital skills have access.

A fair and competitive financial marketplace cannot be attained until all people – no matter their financial literacy or financial status – can engage. FCNB will examine these structural and systemic obstacles and search for ways our regulated sectors can serve all people.

Talent Acquisition and Retention: As a regulator, we set standards for the industries we regulate. To instill confidence and credibility in the regulatory environment, our people, processes and systems must keep up with the evolving needs of our regulated sectors. In a growing, diverse economy and, yet one which faces labour challenges, the Commission needs to continue to attract and retain uniquely qualified employees across a range of professional disciplines.

5. [Make Change that Counts: National Financial Literacy Strategy 2021-2026, Financial Consumer Agency of Canada](#)

Strategic Direction

The Commission members, acting collectively as the board of directors, have overall responsibility for setting the strategic direction of the organization. This strategic direction reflects their expectations on how the organization is to fulfil its legislated mandates as established in the various pieces of legislation administered by our organization.

The 2022-2023 Strategy and Business Plan was prepared in accordance with Section 24 of the *Financial and Consumer Services Commission Act* and section 4 of the *Accountability and Continuous Improvement Act*. Our five strategic goals are:

Our Strategic Goals



People:

Build upon a highly skilled workforce that is passionate about what we do.



Process:

Excel in the development of effective, practical and responsive regulatory services.



Consumers and Market Participants:

Reduce risk and harm and build trust, awareness and fairness in financial and consumer services for New Brunswickers.



Financial:

Optimize our financial capacity to accomplish our mandate and deliver value to New Brunswickers.



Environmental, Social and Governance (ESG):

Embrace the ethical and practical values of ESG toward a more inclusive, sustainable and prosperous future.

Alignment with Government Priorities

The Commission is aligned with the Province’s key priorities as set out in its mandate letter for fiscal year 2022-2023 and as summarized by the chart below.

Government Priorities	The Commission Aligns With These Priorities By:
Energizing the private sector	Reviewing and modernizing <i>Acts</i> and <i>Regulations</i> affecting the sectors we regulate, including the modernization of the <i>Insurance Act</i> .
	Continuing to work with Canadian Securities Administrators (CSA) colleagues on policy initiatives to promote growth and vibrant capital markets.
	Pursuing projects to provide new capital raising opportunities.
	Developing a legislative proposal and rules for the title protection of financial professionals.
Vibrant and sustainable communities	Continuing the implementation of an unclaimed property regime.
	Continuing the development of recommendations and initiatives to address financial abuse among older and vulnerable adults and education and communications to raise public awareness of the issue.
	Developing a legislative proposal for a new Consumer Protection Act.
Dependable public health care	Fully vaccinated workforce.
	Communicable Disease Prevention Plan in place.
World-class education	Developing initiatives to improve financial literacy in New Brunswick.
	Contribute to making the financial ecosystem more accessible, inclusive and effective for all Canadians.
Affordable, responsive and high performing government	Developing legislative or regulatory proposals as needed to respond to the needs of our regulated sectors.
	Maintaining a strong organizational cybersecurity posture.
	Supporting the government’s efforts to enhance the model for regulatory adjudication of our regulated sectors.
	Implementing new fee rules.
Environment	Serving on influential interjurisdictional committees looking at Environmental, Social and Governance (ESG) impact within our regulated sectors.

Business Plan

This section describes how the Commission intends to advance its strategy.



1. People Goal

Build upon a highly skilled workforce that is passionate about what we do.

Objective 1.1: Our culture reflects our shared values and shared accountability for innovation and sustainability.

The objective refers to our commitment to delivering on our mandate through our refreshed values, and through our expectations for continued development of skills to enable us to respond to technological innovations, automation and digital transformations in our markets.

Actions: To further this objective, FCNB will:

1. Value and reward collaboration and teamwork.
2. Continue to build sectoral expertise.
3. Implement targeted leadership and group development programs for our employees.
4. Maintain a cross-divisional Emerging Issues Committee and review during strategic planning to determine required actions

Objective 1.2: Our people are highly engaged and fulfilled.

This objective reflects the Commission's intention to continue to provide an overall stimulating work environment and culture, always conducive to employee growth in skills and knowledge. To further support engagement and retention, the Commission must also continuously assess its management and work practices to support a positive human experience at work.

Actions: To further this objective, FCNB will:

1. Provide ongoing support to supervisors and employees in carrying forward, and assessing and monitoring implementation of, our new Development-focused performance management and step increment compensation programs.
2. Continue to support employees' individual needs for continued learning and development.
3. Monitor human resources-related policies, directives and practices so that they remain current to support the organization's ability to attract and retain talent.

