Federal Financial Institutions Legislative and Regulatory Reporter - October 2025

December 15, 2025

The Federal Financial Institutions Legislative and Regulatory Reporter (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. In addition, purely technical and administrative changes (such as changes to reporting forms) are not covered.

October 2025

Published	Title and Brief Summary	Status (if applicable)
Office of the Superintendent of Financial Institutions (OSFI)		
October 29, 2025	The Letter to industry – Changes to treatment of crypto-assets exposures informs stakeholders of targeted changes to the Capital and Liquidity Treatment of Crypto-asset Exposures (Banking) – Guideline and the Capital Treatment of Crypto-asset Exposures (Insurance) – Guideline. Under the revised guidelines: • An institution's total gross exposure to Group 2 crypto assets should not exceed 5	**Changes come into effect November 1, 2025 (FI fiscal years ending October 31), or January 1, 2026 (FI fiscal years ending December 31).**

	per cent of the institution's Net Tier 1 capital. • OSFI has removed the requirement that Group 2 crypto-asset exposures above 1 per cent of an institution's Net Tier 1 capital be subject to the capital requirements that apply to Group 2b crypto-asset exposures. See also the Frequently-Asked Questions document that has been issued with respect to the banking and insurance guidelines.	
October 27, 2025	"2025 Annual update" to the Manual of Reporting Forms and Instructions for Deposit-Taking Institutions OSFI is informing Deposit-Taking Institutions of changes made to the following Financial Information Committee (FIC) regulatory forms and instructions. The following regulatory forms and instructions have been changed: • Monthly Intraday Liquidity Monitoring Return (OSFI1019) – effective November 2025 • Basel Capital Adequacy Return (BA) – effective Q1 2026 • Leverage Requirements Return (LRR) – effective Q1	**Changes are effective for 2025/2026 filing.**

	2026 • Quarterly Intraday Liquidity Stress Testing Return (OSFI1020) – effective Q1 2026 In addition, the notice informs stakeholders that reporting requirements for assurance attestations under the assurance guideline have been updated. Effective Q4 2025, the attestation pages of the regulatory returns will be updated to include all three attestations. For each attestation, the attestation page and any supporting attachments are to be submitted as one unstructured file in the Regulatory Reporting System for the following returns: • Basel Capital Adequacy Reporting • Leverage Requirements Return • Liquidity Coverage Ratio • Net Stable Funding Ratio Reporting • Net Cumulative Cash Flow • Streamlined Net Cumulative Cash Flow Reporting • Operating Cash Flow Statement	

October 27, 2025	"2025 Annual Update" to the Manual of Financial Reporting Forms and Instructions for Life Insurance Companies and Fraternal Benefit Societies OSFI is informing federally regulated Canadian life insurance companies and fraternal benefit societies and branches of foreign life insurance companies and fraternal benefit societies of changes made to the Canadian Council of Insurance Regulators (CCIR) regulatory forms and instructions as well as OSFI forms and instructions for 2025-26. The Life Provincial Return (LFPROV) has been updated for Q4 2025. Changes have been made to the LICAT Quarterly Return (LCQ) and related filing instructions for Q1 2026, primarily to align with the release of Capital Treatment of Crypto-asset Exposures (Insurance) – Guideline, effective on January 1, 2026. In addition, the notice informs stakeholders that reporting requirements for assurance attestations under the assurance guideline have been updated. Effective Q4 2025, the attestation page of the LICAT/LIMAT return will be updated to include all three attestations. For each attestation, the attestation page and any supporting attachments are to be	**Life Provincial Return (LFPROV) changes effective for Q4 2025.** **LICAT Quarterly Return (LCQ) changes effective for Q1 2026.** **Assurance Attestation changes effective for Q4 2025.**

	submitted as one unstructured file in the Regulatory Reporting System.	
October 27, 2025	"2025 Annual Update" to the Manual of Financial Reporting Forms and Instructions for Canadian Mortgage Insurance Companies OSFI is informing Federally Regulated Canadian Mortgage Insurance Companies of changes made to the Canadian Council of Insurance Regulators (CCIR) regulatory forms and instructions as well as OSFI forms and instructions for 2025-26. Changes will be made to the Mortgage Insurers Capital Adequacy Test (MICAT) quarterly return and filing instructions for Q1 2026. Reporting requirements for assurance attestations under the assurance guideline have been updated. Effective Q4 2025, the attestation page of the MICAT return will be updated to include all three attestations. For each attestation, the attestation page and any supporting attachments are to be submitted as one unstructured file in the Regulatory Reporting System.	**MICAT quarterly return changes effective for Q1 2026.** **Assurance Attestation changes effective for Q4 2025.**

