

Federal financial institutions legislative and regulatory reporter – May 2022

June 29, 2022

When using a mobile device, please view this webpage in landscape mode.

The Reporter provides a monthly summary of Canadian federal legislative and regulatory developments of relevance to federally regulated financial institutions. It does not address Canadian provincial financial services legislative and regulatory developments, although this information is tracked by BLG and can be provided on request. In addition, purely technical and administrative changes (such as changes to reporting forms) are not covered.

May 2022

Published	Title and Brief Summary	Status
Office of the Superintendent of Financial Institutions (OSFI)		
May 26, 2022	<p>Draft Guideline: Guideline B-15, Climate Risk Management.</p> <p>OSFI has released a drafted version of Guideline B-15: Climate Risk Management, proposing a framework to guide federally regulated financial institutions in their climate-related governance and risk management practices. OSFI welcomes comment to draft Guideline B-15 before August 19, 2022.</p>	Comment by August 19, 2022
May 20, 2022	Proposed Revisions to Guideline E-23 on Model Risk Management	Comment by June 30, 2022

	<p>In September 2017, OSFI issued Guideline-E23: Enterprise-Wide Model Risk Management for Deposit-Taking Institutions, which set out OSFI's expectations on the life cycle approach to managing the use of models by federally regulated deposit taking institutions (DTIs).</p> <p>OSFI plans to expand the scope of Guideline E-23 to address emerging risks and to clarify OSFI's expectations that all federally regulated financial institutions (FRFIs) and federally regulated pension plans (FRPPs) appropriately assess and manage model risks at the enterprise level. OSFI will take a balanced approach that is reflective of proportionality considerations for FRFIs and FRPPs based on the model risk management framework under which they operate. OSFI's risk-based approach will also recognize FRFIs' and FRPPs' desire to innovate and preserve agility in model development while maintaining the importance of appropriate model risk management.</p> <p>OSFI plans to launch a consultation on Guideline E-23 in March 2023, with final guidance planned for publication by the end of 2023 and target implementation by June 2024. At this point, OSFI is seeking input from stakeholders on the expanded scope of application and models along with any other element of the current Guideline E-23 where additional detail or greater clarity would be beneficial.</p>	
--	--	--

<p>May 16, 2022</p>	<p>OSFI's expectations for CDOR Transition</p> <p>The OSFI supports the move towards more robust interest-rate benchmarks, including efforts to transition the Canadian financial system to primarily using the Canadian Overnight Repo Rate Average (CORRA) in place of the Canadian Dollar Offered Rate (CDOR). The confirmation of CDOR cessation dates begins a critical phase in the transition to alternative reference rates in Canada. As a result, OSFI expects FRFIs and FRPPs with transactions linked to CDOR will make every effort to ensure a seamless transition to new reference rates, prior to the respective cessation dates.</p>	
<p>May 18, 2022</p>	<p>Chief Actuary of Canada Seeks External Peer Review Panel for 31st Actuarial Report on the Canada Pension Plan</p> <p>The Office of the Chief Actuary (OCA) is commissioning an external peer review of its next (31) Actuarial Report on the Canada Pension Plan (CPP), expected to be released in December 2022.</p> <p>Application forms and the terms of reference are available and must be submitted before the end of the day on July 15, 2022. Previous CPP actuarial reports and independent peer reviews are also available.</p>	<p>Submissions by July 15, 2022</p>
<p>International Association of Insurance Supervisors (IAIS)</p>		
	<p>IAIS' Holistic Framework Virtual Roundtable</p> <p>The IAIS will hold a virtual public roundtable on the</p>	

	<p>implementation of IAIS' Holistic Framework, designed to assess and mitigate systemic risk in the global insurance sector. This IAIS virtual roundtable will take place 13.00-15.30 CEST on Tuesday, July 19, 2022. To register for this event, see here.</p>	
--	---	--

<p>Bank of Canada</p>		
------------------------------	--	--

<p>May 16, 2022</p>	<p>CARR Welcomes RBSL's Decision to Cease the Publication of CDOR After June 28, 2024</p> <p>Canadian Alternative Reference Rate Working Group (CARR) has signalled its support of Refinitiv Benchmark Services (U.K.) Limited's (RBSL) announcement that it would cease publication of CDOR after June 28, 2024. Alongside this announcement:</p> <p>Following RBSL's decision, CARR has published two supporting documents:</p> <ul style="list-style-type: none"> • A transition roadmap that outlines the processes and timelines needed for the transition from CDOR for Canadian market participants. • A consultation for a potential forward-looking Term CORRA benchmark to replace CDOR in certain types of loan facilities. This consultation will form the basis of any decision to create such a rate. 	<p>Comments by June 13, 2022</p>
---------------------	---	----------------------------------

<p>Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)</p>		
--	--	--

<p>May 5, 2022</p>	<p><u>Sectoral and Geographic Advisory: Underground Banking through Unregistered Money Services Businesses</u></p> <p>This advisory focuses on money laundering and terrorist activity financing risks associated with underground banking through unregistered money services businesses; and describes key attributes of underground banking in Canada, particularly as carried out by unregistered money services businesses in Metro Vancouver, the Greater Toronto Area, and, to a lesser extent, in the Calgary-Edmonton Corridor.</p>	
--------------------	--	--

