

# Strategy and Business Plan

**2024-2027**



FINANCIAL AND  
CONSUMER SERVICES  
COMMISSION



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# Chair's Message

Honourable Ernie Steeves  
Minister of Finance and Treasury Board

Dear Minister,

I am pleased to present the 2024-2027 Strategy and Business Plan for the Financial and Consumer Services Commission covering the period from April 1, 2024, to March 31, 2027.

The 2024-2027 Strategy and Business Plan for the Financial and Consumer Services Commission was developed under the guidance of the Commission in accordance with the *Financial and Consumer Services Commission Act* and the *Accountability and Continuous Improvement Act*. This document delineates the Commission's priority areas and establishes targets for key performance measures.

As the chair, I bear responsibility for both the preparation of the plan and the realization of its specific goals and objectives. Moving into the fiscal year 2024-2025, the Board of Directors is unwavering in its commitment to furnish effective governance and oversight aligned with the government's mandate. Our decisions and actions will consistently adhere to sound business practices.

The Board of Directors officially endorsed this plan on February 14, 2024. In my capacity as the Chair of the Board of Directors, I submit this plan to you with the full confidence of the Board for your thoughtful consideration.

Respectfully submitted,

[Original signed by Paul Van Iderstine](#)

Paul Van Iderstine  
Board Chair  
Financial and Consumer Services Commission

# Chief Executive Officer's Message

Honourable Ernie Steeves  
Minister of Finance and Treasury Board

Dear Minister,

On behalf of the management and staff at the Financial and Consumer Services Commission (FCNB), I am pleased to present our three-year Strategy and Business Plan for the years 2024 to 2027. This plan will provide an overview of our organization and highlight our goals and objectives.

FCNB's Strategic Plan is centred around five pillars: People; Processes; Consumers and Market Participants; Financial; and Environment, Social and Governance. Each of these pillars supports FCNB's vision of working together for regulatory excellence in financial and consumer services for New Brunswick.

On behalf of the dedicated employees, along with our Board of Directors and the stakeholders with whom we work, please accept this recommendation for the 2024-2027 Strategy and Business Plan.

[Original signed by Kevin Hoyt](#)

Kevin Hoyt  
Chief Executive Officer  
Financial and Consumer Services Commission

# Introduction

The Financial and Consumer Services Commission (FCNB), as New Brunswick’s financial and consumer services regulator, plays a crucial role in the province’s economy. Recognizing the significance of financial services within our Province and the necessity to foster trust in those services, we strive to strike a balance between business interests and the public interest.

In response to the ever-changing landscape marked by new products, services, and technologies, our strategic focus is on maintaining a balanced regulatory framework adaptable to the evolving environment.

Our three-year business plan is built on the foundation of our five strategic pillars and reflects our commitment to providing regulatory services to protect the public interest, enhance public confidence and promote understanding of the regulated sectors through educational programs.



# Mandate, Mission, and Values

## Our Purpose

Giving New Brunswickers confidence in their financial lives.

## 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

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

## Our Values

### Accountable

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

### Supportive

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

### Professional

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

### Inclusive

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

### Respectful

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

### Ethical

Act with integrity, be trustworthy and fair.

# Role and Mandate

The Commission is a 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 Fredericton and Saint John and a complement of more than 105 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*
- *Financial Advisors and Financial Planners Title Protection Act<sup>1</sup>*
- *Franchises Act*
- *Gift Cards Act*
- *Insurance Act*
- *Loan and Trust Companies Act*
- *Mortgage Brokers Act*
- *Nursing Home Pension Plans Act*
- *Pension Benefits Act*
- *Pooled Registered Pension Plans (PRPP) Act*
- *Pre-arranged Funeral Services Act*
- *Real Estate Agents Act*
- *Securities Act*
- *Securities Transfer Act*
- *Unclaimed Property Act*

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<sup>1</sup> As of date of publication, this act has not yet been proclaimed.