Objective 1.3: Our workplace is designed to ensure the health and safety of our people.

As an employer, we must take every reasonable step to keep our workplace healthy and safe. We will continue to adapt our workplace practices to support our Province's efforts to combat the spread of COVID-19 while continuing to provide regulatory services.

Actions: To further this objective, FCNB will:

1. Continually monitor available health, safety and pandemic management guidelines and best practices.

People Performance Measure	2022-2023 Target
Employee Engagement Score	>75%



2. Process Goal

Excel in the development of effective, practical and responsive regulatory services.

Objective 2.1: We are responsive to changing regulatory needs.

As a regulator, we set standards for the industries we regulate. To instill confidence and credibility in the regulatory environment, we must be able to keep up with the pace of changes within our regulated communities. As a result, we are constantly monitoring for changes and risk conditions, and reviewing our systems and processes to see where we can realign, improve or upgrade them.

Actions: To further this objective, FCNB will:

1. Modernize our operational and regulatory systems and processes. For 2022-2023, we will focus on the following, as outlined in our Ministerial Mandate:
 - Implement rules to support phase 1 of the *Insurance Act* modernization.
 - Continue development of a legislative proposal for phase 2 of *Insurance Act* modernization.
 - Continue implementation of unclaimed property regime.
 - Continue the development of a legislative proposal (and rules) for a new Consumer Protection Act.
 - Continue the development of a legislative proposal for financial professionals' title protection.
 - Support government efforts to enhance the model for regulatory adjudication of sectors administered by the Commission.

Objective 2.2: Our processes are continuously improved and fit for purpose.

The financial and consumer markets we regulate are ever changing. To meet this challenge, we continue to enhance our workforce's management, collaboration and analytical capabilities so we can proactively identify emerging issues and provide relevant regulatory responses. We also recognize the value of continuously reviewing our internal and regulatory processes for accessibility, resourcefulness and judiciousness.

Actions: To further this objective, FCNB will:

1. Cooperate with other regulators to identify opportunities for collaboration and knowledge sharing.
2. Modernize our internal processes and system to be more effective and efficient.
3. Continue to implement a project management approach for operational projects.
4. Continue to modernize systems and processes used by our audiences to be more effective and efficient.

Objective 2.3: We foster internal technological innovation.

We require a strong organizational foundation of systems, data management and analytics to provide efficient and effective regulation in marketplaces that evolve at an unprecedented pace. We must continually invest in our technology platforms to be able to provide timely responses to novel issues or regulatory gaps as they are identified within the marketplaces we regulate.

Actions: To further this objective, FCNB will:

1. Invest in new skill development and training within the IT division to enhance capacity in Artificial Intelligence, analytics and cybersecurity resilience.
2. Complete a digital strategy for the Commission.
3. Support continuous process and product improvement within the IT division.

Objective 2.4: Our IT systems are effective, reliable and secure.

Rapidly evolving technologies have driven much change in the financial and consumer marketplaces. That's why we take a proactive approach to ensure our information security operations are current, and we remain vigilant in implementing additional security tools and technology when appropriate to ensure we can achieve our mandate without disruption.

Actions: To further this objective, FCNB will:

1. Maintain a strong organizational cybersecurity posture that is compliant with CyberNB certification standards for Crown corporations.

Process Performance Measure	2022-2023 Target
% Accomplishment of our Ministerial Mandate	=100%
Number of regulatory systems moved from paper to online	11/15 systems
National Institute of Standards and Technology Cybersecurity Maturity Tier Rating	Continue to improve our maturity level



3. Consumer and Market Participants Goal

Reduce risk and harm, and build trust, awareness and fairness in financial and consumer services for New Brunswickers.

Objective 3.1 (Regulation): We excel in strategic, flexible policy development responsive to market changes.

This objective denotes the Commission's belief that any regulatory response or approach must begin with a strategic consideration and full understanding of a harm or issue within a market and that the correlated response must, through consultative, collaborative and flexible processes, provide regulatory activities that achieve the desired outcomes.

Actions: To further this objective, FCNB will:

1. Be aware of current consumer demands and needs in the development of policy.
2. Be accountable, timely and effective in working with our regulated sectors.
3. Continue to be vigilant in our monitoring of the pandemic and agile in our response.
4. Work with regulatory counterparts to develop and implement best regulatory practices aligned and responsive to the evolving landscape and emerging trends within our regulated industries.
5. Research and monitor technological innovation and advances in our regulated sectors.