October 27, 2025	"2025 Annual Update" to the Manual of Financial Reporting Forms and Instructions for Property and Casualty Insurance Companies OSFI is informing federally regulated Canadian and branches of foreign property and casualty insurance companies of changes made to the Canadian Council of Insurance Regulators (CCIR) regulatory forms and instructions as well as OSFI forms and instructions for 2025-26. The P&C Provincial Return (PCPROV) was updated for Q4 2025. The Minimum Capital Test/Branch Adequacy of Assets Test (PC4) quarterly return has been updated for Q1 2026. Reporting requirements for assurance attestations under the assurance guideline have been updated. Effective Q4 2025, the attestation page of the MCT/BAAT return will be updated to include all three attestations. For each attestation, the attestation page and any supporting attachments are to be submitted as one unstructured file in the Regulatory Registry System.	**P&C Provincial Return (PCPROV) changes effective for Q4 2025.** **PC4 quarterly return and filing instructions changes effective for Q1 2026.** **Assurance Attestation changes effective for Q4 2025.**

Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)

November 3, 2025	FINTRAC's Compliance Guidance: Private-to-Private Information Sharing FINTRAC has issued guidance to explain the requirements for reporting entities that voluntarily choose to engage in private-to-private information sharing under section 11.01 of the Act. It explains: • What comprises private-to-private information sharing; • Who can engage in private-to-private information sharing; • When personal information may be disclosed, collected and used; • What a code of practice is and what information it must include; • How to submit a code of practice; • Revision, suspension and renewal of approval to the code of practice.	**Effective on November 3, 2025.**
October 1, 2025	FINTRAC's Requirements: Acquirer Services in Relation to Private Automated Banking Machines This new document explains the obligations of entities engaged in the business of providing acquirer services in relation to a private automated banking machine under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and associated Regulations. For	**Effective on October 1, 2025.**

	the purposes of the guidance, an Acquirer is defined as an entity that connects a private automated banking machine to a payment card network, as defined in section 3 of the *Payment Card Networks Act*, to facilitate transactions. A private automated bank machine is defined as any automated banking machine that is not owned or operated by a bank as defined in section 2 of the *Bank Act*, by an association regulated by the *Cooperative Credit Associations Act* or by a cooperative credit society, a savings and credit union or a caisse populaire regulated by a provincial Act. The requirements laid out are as follows, and link to additional guidance and requirements documents: • Register as a money services business or a foreign money services business with FINTRAC; • Implement a compliance program; • Know your client; • Report transactions: • Keep records, including records related to transactions and client identification; • Apply ministerial directives.	
October 1, 2025	The FINTRAC's Requirements: Title Insurers explains the obligations of	**Effective on October 1, 2025.**

	title insurers under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and associated Regulations. The requirements laid out are as follows, and link to additional guidance and requirements documents: • Implement a compliance program; • Know your client; • Report transactions: • Keep records; • Apply ministerial directives.	
October 1, 2025	FINTRAC's Compliance Guidance: Beneficial Ownership Requirements document explains the beneficial ownership requirements under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and associated Regulations. It notes that, effective October 1, entities must consult Corporations Canada's database for corporations incorporated under the Canada Business Corporations Act that have been assessed as posing a high risk of a money laundering or terrorist activity financing offence. Any material discrepancy between the beneficial ownership information and the individuals with significant control listed in the database must be reported to Corporations Canada within 30 days, a copy of the notice of acknowledgement received	**Effective on October 1, 2025.**