The Commission upholds the integrity of financial and consumer marketplaces by:

- Licensing and registering over 40,000 entities and individuals in various sectors, confirming suitability for our marketplaces.
- Regulating credit unions to maintain stability and safeguarding members' access to funds.
- Supervising registered pension plans to uphold compliance and protect New Brunswickers.
- Reviewing disclosure from reporting issuers and businesses raising capital to provide investors with essential information.
- Conducting compliance reviews on businesses and individuals to verify adherence to New Brunswick's laws and regulations and fulfilling obligations to consumers and investors.
- Taking enforcement actions against those contravening the province's financial and consumer services laws.
- Educating New Brunswickers to empower them to make informed decisions in regulated marketplaces.
- Developing regulatory proposals through stakeholder consultations, collaborating with provincial, national, and international counterparts, and engaging with industry and consumer associations to address regulatory concerns.

Governance Structure:

- The Commission is overseen by a Board of Directors, currently comprising a chair and seven members appointed by the Lieutenant-Governor in Council.
- The Board is accountable to the government through the Minister of Finance and Treasury Board.
- Responsibilities of the Board include setting and overseeing the Commission's strategic direction, budget, risk management framework, policy approvals, legislative recommendations, and management oversight.

The Commission releases a governance practices report annually, which is accessible on [our website](#).



# Operating Environment

## Forward-Looking Vigilance: Adapting to Ensure Stability

### Regulatory Environment

The scope of the Commission's regulatory mandate reflects the size and complexity of the financial services sector in New Brunswick which, as of December 31, 2023, included:

- Six credit unions with more than \$1.5 billion in total assets
- 198 insurance companies
- More than 13,450 licences issued to insurance intermediaries
- 233 registered pension plans
- 274 mortgage brokers
- More than 1,850 real estate licences
- More than 5,800 reporting issuers and 14,670 registered individuals in securities
- More than 2,100 collection agency and collector licences

On February 1, 2023, the Financial and Consumer Services Commission (FCNB) adopted Rule INS-001 *Insurance Intermediaries Licensing and Obligations* to support phase one of the *Insurance Act* modernization. Among other regulatory requirements, the Rule introduces new licence types, licensing qualifications and educational requirements for licensees and market conduct rules for insurance intermediaries.

## Economy and Financial Environment

Amid the highest interest rates since 2001, Canada's economy continues to confront substantial challenges, including geopolitical and financial uncertainty as inflation erodes real income.

The global economic outlook has added complexity and pressure on the resilience of the Canadian economy<sup>2</sup>, as tightening monetary policies designed to combat inflation are expected to temper economic activity for the foreseeable future<sup>3</sup>. This limits the purchasing power of both consumers and businesses, contributing to subdued real GDP growth forecasts for Canada in 2024<sup>4, 5, 6</sup>.

Against this economic backdrop, New Brunswick has experienced a surge in population driven by unprecedented gains in both international and interprovincial migration<sup>7</sup>. Despite a dip in nominal exports and challenges in the manufacturing sector, its economy has demonstrated resilience, buoyed by the aforementioned population growth. Growth in the province's labour market, already strong, is expected to increase at the highest rates since the mid-1980s<sup>8</sup>.

The Commission engages with national committees and other regulators to assess the impacts of the economy and financial environment on consumers and market participants. For example, current pressures may lead homeowners to consider non-traditional lenders, raising concerns about potential predatory mortgage lending practices; while on the industry side, credit unions are more likely to face challenges from higher household debt and delinquency rates.

We also forecast pension plans will continue adopting strategies to reduce risk in their Defined Benefit (DB) liabilities. Despite facing challenges in investment returns, many plans have improved their solvency funding, primarily due to higher interest rates. We anticipate more Defined Benefit wind-ups or annuity buy-outs and believe it would be

