



BANK OF CANADA
BANQUE DU CANADA



B A C K G R O U N D E R S

Regulation of the Canadian Financial System

The 2007-09 global financial crisis underscored the importance of financial regulation and surveillance—not only for the soundness of individual financial institutions, but also for the stability of the financial system as a *whole*. Indeed, attention has focused on ways to better identify, evaluate and mitigate risks, both nationally and internationally, and increasingly, the emphasis has been on a system-wide approach.

In Canada, such an approach is the shared responsibility of the Department of Finance and other federal financial regulatory authorities, including the Bank of Canada, the Office of the Superintendent of Financial Institutions (OSFI) and the Canada Deposit Insurance Corporation (CDIC). Ultimately, it is the Minister of Finance who is responsible for the sound stewardship of the financial system. Canada’s shared system of financial regulation and supervision proved valuable during the recent global financial crisis.

The supervision of federally regulated financial institutions is conducted by the [Office of the Superintendent of Financial Institutions](#).

The federal system of deposit insurance is operated by the [Canada Deposit Insurance Corporation](#).

The [Financial Consumer Agency of Canada](#) (FCAC) works to inform and protect consumers of financial products and services.

At the provincial level, authorities regulate credit unions and caisses populaires, and securities commissions regulate and administer issuance of and trade in securities such as stocks and bonds.

Together with the [Department of Finance](#), OSFI, CDIC, and FCAC, the Bank of Canada participates in the Financial Institutions Supervisory Committee (FISC). This important committee meets regularly to share information, coordinate actions, and advise the federal government on financial system issues.

The Bank of Canada’s role

The Bank of Canada’s overall goal is to promote a stable and efficient financial system in Canada. The focus on the financial system as a whole parallels the Bank’s approach to monetary policy, which focuses on the entire economy.

The Bank provides liquidity to the financial system, gives policy advice to the federal government on the design and development of the system, oversees major clearing and settlement systems, and provides banking services to these systems and their participants ([further detail](#)).

The Bank of Canada also conducts ongoing research into issues related to the stability and efficiency of the financial system. Results of this research, as well as an assessment of the key risks and vulnerabilities that may affect the stability of the Canadian financial system, are published in our semi-annual [Financial System Review](#).

In addition to promoting a sound financial system at home, the Bank contributes to international discussions on important financial system issues.

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