	from Corporations Canada retained. Further, this guidance has been substantially updated, with new sections on who must comply; information on consulting Corporations Canada's database and on what constitutes a material discrepancy; an example of a material discrepancy requiring a Beneficial Ownership Discrepancy Report; and a list of available federal and provincial resources on beneficial ownership.	
October 1, 2025	Earlier in 2025, the Reporting Listed Person or Entity Property to FINTRAC was published to replace one entitled Reporting Terrorist property to FINTRAC. The latest version of this document has been updated to explain the replacement, and that, as a result of legislative and regulatory changes, the Listed Person or Entity Property Report replaces the Terrorist Property Report, building on its requirements and reflecting enhanced reporting obligations for reporting entities. Among other updates, it states that entities must ensure that their compliance program includes a process for assessing risk indicators in relation to a Listed Person or Entity Property Report to identify and mitigate risks of a money laundering or terrorist activity financing offence.	**Effective on October 1, 2025.**

Bank for International Settlements (BIS)		
October 28, 2025	The document Technical Amendment - Hedging of counterparty credit risk exposures sets out an amendment that relates to the circumstance where a bank uses a guarantee or credit derivative to hedge the counterparty credit risk (CCR) of a derivative exposure subject to the standardized approach to counterparty credit risk or the internal models method. It has been finalized after having been published for comment in November 2024, with adjustments having been made to reflect stakeholder feedback.	**Basel Committee members have agreed to implement this technical amendment as soon as practical and within three years at the latest.**
Financial Action Task Force (FATF)		
October 2025	An updated version of the FATF Recommendations has been issued. They set out a comprehensive and consistent framework of measures which countries should implement in order to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction. Recognizing that countries have diverse legal, administrative and operational frameworks and different financial systems, and so cannot all take identical measures to counter these threats, the FATF Recommendations set an international standard that countries should implement according to their particular	**Published on October 2025.**

	circumstances.	
Financial Stability Board (FSB)		
October 10, 2025	FSB Outlines Next Steps for Authorities on AI Monitoring FSB has published Monitoring Adoption of Artificial Intelligence and Related Vulnerabilities in the Financial Sector, which examines the monitoring approaches currently used by member jurisdictions. It outlines key considerations and potential indicators for tracking AI adoption and associated vulnerabilities. It follows on FSB's 2024 report on the financial stability implications of artificial intelligence, which stressed the importance of robust monitoring efforts and fostering collaboration to address potential vulnerabilities to financial stability effectively. Recommended next steps for national authorities include: • National authorities should consider ways to enhance monitoring approaches as they see appropriate, in line with the considerations presented in this report, including: • National authorities could seek a more comprehensive understanding of AI usage in the financial sector by fostering	**Published on October 10, 2025.**

	greater data sharing across domestic sectoral financial regulators. • The FSB and relevant SSBs can support domestic efforts by fostering cross-border cooperation to facilitate sharing of information, experiences, and good practices including in supervisory engagements with FIs. They could also work towards greater alignment in taxonomies and indicators where relevant and feasible. • The FSB and relevant SSBs are encouraged to continue monitoring AI developments and addressing remaining data gaps.	
Legislation		
October 23, 2025	Bill C-8, *An Act respecting cyber security, amending the Telecommunications Act and making consequential amendments to other Acts* received second reading on October 23, 2025. It amends the *Office of the Superintendent of Financial Institutions Act* in connection with a new Act, the *Critical Cyber Systems Protection Act*. The goal of the new Act is to provide a framework for the protection of the critical cyber systems of services and systems that are vital to	**Act comes into force by proclamation.**

	national security or public safety and that are delivered or operated as part of a work, undertaking or business that is within the legislative authority of Parliament. This new Act would be administered by the Office of the Superintendent of Financial Institutions.	
October 21, 2025	Bill C-13 received first reading on October 21, 2025. Bill C-13 implements the *Act to implement the Protocol on the Accession of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership*, done July 16, 2023. It includes consequential amendments to the definition of "regulated foreign entity" in sections 2 of the *Bank Act, Insurance Companies Act* and *Trust and Loan Companies Act* respectively.	**Act comes into force by proclamation.**
October 11, 2025	Proposed amendments to *Canadian Payments Association By-law No. 6 — Compliance*, SOR/2003-347 are meant to address an issue in which the processes laid out in the by-law for investigating and addressing alleged contraventions are not well-suited to investigating simple or uncontested contraventions. The proposed amendments would introduce an expedited process for the	**Consultation closed on November 10, 2025.**