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- 2 Government of Canada (2023, November 21). 2023 Fall Economic Statement. Retrieved November 27, 2023, from <https://www.budget.canada.ca/fes-eea/2023/report-rapport/overview-apercu-en.html>
  - 3 International Monetary Fund (2023). 2023 Fall Economic Statement. World Economic Outlook: Navigating Global Divergences. Retrieved November 28, 2023, from <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023>
  - 4 RBC (2023, September 13). Macroeconomic Outlook: Canada's economic engine is gearing down. Thought Leadership. Retrieved November 22, 2023, from <https://thoughtleadership.rbc.com/canadas-economic-engine-is-gearing-down/>
  - 5 TD (2023, September 20). Provincial Economic Forecast The Provincial Pulse is Slowing, But the Beat Goes On. Forecasts. Retrieved November 22, 2023, from <https://economics.td.com/provincial-economic-forecast#nb>
  - 6 Conference Board of Canada (2023, November 27). Provincial 5 Year Outlook. Retrieved November 28, 2023, from <https://www.conferenceboard.ca/focus-areas/canadian-economics/provincial-outlook>
  - 7 Financial Post (2023, November 27). Provincial Economies in a Holding Pattern. Retrieved November 27, 2023, from <https://financialpost.com/globe-newswire/provincial-economies-in-a-holding-pattern>
  - 8 Conference Board of Canada <https://www.conferenceboard.ca/focus-areas/canadian-economics/provincial-outlook>

helpful to set additional guidelines to enhance consumer protection. We have shared our expectations with the industry through bulletins.

The Commission continues to adapt to economic uncertainties to provide responsive and effective regulatory support, facilitating continued stability in the industries we regulate.

## Environmental, Social and Governance

The summer of 2023 was Canada’s hottest in recorded history<sup>9</sup>. Scientists say the extreme heat, combined with other weather phenomena, contributed to last summer’s epic ocean storms, wildfires, flooding, and droughts<sup>10</sup>. The global response to climate change poses significant risks to the financial institutions we regulate and the broader financial system. These risks include physical threats from climate extremes and gradual shifts, and transition risks associated with the shift toward a low-greenhouse gas economy. To address these risks, organizations must enhance resilience by addressing vulnerabilities in their business model, operations, and balance sheet. This necessitates a forward-looking, integrated approach based on reliable data, ongoing monitoring, and the integration of advancements in climate-related risk management into governance and risk practices.

In addition to facing the challenge of climate change, in the intricate fabric of today’s socioeconomic landscape, around the world consumers, stakeholders, and employees are demanding that organizations create societal impact through their actions. Consumers are pushing for organizations to be more socially conscious, and employees across all types of organizations are requiring their employers to act on prominent issues. Stakeholders are expecting organizations to behave ethically, responsibly, and with purpose. In response to this, purpose-driven organizations are emerging as leaders in engaging and retaining top talent, fostering connection, and belonging, and contributing meaningfully to societal progress. The Commission recognizes that workplaces are increasingly faced with the role of providing a place where connection, inclusion, learning, growth, and positive action can take place as a part of one’s job – not separate from it.

## Cybersecurity

The cybersecurity landscape is increasingly complex, marked by sophisticated cyberattacks, including Artificial Intelligence (AI)-driven tactics and advanced ransomware. The Canadian Centre for Cyber Security’s National Cyber Threat

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9 World Economic Forum (2023, November 23). This year set to be hottest ever recorded. Retrieved November 28, 2023, from <https://www.weforum.org/agenda/2023/11/hottest-year-and-other-nature-and-climate-stories-11132023/>

10 Council on Foreign Relations (2023, September 18). The Weather of Summer 2023 Was the Most Extreme Yet. Retrieved November 28, 2023, from <https://www.cfr.org/article/weather-summer-2023-was-most-extreme-yet#:~:text=The%20summer%20of%202023%20was,wildfires%2C%20flooding%2C%20and%20droughts>

Assessment for 2023-2024 warns of increased risks from state-sponsored and financially motivated cyber threats to Canadians. The report highlights the increase in misinformation and disinformation in online spaces. Ransomware is identified as a significant and persistent disruptive threat, particularly to Canadian organizations. The assessment also notes that diaspora populations, activists, and Canadian intellectual property are targets for espionage and financial gain. Additionally, emerging technologies like cryptocurrencies, machine learning, and quantum computing are creating new opportunities and challenges in cybersecurity.

