

Strengthening Fintech Ecosystem Must Be a Top Priority for Financial Services Industry and Governments to Maintain Canada's Global Position, TFSA Report Says

TORONTO, May 15, 2017 – Strengthening the fintech ecosystem in the Toronto region must be an imperative for the country's financial services sector and governments in order to maintain and grow the region's international market position, according to a new report from the Toronto Financial Services Alliance (TFSA), researched and written by Accenture (NYSE: ACN) and McMillan LLP.

The report, "*Seizing the Opportunity: Building the Toronto Region into a Global Fintech Leader*," is based on primary and secondary research, which included a survey and interviews with executives in the government, financial services and fintech sectors. The research found that the Toronto/Kitchener-Waterloo corridor today benefits from a strong core of financial institutions, top-tier research facilities at local academic institutions, a strong talent base and relatively low business operating costs compared with other global fintech ecosystems.

However, the analysis also identified the need to develop a clear, consistently implemented, policy-driven Canadian fintech strategy focused on fostering innovation among all participants in the ecosystem to address ongoing challenges. If not addressed, these challenges could risk the Toronto region falling behind other international financial centres, according to the report.

"We have a strong fintech and financial services cluster in this region, and much is being done by industry and government to build our global leadership," said Janet Ecker, President & CEO of the TFSA. "But the evidence is clear: We are still in the middle of the pack. Other global centres are not standing still, and neither can we. Strengthening the fintech ecosystem will be critical to the continued success of our global financial industry."

The report sets out six key calls to action to ensure a strong industry position globally:

- **Collaboration:** Closer and more frequent engagement among fintech startups, well-established financial institutions and the venture capital community.
- **Capital:** Improved access to sophisticated seed-level and local later-stage capital for Canadian fintechs.
- **Regulation:** Reduced regulatory burden on emerging fintech companies, and modernized regulatory frameworks to attract foreign investment and further reflect changing business models, technologies and priorities.
- **Research:** Encouraged commercialization of research for financial services to further establish the region as a global leader.
- **Talent:** Creation of opportunities and conditions that will attract top talent with experience growing and scaling fintech companies.
- **Awareness:** Raising of the region's profile on the global stage as a fintech hub.

"Today's report represents a snapshot in time, but every day, new and more powerful technologies will inevitably bring change and disruption to our financial services industry – in Canada and around the world," said Robert Vokes, managing director of Accenture's Financial Services practice in Canada. "The time has never been more critical for the Toronto/Kitchener-Waterloo corridor to rise to the challenge and compete globally in a highly competitive – and increasingly important – sector of the economy."

Robert Scavone, a partner in McMillan’s financial services group and lead author of the regulatory section of the report, said, “One takeaway from the report is that while good regulation has given Canada a world-class reputation for the safety of its financial system, we haven’t kept pace with other leading fintech centres in creating a regulatory ecosystem where fintech innovation can thrive and grow. Our regulatory landscape is confusing and fragmented, and compliance can be a significant barrier to entry for fintech startups, discouraging collaboration with incumbent financial institutions. We have a lot to learn from other fintech centres such as the U.K., Australia and Singapore, which are experimenting with such tools as regulatory sandboxes, which Canada is only just beginning to try out.”

The report consists of five main sections: (1) a market scan of the Toronto region fintech ecosystem; (2) technology trends that are enabling fintech startups within the region; (3) an analysis of the regulatory and policy environment in Canada and in the Toronto/Kitchener-Waterloo corridor, from the perspectives of the region’s fintech and financial institution ecosystem; (4) a global ranking of fintech ecosystems; and (5) a summary of key findings and recommendations on positioning the Toronto region as a global leader in fintech.

The report can be found [here](#). Additionally, a supporting infographic can be found [here](#).

About TFSA

The Toronto Financial Services Alliance is a public/private partnership whose mandate is to enhance and promote the long-term competitiveness of Toronto region as a “top ten” international financial services center. Its membership encompasses core financial services companies – banks, brokerages, investment fund managers, pension funds, insurance companies – as well as partner sectors – accounting, law and academia. For more information, please check our website at www.tfsa.ca.

About Accenture

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