	investigation of such contraventions and increase the maximum penalty amount.	
October 11, 2025	The proposed amendments to the *Canadian Payments Association Election of Directors Regulations* would allow directors, senior officers, and employees of eligible entities that are not members of Payments Canada to serve as independent directors on its Board, provided the eligible entities are not majority-owned or controlled by one or more members. These follow recent amendments to the *Canadian Payments Act* that expanded eligibility for Payments Canada membership to new regulated entities.	**Consultation closed on November 10, 2025.**
October 8, 2025	By-law Amending the Canadian Payments Association By-law No. 1 — General, SOR/2025-199 By-law No. 1 is amended: • To expand eligibility for Payments Canada membership to payment service providers (PSPs) supervised by the Bank of Canada under the *Retail Payment Activities Act* (RPAA) regime; credit union locals that are part of a credit union central; and operators of clearing and settlement systems designated under the	**Regulation in force on September 26, 2025.**

	Settlement Act (PCSA) and overseen by the Bank of Canada; • To require that a payment service provider be registered in accordance with the RPAA as a requirement for membership; • To require certain information to be provided to Payments Canada by new entitled members as part of a membership application; • To allow individuals employed by an entitled member that is not a member to be eligible for appointment to the Stakeholder Advisory Council; and • To reflect changes made to definitions contained in the *Canadian Payments Act* and other technical amendments.	
October 8, 2025	*By-law Amending the Canadian Payments Association By-law No. 3 — Payment Items and Automated Clearing Settlement System*, SOR/2025-198 By-law No. 3 is amended with respect to member and non-member credit union locals regarding compliance with Payments Canada's by-laws and rules. Previously, credit union locals that were	**Regulation in force on September 26, 2025.**

	members of a central or a cooperative credit association were not eligible for membership in Payments Canada. Amendments to the Act expand membership eligibility to include these entities, and consequential amendments to the By-law are required to differentiate between member and non-member locals. Amendments to Section 4, subparagraph 6(1)(a)(ii) and subsection 28(2) of the By-law clarify that these provisions apply to non-member locals. Amendments to subparagraphs 28(1)(a)(iv) and (v) of the By-law clarify that these provisions apply to all locals, whether members or non-members. Subparagraph 28(1)(b)(iv) has also been updated to add locals to the list of other members.	
October 8, 2025	Bill C-12, *Strengthening Canada's Immigration System and Borders Act* received first reading on October 8, 2025, and second reading on October 23, 2025. Bill C-12 would enact provisions put forward by Bill C-2, *Strong Borders Act* that are aimed at combating transnational organized crime, money laundering and the immigration system. Bill C-12 would amend several Acts and regulations impacting financial institutions.	**Part 9 largely in force on Royal Assent, with certain sections in force on proclamation.** **Part 10 in force on Royal Assent.**

	Part 9 amends the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* to, among other things, (a) Increase the maximum administrative monetary penalties that may be imposed for certain violations and the maximum punishments that may be imposed for certain criminal offences under that Act; (b) Replace the existing optional compliance agreement regime with a new mandatory compliance agreement regime that, among other things, (i) Requires every person or entity that receives an administrative monetary penalty for a prescribed violation to enter into a compliance agreement with the Financial Transactions and Reports Analysis Centre of Canada (the Centre), (ii) Requires the Director of the Centre to make a compliance order if the person or entity refuses to enter into a compliance agreement or fails to comply with such an agreement, and (iii) Designates the contravention of a compliance order as a new violation under that Act; (c) Require persons or entities referred to in section 5 of that Act, other than those already required to register, to enroll with the	

	Centre; and (d) Authorize the Centre to disclose certain information to the Commissioner of Canada Elections, subject to certain conditions. Part 9 also makes consequential and related amendments to the *Retail Payment Activities Act* and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Administrative Monetary Penalties Regulations* and includes transitional provisions. Part 10 amends the *Office of the Superintendent of Financial Institutions Act* to make the Director of the Financial Transactions and Reports Analysis Centre of Canada a member of the committee established under subsection 18(1) of that Act. It also amends the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* to enable the Director to exchange information with the other members of that committee.	

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