



## Financial Institutions Regulatory Services: Seven Key Areas of Focus

Gowlings' core Financial Institutions Regulatory Group draws on expertise in all related areas including tax, securities, anti-trust/competition, restructuring and insolvency, information technology and privacy. Working in cross-disciplinary teams, we assist clients on the full range of regulatory matters pertaining to the establishment of a financial services business; major transactions including mergers and acquisitions and divestitures; and the development and distribution of innovative financial products.

Specifically, we focus on the following seven areas:

1. [Deposit Taking Institutions](#)
2. [Insurance \(Life Insurance and Property & Casualty\)](#)
3. [Pensions](#)
4. [Market Regulation](#)
5. [Anti-Money Laundering and Anti-Terrorist Financing](#)
6. [Government Relations and Public Policy](#)
7. [Privacy](#)

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### 1. Deposit Taking Institutions

Our professionals have extensive experience in the establishment of Schedule I and II banks and Schedule III foreign bank branches under the *Bank Act* on behalf of domestic and foreign-based financial institutions. We provide a broad range of legal services to other major regulated financial institutions including trust companies and credit unions. Members of the team regularly deal with the Office of the Superintendent of Financial Institutions Canada (OSFI) as well as most provincial and territorial regulators. We also maintain valuable working relationships with the Department of Finance and the Bank of Canada.

In addition to providing statutory and regulatory compliance opinions on specific transactions, we advise clients on:

- The development of optimal structures for capital-efficient delivery of products and services on a group-wide basis;
- Legislative and regulatory issues regarding new products and services;
- Compliance issues relating to consumer disclosures, the protection of consumer information, consumer protection and privacy issues;
- Domestic and international regulatory and supervisory trends and developments.

## **2. Insurance (Life Insurance and Property & Casualty)**

Gowlings provides a broad range of regulatory advice to foreign and domestic insurance companies, fraternal, insurance intermediaries and other non-insurance company entities. Acting on behalf of domestic and foreign-based financial institutions, Gowlings has experience in advising insurance companies under the *Insurance Companies Act*, and in facilitating approvals of foreign insurers to conduct business in Canada.

The Financial Institutions Regulatory Group routinely counsels on federal and provincial insurance law matters relating to licensing, compliance, interpretation of advisories, policies and guidelines, and investments. We assist insurance sector clients in all types of corporate reorganizations, restructurings, mergers and acquisitions, divestitures, transfers and/or wind-ups of businesses.

Clients seek our advice on the development of innovative financial products launched in both the life and P&C sectors to ensure compliance with all relevant federal, provincial and territorial regulatory requirements.

Gowlings also works with insurance intermediaries in the licensing of insurance brokers and agents, training in compliance requirements, and market conduct regulation. We advise boards of directors, risk managers and general counsel on a range of issues including optimizing insurance coverage; alternative risk transfer mechanisms, including captive insurance companies; utilizing insurance products to meet corporate goals; due diligence enquiries; and the review and drafting of indemnity and insurance clauses in various commercial transactions, including mergers and acquisitions.

### **3. Pensions**

Gowlings provides legal services to all members of the pension industry, including plan administrators, custodians/trustees, investment/fund managers, employers and plan members relating to registered and non-registered pension plans. We are distinct from many of our competitors because we do not act *solely* for the “employer side” or the “employee side.” We believe we are better able to provide unbiased advice to all clients given that we have no public position (employee or employer-side) to defend and no bias given the nature of our clientele.

The members of the Gowlings' Pension Group have a broad range of experience and include lawyers who were on staff at a pension regulator. We provide our clients with the benefit of unique and valuable historical insight and practical experience in dealings with pension regulators and government officials/agencies. We have advised clients in connection with regulatory examinations and investigations, and in representing them in pension litigation.

Gowlings acts for a large number of pension industry clients both in the public and private sectors. Gowlings advises some of the largest public sector pension plans in Canada. We also provide regular advice to a large number of private sector plans on all aspects of pension law.