As a regulatory body, FCNB advocates cyber safety within the industries and institutions under its purview to effectively safeguard vulnerable consumers and the stability of the marketplace.

## Privacy

A significant shift is underway in privacy laws with Bill C-27, known as the *Digital Charter Implementation Act, 2022*. It is designed to replace Part 1 of the *Personal Information Protection and Electronic Documents Act (PIPEDA)* with the *Consumer Privacy Protection Act (CPPA)*, introducing measures to strengthen the control, transparency, and safeguarding of personal information. The new legislation, if enacted, will have a considerable effect on entities within our regulated sectors, compelling them to adhere to stricter privacy compliance measures.

This strengthening of privacy protections in Canada and other countries is being driven by the public's heightened awareness of privacy issues and an increased concern over the collection, use and disclosure of their personal information. As this legislation comes to the forefront, our regulatory mandate and processes must align with the broader national effort to fortify privacy norms, contributing to a more secure and transparent landscape for our regulated sectors and their stakeholders.

## Technological Advancements

Rapidly changing technology is transforming how financial and consumer markets work and we must respond strategically to keep up. Technological advancements in consumer and business use of government services are motivated by the need for efficiency, accessibility, security, and user-centric experiences. Our Digital Strategy includes:

- Data analysis, and predictive insights;
- Cloud-based solutions for better scalability, flexibility, and cost-effectiveness; and
- Continued investment in cybersecurity

The Commission is also aware that digital trust influences how consumers and businesses interact with digital services. Security, privacy, transparency, reliability, compliance, and ethical use of data are key factors in building this trust.

## Changing Demographics

New Brunswick is experiencing an unprecedented demographic shift, marked by a population increase of 25,000 from 2022 to 2023, and a nearly 44,000 increase from 2021 to 2022. The growth has been driven by newcomers to the province, including 33,000 immigrants<sup>11</sup>. The province's proposed \$1.2-billion capital budget for 2024-2025 signifies a clear acknowledgment of the heightened demand on public infrastructure due to this record population growth<sup>12</sup>.

It is crucial to raise awareness of the Commission's role among consumers and market participants in this changing demographic landscape. It is also important that policies reflect the diverse needs of all market participants to maintain confidence in the financial ecosystem.

## Talent Acquisition and Retention

Maintaining credibility in the regulatory landscape requires agility in our people, processes, and systems to adapt to the evolving demands of regulated sectors. Recognizing labour challenges, the Commission emphasizes the importance of attracting and retaining exceptional talent across varied industry backgrounds. Prioritizing continuous skill enhancement is essential to stay ahead of emerging technologies and evolving market trends. The Commission also aims to foster a people-centric culture, enhancing engagement, productivity, and overall well-being.

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11 CBC New Brunswick (2023, September 29). New Brunswick smashes population growth record set last year. CBC News. Retrieved November 28, 2023, from <https://www.cbc.ca/news/canada/new-brunswick/population-growth-record-1.6981745#:~:text=Figures%20show%20New%20Brunswick%20had,July%202021%20and%20July%202023>

12 Finance and Treasury Board (2023, November 28). 2024-25 capital budget reflects government's response to needs of a growing province. GNB. Retrieved November 28, 2023, from [https://www2.gnb.ca/content/gnb/en/news/news\\_release.2023.11.0583.html](https://www2.gnb.ca/content/gnb/en/news/news_release.2023.11.0583.html)

# 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 2024-2027 Strategy and Business Plan is structured around five strategic pillars, each representing a distinct strategic goal. These goals serve as the foundational framework for directing the organization's actions and initiatives:



## 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

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 most recent mandate letter and as summarized by the chart below.