3.2 (Protection): We enhance stability of market participants, market integrity and consumer and investor protection.

Consumers and investors are better protected if firms and individuals working in our regulated sectors understand and comply with their regulatory obligations. We regularly conduct compliance reviews on the operations of those we register or licence to make sure they are abiding by New Brunswick's laws and regulation and meeting their obligations to consumers and investors. When information we receive from complaints, audits and compliance activities or from other sources indicate that people or firms have violated these laws, we use our legislated authority to hold them accountable. We also take action to disrupt or stop activities at their earliest stages to reduce consumer or investor harm and work with other provincial, national and international regulators on initiatives to enhance the protection of financial consumers and investors.

Actions: To further this objective, FCNB will:

1. Promote a culture of compliance and respond decisively to misconduct.
2. Work with national and international counterparts on legislative projects, education, and prevention to protect seniors from financial abuse.
3. Provide guidance to our regulated communities on cybersecurity risk management.

Objective 3.3 (Education): We build and increase awareness among consumers and market participants.

We believe New Brunswickers are better equipped to protect themselves from frauds and scams and to make informed financial and consumer decisions when they have easy access to unbiased information, understand their rights and responsibilities, and know where to turn for help. Our market participants also need to be kept apprised of their regulatory requirements and understand their responsibilities within consumer and investor protection. Through awareness campaigns, presentations and the development and sharing of resources, we work to educate our two main audiences - New Brunswickers and our regulated sectors. We do so with the help of relevant tools and media platforms that are considerate of our audiences.

Actions: To further this objective, FCNB will

1. Develop and conduct educational programs with respect to financial and consumer services in collaboration with regulatory operations and our regulatory counterparts.
2. Monitor fraud threats in our regulated areas and alert New Brunswickers of issues.
3. Support the Financial and Consumer Agency of Canada’s national Financial Literacy Strategy 2021-2026 to make the financial ecosystem more accessible, inclusive and effective for all Canadians.

Consumer and Market Performance Measure	2022-2023 Target
Stakeholder Engagement Survey Score	>70%
Service Standard/Response Time Metrics	90% meeting service standards
Regulatory Enforcement Case Assessment	80% within 30 days; 100% within 60 days of receipt of completed referral file.



4. Financial Goal

Optimize our financial capacity to accomplish our mandate and deliver value to New Brunswickers.

Objective 4.1: We have the financial capacity to accomplish our mandate.

As a Crown corporation, FCNB is accountable – both from a financial and a legislative perspective – to its stakeholders. We are expected to have the operational and financial capacity to accomplish our mandate.

Actions: To further this objective, FCNB will:

1. Adhere to the budget set at the beginning of each fiscal.

Objective 4.2: We deliver value to our key audiences.

We are committed to maintaining regulatory approaches and organizational practices that deliver value to our key audiences. We will continue to be flexible yet agile in our approach to regulatory policy development so as to provide the most effective oversight regime and will continue to assess how we may best adapt our approaches and processes to achieve efficiencies.

Actions: To further this objective, FCNB will:

1. Support a workplace culture accountable to our stakeholders.
2. Report to our Minister and other stakeholders in timely, accessible, consistent and transparent ways in accordance with mandated requirements.
3. Continue to meet our targeted net income.

Objective 4.3: We are self funded.

We are funded by the regulatory fees and assessments paid by the regulated sectors, which provides a strong foundation for the Commission as an independent regulator. The *Financial and Consumer Services Commission Act* provides the authority to make rules relating to fees and assessments.

Actions: To further this objective, FCNB will:

1. Monitor FCNB fee rules and ensure that they support maintaining our financial capacity.

Financial Performance Measure	2022-2023 Target
Net income target	\$6.582 M
Actual to budget variances	Total expenses not to exceed budget by 5%



5. Environmental, Social and Governance (ESG) Goal

Embrace the ethical and practical values of ESG toward a more inclusive, sustainable and prosperous future.

Objective 5.1: Our regulatory standards are consistent with societal values.

As investors and consumers show a growing interest in products that meet certain environmental, social or governance (ESG) standards when investing or making spending choices, FCNB will need to play an active role in monitoring this evolving landscape and in any policy-making discussions that follow.

Actions: To further this objective, FCNB will:

1. Our leaders will serve on influential interjurisdictional committees.

Objective 5.2: Our culture supports equity, diversity and inclusivity.

