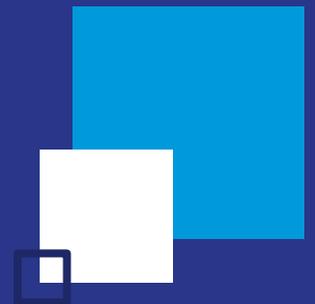


2020

Ontario Pre-Budget Submission

Toronto Finance International (TFI)

February 2020



2020 Ontario Pre-Budget Submission

February 2020

The financial sector is a key engine of economic growth for the national, provincial and local economy. The Toronto Region is the second largest financial centre in North America and ranks as a top ten global financial center. The financial services sector is also the second largest contributor to Ontario's GDP and accounts for almost 800,000 direct and indirect jobs in the Province. Additionally, the sector accounts for half of Canada's outward foreign direct investment.

Recommendations

Ontario's Public Finances

Ontario continues to have one of the largest debt levels of any subnational jurisdiction in the world. A high level of debt creates risk for future generations and for the government's ability to respond to an economic downturn or an unexpected rise in interest rates. TFI encourages the government to continue with its commitment to addressing the debt burden and putting the Province's finances on a more sustainable path.

Modernizing the Regulation of Capital Markets

TFI commends the Ontario government for recent announcements in support of modernizing the regulation of Ontario's capital markets. Despite having a legislative requirement to be reviewed every five years, the *Securities Act* has not undergone a formal review in over 15 years. In the 2019 Fall Economic Statement, the Ontario government announced the creation of a securities modernization task force to review the outdated *Securities Act*. TFI welcomes the review and looks forward to participating in the consultations.

TFI also welcomes the final report of the Ontario Securities Commission Burden Reduction Task Force; which included 100 actions to reduce duplication, enhance service levels and provide a more tailored regulatory approach to Ontario's capital markets.

Finally, TFI encourages the Ontario government to continue to work collaboratively with other participating jurisdictions on the Cooperative Capital Markets Regulatory System (CCMR).

Rate Regulation for Auto Insurance

The government and Financial Services Regulatory Authority (FSRA) have made positive progress by reducing the regulatory burden in the auto insurance rate regulation process. TFI and the property and casualty insurance industry recommend the government continue to improve the rate regulation process and continue to improve the business environment by removing excessive regulation.

Titles for Financial Professionals

The financial sector is pleased with the government's continued commitment to protecting titles for "financial planners" and "financial advisors" under the *Financial Professionals Title Protection Act, 2019*. As the government and FSRA work together to develop and finalize rules and regulations under the Act, we urge close cooperation and consultation with key stakeholders to ensure that title protection is meaningful, eliminates consumer confusion, does not create unnecessary regulatory burden, and enhances protection for Ontarians seeking out professional financial advice.

About Toronto Finance International (TFI)

TFI is a public-private partnership between Canada's three levels of government, the financial services sector and academia. TFI's mission is to lead collective action that drives the competitiveness and growth of Toronto's financial sector and establishes its prominence as a leading international financial centre. For more information about TFI, please visit www.tfi.ca