

## Technology

May 20, 2016

### Competition Bureau Initiates FinTech Market Study

On May 19<sup>th</sup> the Competition Bureau announced it has launched a market study of Canada's financial services technology ("FinTech") sector to determine whether it should be more closely regulated. According to the Bureau, FinTech innovations provide more choice by unbundling existing products and services and introducing new ones that can result in more efficient services, lower fees and greater savings for Canadians.

The study will focus on:

- how innovation is affecting the way consumers and businesses use financial products and services,
- the competitive impact that FinTech is having on the financial services industry,
- the barriers to entry for companies working in FinTech, and
- whether regulatory reform is needed to promote greater competition while maintaining consumer confidence in the financial services industry.

#### Regulation of FinTech in Canada

While the Federal government regulates banking in Canada through the Office of the Superintendent of Financial Institutions (OSFI), other components of banking are overseen by separate provincial and federal institutions.

Canada's FinTech industry is already subject to regulation; however, the technology has started to outpace the existing regulation such that some financial products are not covered.

The study will assess current regulation. The Competition Bureau will use the results of the study

to determine how to best allocate responsibility for regulation between provincial and federal institutions. Interested stakeholders are invited to make a submission to the Bureau before June 30, 2016.

#### Goodmans Tech Group

To assist clients in the technology sector, Goodmans brings together our acknowledged expertise in corporate/commercial, private equity, corporate finance, mergers and acquisitions, outsourcing, licensing, intellectual property, privacy, regulatory and media, tax, litigation, human resources, corporate restructuring and administrative law.

Goodmans was a pioneer for many of the contractual relationship formats that now exist in the information technology sector. We also have an extensive history of helping clients enforce their rights with regard to computer software issues and other business disputes. The members of our Technology Group teach internet and communications law at Canada's largest law school, are regular lecturers at technology industry events and legal conferences, and have published articles in the technology law field.

Goodmans continues to lead in the technology space and has recently partnered with The DMZ at Ryerson University. The DMZ is a leading business incubator (selected by BMI as the top-ranked university incubator in North America, and third in the world), which connects its startups with resources, customers, advisors, investors, and other entrepreneurs. Through this partnership, Goodmans will provide mentorship and networking opportunities to assist startups in maximizing their potential.

For further information regarding FinTech or the Competition Bureau's study, please contact any member of Technology Group.