Government Priorities	FCNB Initiatives
<b>Energizing the private sector</b>	Reviewing and modernizing <i>Acts</i> and Regulations affecting the sectors we regulate.
	Continuing to work with Canadian Securities Administrators (CSA) colleagues on policy initiatives to promote growth and vibrant capital markets.
<b>Vibrant and sustainable communities</b>	Increasing holder compliance and public awareness of the new Unclaimed Property program, designed to reunite New Brunswickers with their forgotten funds.
	Continuing to look at new ways to raise public awareness of financial abuse among older and vulnerable adults.
	Advance the regulatory framework that will give effect to the new <i>Consumer Protection Act</i> .
<b>Affordable, responsive, and high performing government</b>	Developing legislative or regulatory proposals as needed to respond to the needs of our regulated sectors.
	Maintaining a strong organizational commitment to cybersecurity.
	Exploring whether the use of advisory committees could be effective and rightsized for New Brunswick’s financial services regulator.
	Fostering a culture of accountability and continuous improvement with right-sized project management.
	Developing a forward-looking plan to review and keep current the 24 <i>Acts</i> we administer.
<b>Environment</b>	Serving on influential interjurisdictional committees looking at Environmental, Social and Governance (ESG) impact within our regulated sectors.



# Business Plan



## Pillar 1: People

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

### **Objective 1.1: Cultivate a people-centric culture that reflects our shared values and purpose, driving accountability.**

This objective highlights our commitment to fulfilling our mandate through a dynamic culture rooted in our values. These values establish our accountability and approach to achieving our purpose. As our industry landscape evolves, so must our capabilities. Prioritizing ongoing skill enhancement empowers our workforce to adapt to emerging technologies and anticipate market trends. This strategic focus not only maintains our relevance in a rapidly changing environment but positions us to proactively address challenges presented by the evolving regulatory landscape.

#### Strategic Outcomes:

1. Transparent Recognition: Uphold transparent and fair recognition, ensuring alignment with our refreshed values.
2. Leadership Development: Develop our workforce as leaders and experts, fostering a culture of continuous development.
3. Intentional Leadership: Enhance our organizational culture through intentional leadership practices.



## **Objective 1.2: Our people are energized, enabled, and empowered.**

This objective reflects the Commission’s intention to provide an environment that supports an empowered and motivated team, where our people thrive while actively contributing to our organizational success. By fostering positive experiences aligned with our objectives and readiness for the future, we ensure that each team member is energized to bring their best to the table. The Commission aims to enhance our organizational culture through transparency, flexibility, and meaningful work. In addition, by equipping our leaders with the necessary skills, support, and resources, we empower them to champion and lead transformative efforts within the organization that propel us toward excellence.

### **Strategic Outcomes:**

1. Career Growth and Alignment: Enable career growth and positive experiences aligned with organizational objectives.
2. Cultural Enhancement: Foster a culture of transparency, flexibility, and meaningful work.
3. Empowerment: Empower leaders with the skills, support, and resources to champion and lead change initiatives.

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

We are dedicated to supporting the wellness, well-being, health, and safety of our staff. We believe that a healthy and thriving workforce is integral to our collective success. This objective encapsulates our commitment to maintaining a workplace that not only prioritizes adherence to best practices and regulations but also actively supports the overall well-being of our valued team members.

### **Strategic Outcomes:**

1. Best Practices Adherence: Adhere to best practices and comply with health and safety regulations.
2. Wellness Support: Support staff wellness, well-being, health, and safety.



## Pillar 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, and it is critical that we instill confidence and credibility. This objective signifies our commitment to responsiveness in the dynamic regulatory landscape, proactively adapting to emerging trends and modernizing external systems and processes, consistent with our digital strategy.

#### Strategic Outcomes:

1. Value-Centric Prioritization: Identify and prioritize key areas where modernization adds value, deepening our understanding of the current needs and expectations of market participants.
2. Right-sized Project Management: Implement right-sized project management methodologies to enhance agility in meeting stakeholder needs, ensuring our regulatory responses are timely and effective.

### **Objective 2.2: Processes are continuously improved and fit for purpose.**

This objective underscores our commitment to the ongoing enhancement and optimization of our processes. We will develop and manage systems in a responsible, transparent manner aligned with current needs, utilizing available solutions to achieve optimal outcomes.