The Commission wishes to promote learning opportunities on the subject of equity, diversity and inclusivity to develop greater awareness and common understanding among employees at all levels of the organization. The Commission recognizes that various perspectives and diversity among our staff fosters better policy making and innovation. Increased knowledge of diversity, equity and inclusion (DEI) will enhance both individual and organizational actions and help us in reaching our organizational vision.

Actions: To further this objective, FCNB will:

1. Provide relevant and mandatory training to employees and members across the organization to grow internal competencies and nurture a culture of diversity, equity and inclusion.
2. Consider ESG as a factor when assessing requests for funding stakeholder events or initiatives.

Objective 5.3: Our governance is robust and rightsized for our organization.

The Commission is committed to regulatory leadership and strives for excellence in all aspects of its operations. We believe that strong governance practices considerate of our unique characteristics will promote responsible stewardship, ethical behaviour and effective performance.

Actions: To further this objective, FCNB will:

1. Implement the recommendations of the organization's 2021 governance review.
2. Develop a refreshed Enterprise Risk Management Framework.
3. Continue a robust talent succession planning process.

ESG Performance Measure	2022-2023 Target
Number of interjurisdictional committees FCNB participates on with ESG impact	2 per regulatory operations divisions

Budget

Overview

We have a legislated mandate with respect to each of our regulated sectors. We are expected to have the operational and financial capacity to accomplish our mandate and deliver value to our key stakeholders, namely: New Brunswick's consumers and industry participants, other regulators and the provincial government.

The Financial and Consumer Services Tribunal (Tribunal) submits its budget annually to the Commission. The Commission allocates adequate funding for the Tribunal's operations.

Revenue Sources

The Commission has been established with a self-funding model, which provides a strong foundation for the Commission as an independent regulator. Under the *Financial and Consumer Services Commission Act*, the Commission has been given the authority to make rules relating to fees and assessments. Accordingly, our revenues come from regulatory fees and annual assessments paid by the industries we regulate as opposed to taxpayers. And from those industries, the securities sector generates approximately 75 per cent of our budgeted revenues.

Our operations have typically generated a surplus of approximately \$6 million to \$9 million annually. This surplus is contributed to the province's Consolidated Fund.

Revenue Considerations

The fees in many of our regulated sectors have not been updated for decades. They no longer reflect the cost of regulation and are out of step with similar fees charged in other jurisdictions. We have developed new fee schedules and will continue to work with the Government to have the existing outdated fee regulations repealed so that our fee schedules can be implemented.

Cost Structure

Approximately 71 per cent of our total expenses relate to staff, Commission and Tribunal member costs. Other items relate to accomplishing the proposed objectives and initiatives. Developments in our regulated sectors and new areas of regulation that could impact our budget include, among others:

- Our continued efforts to update our information technology systems and some operational systems;
- The need to implement regulatory systems for new areas of regulation, such as for unclaimed property;
- Our continued expansion of our core competencies in the areas of financial technology innovations and cybersecurity;
- Public relations campaigns to implement the unclaimed property program in 2022-23.

The budget projections for the three-fiscal periods ending March 31, 2022, 2023 and 2024 include revenue and expenses for the Commission and the Tribunal.

Selected Financial Information	FY 2022/23	FY 2023/24	FY 2024/25
Revenue Sources			
Securities	\$ 17,566,400	\$ 17,829,700	\$ 18,096,800
Consumer Affairs	471,400	482,400	490,200
Pensions	245,880	245,880	245,880
Insurance	3,470,500	3,490,300	3,581,300
Financial Institutions	1,082,600	1,253,100	1,284,900
Unclaimed Property	281,000	300,000	300,000
Other Income	160,000	230,000	300,000
Total Revenue	23,277,780	23,831,380	24,299,080
Expense Sources			
Commissioner Expenses	429,320	432,560	432,810
Staff Salary and Benefits	11,515,230	12,233,240	12,647,400
General & Administrative	3,834,523	3,823,644	3,705,324
Total Commission Expenses	15,779,073	16,489,444	16,785,534
Tribunal Expenses	356,783	357,223	357,663
Tribunal Staff Salary and Benefits	332,560	345,580	357,960
Tribunal General & Administrative	226,446	219,446	219,446
Total Tribunal Expenses	915,789	922,249	935,069
Total Expenses	16,694,862	17,411,693	17,720,603
Net Income	\$ 6,582,918	\$ 6,419,687	\$ 6,578,477