<p>Payments Canada</p>		
-------------------------------	--	--

	<p><u>Upcoming Changes to Rules, Procedures & Standards</u></p> <ul style="list-style-type: none"> • Rules B9, D4, E3, and K5 - Administrative amendments to reflect the addition of a new Automated Clearing Settlement System (ACSS) Direct Clearer. • Rule B1, K4 and Lynx Rule 3 - Amendments to the ACSS and Lynx Rules to move the Service Level Description (SLD) attestation due date in the rules from January 31 to March 1. • Rule H1 - Amendments to update the pre-authorized debit rule. • Rule C1 - Addition of a new rule related to members' ability to maintain ACSS connections outside of Canada. 	
--	---	--

	<ul style="list-style-type: none"> • Rule A10 and A4 - Amendments to clarify/update the return reasons for bank drafts and certified cheques. • Standard 005 - Amendments to clarify Standard 005 provisions raised by new Direct Clearer. • Rule A1, B1, G3, G12, H6, L3, J10 and ACSS Rules Introduction - ACSS consequential amendments related to the repeal of the Large Value Transfer System (LVTS) Rules. • Removal of LVTS Rules - Repeal of LVTS Rules. • Lynx Rule 1, Rule 2, Rule 3, Rule 4, Rule 5, Rule 6, Rule 7, Rule 8, Rule 9, Rule 10, Rule 11, Rule 12, Rule 14, TSP 001, TSP 002 and TSP 003 - Amendments to the Lynx Rules to accommodate the use of ISO 20022 MX messages for the exchange of Lynx payments. 	
--	--	--

Bank for International Settlements (BIS)

<p>May 31, 2022</p>	<p><u>Basel Committee finalises principles on climate-related financial risks, progresses work on specifying cryptoassets' prudential treatment and agrees on way forward for the G-SIB assessment methodology review</u></p> <p>>At its meeting on May 27, the Basel Committee:</p> <ul style="list-style-type: none"> • Approved a finalized set of principles for the effective management 	
---------------------	---	--

	<p>and supervision of climate-related financial risks, to be published in the coming weeks.</p> <ul style="list-style-type: none"> • Achieved progress on specifying a prudential treatment of cryptoassets and issuing a second consultation paper; • Agreed on a way forward to reflect developments in the European banking union (EBU) on the assessment methodology for global systemically important banks (G-SIBs); • Reported on its continuing efforts to assess risks to and vulnerabilities of the global banking system, including those ensuing from the conflict in Ukraine. 	
<p>May 23, 2022</p>	<p><u>Central Banks Highlight Ways to Tackle Private Debt Build-Up in the Wake of the Pandemic</u></p> <p>A new report, <u>Private Sector Debt And Financial Stability</u> (CGFS Papers No. 67) published by the Committee on the Global Financial System (CGFS) addresses emerging debt vulnerabilities including high debt among weaker businesses and a booming housing market, suggesting ways for policymakers to tackle these vulnerabilities in this uncertain post-pandemic macroeconomic environment.</p>	
<p>Canada Deposit Insurance Corporation (CDIC)</p>		

<p>May 2, 2022</p>	<p><u>Changes to Expand CDIC Deposit Protection Now in Effect</u></p> <p>The Canada Deposit Insurance Corporation (CDIC) is ushering in the second <u>phase of changes</u> to further expand and strengthen deposit protection. The following changes are in effect as of April 30, 2022:</p> <ul style="list-style-type: none"> • Separate coverage for up to \$100,000 in eligible deposits held in Registered Education Savings Plans (RESPs) • Separate coverage for up to \$100,000 in eligible deposits held in Registered Disability Savings Plans (RDSPs) • New rules to strengthen the protection of eligible deposits held in trust and eligible deposits placed through brokers 	
--------------------	---	--

Legislation

<p>May 10, 2022</p>	<p><i>Budget Implementation Act, 2022, No. 1</i></p> <p><u>Bill C-19, An Act to implement certain provisions of the budget tabled in Parliament on April 7, 2022 and other measures</u> (44th Parliament, 1st session, November 22, 2021, to present) has completed second reading and been referred to the <u>Standing Committee on Finance</u> (House of Commons).</p> <p>This proposed legislation is set to amend:</p> <ul style="list-style-type: none"> • <i>Canada Deposit Insurance Corporation Act</i> by adding the 	
---------------------	--	--

	<p>President and Chief Executive Officer of the Canada Deposit Insurance Corporation and one other member to that Corporation's Board of Directors.</p> <ul style="list-style-type: none"> • <i>Trust and Loan Companies Act</i> and the <i>Insurance Companies Act</i> to, among other things, modernize corporate governance communications of financial institutions. • <i>Insurance Companies Act</i> to permit property and casualty companies and marine companies to not include the value of certain debt obligations when calculating their borrowing limit. 	
--	---	--

Disclaimer

This Reporter is prepared as a service for our clients. It is not intended to be a complete statement of the law or an opinion on any subject. Although we endeavour to ensure its accuracy, no one should act upon it without a thorough examination of the law after the facts of a specific situation are considered.

By

[Cindy Y. Zhang](#), [Donna Spagnolo](#)

Expertise

[Banking & Financial Services](#), [Financial Services Regulatory](#), [Insurance](#), [Financial Services](#), [FinTech](#)

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 725 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2025 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.