Gowlings provides legal services in respect of investments to most of the major Canadian pension plans as well as to numerous pension investment and asset managers. Gowlings has one of the leading investor-side private equity practices in Canada (both fund and direct investment), and is widely recognized as a leader in this area.

Gowlings has been at the forefront in the practice of pension law for years, providing clients with strategic advisory services and creative, cost-effective solutions in every aspect of pension law.

#### **4. Market Regulation**

Our approach is to ensure compliance, minimize risk and find early resolution of disputes with regulators where possible.

As part of our Financial Institutions Regulatory Group, a select team focuses its attention on matters relating to dealers and advisors. We regularly defend dealers, branch managers, advisers (investment advisers, financial advisers, insurance brokers and agents), IC/PMs and limited market dealers against professional negligence claims, breaches of contract, regulatory violations and employment law matters. We appear regularly before Ontario's Superior Court of Justice and the Ontario Court of Appeal, as well as various tribunals, including the Investment Industry Regulatory Organization of Canada (IIROC), Mutual Fund Dealers Association (MFDA), Ontario Securities Commission (OSC) and Financial Services Commission of Ontario (FSCO) and their counterpart organizations in most other provinces and territories. We routinely advise on cross-border matters involving U.S. regulators and on matters of potential criminal conduct. In providing risk management advice, we help our clients reduce litigation and reputational risk.

Additionally, we can provide hands-on compliance training to dealers, branch managers, advisers and traders across Canada and can assist with the licensing of brokers, dealers and advisers.

Our professionals advise reporting issuers and market participants on all matters under the provincial securities acts relating to disclosure and compliance requirements. Among our experienced practitioners is the former deputy director, enforcement of the Ontario Securities Commission who regularly advises and defends on matters such as disputed prospectus receipts, compliance and

registration reviews, takeover bid disputes and enforcement proceedings, in addition to conducting internal investigations on possible trading/tipping and other securities violations.

In relation to anti-bribery and international anti-corruption acts that may apply to businesses around the world, we work with clients to prepare appropriate policies to

minimize the risk of non-compliance and to assist in responding to investigations and proceedings.

## **5. Anti-Money Laundering and Anti-Terrorist Financing**

Familiar with amendments to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act along with its various regulations, Gowlings advises on all aspects of anti-money laundering (AML) and anti-terrorist financing legislation. Our professionals have acted on behalf of many of Canada's largest chartered banks and other financial intermediaries on reporting, client identification and know-your-customer (KYC) obligations. We have also developed AML/ATF policies, and procedures manuals and training.

Our team has worked with financial institutions in establishing relationships with foreign financial entities or in establishing new financial products such as co-branded credit cards. Gowlings has provided AML advice to some of Canada's largest legal and compliance departments to ensure their many units operate in harmony; both with their business objectives and with the required risk-based regulatory approach to AML compliance.

Our professionals handle AML enforcement or litigation issues, evaluate existing AML policies and procedures, and seek approval from FINTRAC on unique business models requiring special consideration.

## **6. Government Relations and Public Policy**

Highly experienced in both the public and private sectors, Gowlings' Government Affairs team works with all levels of government and its agencies, trade and professional associations, non-governmental agencies, foreign governments, small and large businesses, Crown corporations, utilities, developers and educational institutions. We offer the perfect suite of services for international

companies entering the Canadian market, drawing on expertise in government procurement, energy and infrastructure, international trade, transportation and immigration.

With a number of professionals having held elected office or senior government positions, including the former General Counsel and Corporate Secretary of the Bank of Canada, our team understands policy development from the inside out. Our familiarity

with government is a key advantage for industry stakeholders in presenting their concerns to decision-makers.

## **7. Privacy**

Gowlings provides timely regulatory compliance advice to help clients develop sound privacy and information management strategies. Our expertise includes the development of transaction data rooms and document-retention programs, threat-risk assessments, advice on cross-border issues and compliance best practices, data breach management and e-discovery services. With expertise in technology and telecommunications, our professionals are well-positioned to advise on privacy issues arising out of new technologies and business models.