#### Strategic Outcomes:

1. Optimized Internal Processes: Explore business process management to streamline and optimize internal processes.
2. Continuous Improvement Culture: Foster a culture of continuous improvement through project management and the software development life cycle.
3. Accountable System Development: Foster accountability in system development, aligning with current needs and available solutions.

### **Objective 2.3: Cultivate internal technological innovation.**

This objective emphasizes the need for a robust organizational foundation, integrating systems, data management, and analytics to navigate the complexities of efficiently regulating rapidly evolving marketplaces. We are committed to investment in technology that supports our ability to provide timely responses to emerging issues and regulatory gaps within the marketplaces we regulate.

#### Strategic Outcomes:

1. Enhanced IT Capabilities: Sustain investment in technological skills development, with a specific focus on data analytics and cybersecurity resilience.
2. Innovative Solutions: Cultivate a culture of innovation, empowering us to proactively identify and implement technological solutions that enhance regulatory capabilities.

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

Acknowledging the influence of rapidly evolving technologies on financial and consumer markets and our internal systems, we maintain proactive measures to consistently update information security operations. We remain vigilant in deploying additional security tools and technology as needed to safeguard the uninterrupted achievement of our mandate across all facets of our operations.

#### Strategic Outcomes:

1. Cybersecurity Vigilance: Maintain our focus on cybersecurity resilience.
2. System Integrity Assurance: Implement measures to guarantee the integrity and reliability of IT systems, aligning with current needs and available solutions.



## Pillar 3: Consumers 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: Excel in strategic, flexible policy development responsive to market changes.**

This objective underscores the Commission's commitment to regulatory excellence by emphasizing strategic, flexible policy development that responds effectively and appropriately to evolving market changes. It highlights the need for regulatory responses to be grounded in a comprehensive understanding of market issues. This is achieved through consultative, collaborative, and flexible processes, ensuring that the response delivers regulatory activities aligned with and achieving the desired outcomes.

#### Strategic Outcomes:

1. Enhance *Securities Act* Provisions: Propose establishment of modern provisions into the *Securities Act* to effectively regulate evolving capital markets.
2. Title Protection for Financial Professionals: Enhance protection of titles for financial professionals through comprehensive and fair regulatory measures.
3. New Program Awareness: Increase awareness of rights and responsibilities in Unclaimed Property.
4. Effective Consumer Protection: Advance the framework to support future implementation of the *Consumer Protection Act*, including the development of rules, to support effective markets and protect New Brunswickers.
5. Modernize the *Insurance Act*: Achieve a modern, fair *Insurance Act* to support a well-regulated and equitable insurance industry.
6. Responsive Policy Development: Be aware of current consumer demands and needs for the development of policies supporting future legislative proposals.
7. Timely Collaboration: Be timely and effective in working with regulated sectors.
8. Best Practices Collaboration: Collaborate with regulatory counterparts to develop and implement best regulatory practices aligned with the evolving landscape and emerging trends within our regulated industries.

### **Objective 3.2 Protection: Enhanced stability of market participants, market integrity and consumer and investor protection.**

This objective is dedicated to fortifying stability and safeguarding consumers and investors within our regulated sectors by fostering understanding and adherence to regulatory obligations among market participants. The Commission ensures compliance through regular reviews, audits, and investigations. In cases of non-compliance, decisive action is taken, proactively disrupting potentially harmful activities. Collaborating with regulators at local, national, and international levels, we contribute to broader initiatives aimed at enhancing the protection of financial consumers and investors.

#### Strategic Outcomes:

1. Culture of Compliance: Promote a culture of compliance and respond decisively to misconduct.
2. Collaborative Protection: Work with national and international counterparts on initiatives to protect seniors from financial abuse.

### **Objective 3.3 Education: Build and increase awareness among consumers and market participants.**

This objective centres on empowering New Brunswickers to making well-informed financial decisions. Access to unbiased information, understanding rights and responsibilities, and knowing where to seek help are crucial for this empowerment. Similarly, our market participants need ongoing awareness of regulatory requirements and a clear understanding of their responsibilities in ensuring consumer and investor protection. Through strategic awareness campaigns, engaging presentations, and the development and sharing of resources, we focus on educating our primary audiences – New Brunswickers and our regulated sectors.

