

Advisory

New CAPSA Publication: CAP Guideline and Risk Management Guideline

Date: September 27, 2024

Distribution: Plan Administrators

Advisory Number: 24-037

PURPOSE

The purpose of this advisory is to notify pension stakeholders of two new guidelines released by the Canadian Association of Pension Supervisory Authorities (“CAPSA”):

- Guideline for Capital Accumulation Plans (“CAP Guideline”), and
- Guideline for Risk Management for Plan Administrators (“Risk Management Guideline”).

These guidelines were developed to support Pension Plan Administrators and represent leading practices in pension management in the respective areas.

Both documents are available on the [CAPSA website](#).

BACKGROUND

CAPSA’s 2024 CAP Guideline replaces the 2004 CAP Guideline. Significant developments have occurred in the financial services industries over the past 20 years and the new guideline reflects regulators’ views on the responsibilities of CAP sponsors, administrators, and service providers in the current marketplace. It also clarifies expectations surrounding information to be communicated to members.

CAPSA’s Risk Management Guideline is a comprehensive guideline, which outlines the overarching principles of risk management and risk considerations for specific topics including:

- Cyber security;
- Use of leverage;
- Third-party advisors or service providers;
- Investment governance; and
- Environmental, social and governance (“ESG”).

BCFSA EXPECTATION

As a CAPSA member, BCFSA encourages Plan Administrators, subject to the *Pension Benefits Standards Act* and its regulation and other BCFSA guidelines, to follow CAPSA’s guidelines when meeting fiduciary responsibilities in the administration of their pension plans.

As referenced in CAPSA’s letter to stakeholders below, proportionality is woven throughout these guidelines. Pension plans of all sizes are expected to determine how best to implement these guidelines, taking into consideration the legal requirements, size, and sophistication of the plan.

Classification: **Public**

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ADDITIONAL INFORMATION

- CAPSA's [Letter to Stakeholders](#)
- Guideline No. 3 – [Guideline for Capital Accumulation Plans](#)
- Guideline No. 10 – [Guideline for Risk Management for Plan Administrators](#)

If you have any questions, please contact us by email at pensions@bcfsa.ca