## Top 10 Regulatory Insights for Canadian Risk and Compliance Professionals in 2018

### 1. AML/CTF compliance obligations
AML remains a high priority for Canadian regulators. Firms will be expected to become ever more proactive and pre-emptive to mitigate money laundering and other types of financial crime.

### 2. Cyber resilience compliance efforts
Firms should expect regular assessments and reviews of cybersecurity practices. Preparing senior managers and cyber-security experts to be able to explain and justify, in detail, how their strategic approach can protect their organization against a cyber attack or data breach would be prudent.

### 3. Developments in cryptocurrency
The 2017 CSA staff notice serves as a strong indicator that Canadian regulators intend to assert their authority over initial coin offerings in 2018 and beyond, particularly if investor protection concerns are evident.

### 4. Product governance developments
Firms should be aware of emerging investor protection concerns and expect regulators to enforce the new ban on binary options rigorously.

### 5. Regulatory arbitrage unique to Canada
The delay of the Cooperative Capital Markets Regulatory System (CCMR) requires securities issuers to familiarize themselves with the enforcement priorities that have been set by all of the provincial regulators to which they are subject to oversight.

### 6. Protecting vulnerable investors
Throughout 2017, multiple provincial securities regulators, SROs and the FCAC pursued an array of investor protection initiatives. Financial advisors can expect harsher penalties particularly where vulnerable investors were concerned.

### 7. Compliance with ongoing disclosure obligations
The reputational and financial damage suffered by Home Capital Group (HCG) following the OSC’s investigation underscores the price that listed companies can pay for failing to comply with ongoing disclosure obligations.

### 8. Improving gender diversity policies
Boosting female representation in senior positions of listed companies has been slow, prompting calls from institutional investors and some regulators for a stronger regulatory touch. Progress is expected to continue in 2018 with lawmakers making a stronger push to increase gender diversity in firms.

### 9. Risk-based approach to corporate governance
OSFI’s draft corporate governance guidance, expected to come into force in 2018, will place greater emphasis on evidencing and demonstrating compliance, as well as greater personal accountability for board members.

### 10. Beware regional market risks
Banks and insurers should heed the warnings from OSFI to consider systemic risks to their businesses from volatility in the property market. Regulators will monitor compliance with AML reporting requirements even more closely in 2018.

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