#### Strategic Outcomes:

1. Educational Programs: In collaboration with regulatory and operational divisions, develop and execute educational programs that support consumer protection and relevant financial literacy subjects which align, as appropriate, to national financial literacy priorities.
2. Fraud Monitoring: Vigilantly monitor fraud threats in regulated areas and promptly alert New Brunswickers, providing timely information to help them avoid frauds and make informed decisions.
3. Awareness: Build consumer and industry awareness and understanding of regulated sectors and the role of the Commission through updated and audience appropriate brand strategy, outreach, and engagement efforts.



## Pillar 4: Financial

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

### **Objective 4.1: Ensure financial capacity to accomplish our mandate.**

This objective underscores our commitment to optimizing financial capacity to fulfil our mandate and provide value to New Brunswickers. Adhering to the budget set at the beginning of each fiscal year is a fundamental strategic outcome, ensuring prudent fiscal management and resource allocation to support the effective execution of our regulatory responsibilities.

#### Strategic Outcomes:

1. Budget Adherence: Adhere to the budget set at the beginning of each fiscal year.

### **Objective 4.2: Deliver value to key audiences.**

We are committed to maintaining regulatory approaches and organizational practices that consistently deliver value to our key audiences. We prioritize flexibility and agility in our regulatory policy development to provide an effective oversight regime. Through continuous assessment, we will identify opportunities to adapt our approaches and processes to achieve efficiencies and enhance the overall value we provide.

#### Strategic Outcomes:

1. Resource Planning Optimization: Optimize value and cost through resource planning.
2. Transparent Reporting: Maintain best practices in reporting while meeting mandated requirements.
3. Targeted Net Income: Meet targeted net income while maintaining an effective regulatory regime.

### **Objective 4.3: We are self-funded.**

We are funded by the regulatory fees and assessments paid by the sectors we oversee, which establishes the Commission as an independent regulator. The authority to set rules regarding these fees is granted by the *Financial and Consumer Services Commission Act*.

#### Strategic Outcomes:

1. Fee Rule Monitoring: Regularly monitor the Commission's fee rules to support maintaining financial capacity.



## Pillar 5: Environment, Social, and Governance (ESG)

Goal: Embrace 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 increasingly prioritize products adhering to ESG standards, the Commission plays an active role in monitoring this evolving landscape and participating in applicable policy-making discussions.

#### Strategic Outcomes:

1. Leadership Influence: Our leaders serve on relevant, influential inter-jurisdictional committees.
2. ESG Knowledge Exchange: The Commission's Internal ESG forum promotes knowledge exchange on ESG standards and emerging trends.

### **Objective 5.2: Foster an environment of Inclusion, Diversity, Equity, and Accessibility (IDEA).**

The Commission is actively fostering diversity within our workforce and striving to ensure an inclusive, equitable, and accessible employee experience. We achieve this by offering learning opportunities focused on inclusion, diversity, equity, and accessibility to enhance awareness and understanding among employees at all levels. Recognizing that diverse perspectives contribute to better policymaking and innovation, the Commission acknowledges the importance of diversity in recruitment, retention, and overall well-being.

#### Strategic Outcomes:

1. Competency Growth: Provide access to self-study on inclusion, diversity, equity, and accessibility to grow internal competencies.
2. IDEA Strategy: Develop a comprehensive inclusion, diversity, equity, and accessibility strategy for the Commission.
3. ESG Consideration: ESG factors are integral to assessing funding requests for stakeholder events or initiatives.

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

The Commission is dedicated to regulatory leadership and the pursuit of excellence across all operational facets. We recognize that robust governance practices, tailored to our unique characteristics, are pivotal for promoting responsible stewardship, ethical behaviour, and effective performance.

**Strategic Outcomes:**

1. Audit Framework: Implement an internal audit function framework.
2. Board Competency Growth: Provide relevant, mandatory training to Board Members, enhancing competencies in emerging governance trends and best practices.
3. Purpose Governance: Establish an activation plan for the phased implementation of the organizational purpose.



## 2024-2025 Performance Measures

Pillar	Strategic Goals	Objectives	Performance Measure	Measure Frequency	Target
<b>Pillar 1: People</b>	Build upon a highly skilled workforce that is passionate about what we do.	Our people are energized, enabled, and empowered.	Employee Engagement Score	A	=>75%
<b>Pillar 2: Process</b>	Excel in the development of effective, practical, and responsive regulatory services	Remain responsive to changing regulatory needs.	Updates to existing regulatory systems	A	2
<b>Pillar 3: Consumers and Market Participants</b>	Reduce risk and harm, and build trust, awareness, and fairness in financial and consumer services for New Brunswickers.	Excel in strategic, flexible policy development responsive to market changes	Stakeholder Engagement Survey	A	=>70%
			Service Standards - Response Time	Q	=>90%
		Enhance stability and protection	Regulatory Enforcement Case Assessment	Q	80% within 30 days; 100% within 60 days of receipt of completed referral file
<b>Pillar 4: Financial</b>	Optimize financial capacity to accomplish our mandate and deliver value to New Brunswickers.	Ensure financial capacity to accomplish our mandate.	Net income target	Q	\$7.401 M
			Actual to budget variances	Q	Total expenses not to exceed budget by 5%
<b>Pillar 5: Environment, Social and Governance</b>	Embrace ethical and practical values of ESG toward a more inclusive, sustainable, and prosperous future.	Our regulatory standards are consistent with societal values.	Number of interjurisdictional committees FCNB participates on with ESG impact	A	10

# 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.

## Revenue Sources

The *Financial and Consumer Services Commission Act* empowers the Commission to set rules regarding fees and assessments, securing our financial independence as a regulator. Our main sources of revenue come from these fees and assessments collected from the industries we oversee. Notably, the securities sector is the primary contributor, accounting for about 70 per cent of our revenue. Our operations have typically generated a surplus of \$6 million to \$9 million annually. This surplus is contributed to the province's Consolidated Fund.

## Cost Structure

Approximately 75 per cent of our total expenses relate to staff and Commission member costs. Other items relate to accomplishing our 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;
- Continue efforts to provide regulatory guidance to the industries we regulate to address emerging practices;
- The need to implement and update our regulatory systems for new and existing areas of regulation;
- Our continued expansion of our core competencies in the areas of financial technology innovations;
- Our continued work to provide New Brunswickers with the knowledge, skills, and confidence to make informed spending and investing decisions through e-learning projects, education campaigns and various outreach programs;
- A brand rearticulation initiative to enhance communication with New Brunswickers and industry participants and strengthen trust in and promote understanding of our role as defined by our mandate.

The budget projections for the three-fiscal periods ending March 31, 2025, 2026 and 2027 include revenue and expenses for the Commission.

Selected Financial Information	FY 2024/25	FY 2025/26	FY 2026/27
<b>Revenue Sources</b>			
Securities	\$ 18,368,000	\$ 18,735,000	\$ 19,204,000
Consumer Affairs	656,000	669,000	682,000
Pensions	220,000	220,000	330,000
Insurance	4,716,000	5,001,000	5,047,000
Financial Institutions	1,076,000	1,098,000	1,122,000
Unclaimed Property	722,000	658,000	749,000
Other Income	403,000	333,000	263,000
<b>Total Revenue</b>	<b>26,161,000</b>	<b>26,714,000</b>	<b>27,397,000</b>
<b>Expense Sources</b>			
Commissioner Expenses	273,000	273,000	273,000
Staff Salary and Benefits	13,752,000	14,757,000	15,603,000
General & Administrative	4,427,000	4,285,000	4,129,000
Third Party Adjudication	308,000	316,000	324,000
<b>Total Commission Expenses</b>	<b>18,760,000</b>	<b>19,631,000</b>	<b>20,329,000</b>
<b>Net Income</b>	<b>\$ 7,401,000</b>	<b>\$ 7,083,000</b>	<b>\$ 7,068,000</b>