

# Federal Financial Institutions Legislative and Regulatory Reporter - August 2025

December 13, 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.

## August 2025

Published	Title and Brief Summary	Status (if applicable)
<b>Office of the Superintendent of Financial Institutions (OSFI)</b>		
August 18, 2025	<p>OSFI has <a href="#">issued a letter to industry</a> providing an update on its policy plan. In this letter, OSFI announced that it will be:</p> <ul style="list-style-type: none"> <li>• Postponing the release of the draft Corporate Governance and Accountability Guideline. It will instead take a narrower focus on board and senior management accountability, with a consultative document expected in January</li> </ul>	<p><b>OSFI refers industry members to its <a href="#">policy release and announcement schedule</a>, and promises additional policy details in its fall <b>Semi-Annual Risk Outlook</b>, to be released on <b>October 9, 2025</b>.</b></p>

	<p>2026.</p> <ul style="list-style-type: none"> <li>• Deferring the Life Insurance Capital Adequacy Test Guideline revision to beyond 2028 and reducing capital requirements for domestic infrastructure debt and equity that meet certain criteria.</li> <li>• Launching a consultation in January 2026 to streamline and clarify credit risk management guidance across key lending areas.</li> </ul> <p>From a supervisory point of view, OSFI announced that it will be:</p> <ul style="list-style-type: none"> <li>• Reducing the scope or changing the timing of some information requests and reviews; and</li> <li>• Cancelling select data collections that began during the pandemic.</li> </ul>	
--	--	--

**Bank of Canada**

<p>September 8, 2025</p>	<p>&gt;<a href="#">Letter to Industry on Trust Tax Issue</a></p> <p>The Bank of Canada has reminded stakeholders that its mandate to supervise Payment Service Providers (PSPs) under the <i>Retail Payment Activities Act</i> (RPAA) is now in effect, (as of September 8, 2025), including regulatory</p>	<p><b>Bank of Canada commenced its supervisory activities with respect to Payment Service Providers on September 8, 2025.</b></p>
--------------------------	---	---

	<p>obligations related to operational risk and end-user funds safeguarding. The Bank of Canada also notes that it and the Department of Finance are aware that PSPs seeking to comply with the safeguarding requirements of the RPAA using the “in trust in a trust account” method may have unintended tax consequences. These tax consequences, or unintended administrative burden, may arise for PSPs that retain interest income on the end-user funds they hold in trust as required by the RPAA. The Bank of Canada will consider this matter when carrying out its supervisory activities. The Department of Finance and tax authorities are working with industry to try and resolve this issue.</p>	
<p>August 21, 2025</p>	<p><a href="#"><u>Refusal or Revocation of Registration under the <i>Retail Payment Activities Act</i> (RPAA)</u></a></p> <p>The Bank of Canada has issued a <a href="#"><u>supervisory policy</u></a> outlining its powers and procedures to refuse to register applicants or revoke the registration of payment service providers (PSPs) based on the criteria established in the RPAA and its associated regulations.</p> <p>The policy explains the circumstances in which the Bank can refuse an application for registration and the circumstances in which a registered PSP may</p>	

	<p>have its registration revoked by the Bank. When the Bank refuses an application for registration or revokes a PSP's registration, it must provide notice of the decision made, and the applicant or PSP will have an opportunity to make representations to either the Bank or the Minister, as applicable.</p>	
<p>August 21, 2025</p>	<p><a href="#"><u>Re-Registration of Payment Service Providers after Refusal or Revocation</u></a></p> <p>The Bank of Canada has issued a supervisory policy providing guidance on how to submit a new registration application for individuals and entities that have had their registration as retail payment service providers (PSPs) refused or revoked. It explains the process of submitting a new application, which includes a new application fee, and how the Bank will review the new application.</p>	
<p>August 14, 2025</p>	<p><a href="#"><u>Debt Management Strategy Consultations – 2026-27</u></a></p> <p>The Government of Canada's <a href="#"><u>Debt Management Strategy 2025-26</u></a>, published July 16, 2025, sets out the government's borrowing plans for the fiscal year. The Department of Finance and the Bank of Canada have launched a consultation, seeking the views of Government Securities Distributors (GSDs), institutional investors, and other interested parties on</p>	<p><b>Consultations will take place in an in-person format in September and October 2025. A set of questions are provided in the notice.</b></p>

	<p>issues related to how the Government of Canada securities market is performing and views for the design and operations of the Government of Canada's domestic debt program for 2026–27.</p> <p>The consultation will take place in an in-person format in September and October 2025. A set of questions are provided in the notice.</p>	
<p>August 8, 2025</p>	<p><a href="#">Update on Payment Service Providers Registry</a></p> <p>This notice informs industry stakeholders that the Bank of Canada will begin to publish a list of Payment Service Providers (PSPs) that have been registered under the <i>Retail Payment Activities Act</i>, as well as the names of entities whose applications have been refused, on September 8, 2025.</p>	<p><b>Registry published on September 8, 2025.</b></p>
<p><b>Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)</b></p>		
<p>August 6, 2025</p>	<p><a href="#">FINTRAC's Supervisory Framework</a></p> <p>Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) has issued its supervisory framework, intended to guide the Centre's supervisory activities that ensure compliance with the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i>.</p> <p>The framework lays out FINTRAC's supervisory</p>	

	<p>mandate and its guiding principles (Risk-Based, Early Intervention, Transparent, Forward-Looking), its risk framework and supervisory strategic plan, and its Pillars of Supervision:</p> <ul style="list-style-type: none"> <li>• Engaging: Focus on preventing non-compliance by communicating FINTRAC's mandate and expectations to reporting entities, and engaging and collaborating with external stakeholders;</li> <li>• Monitoring: Assess compliance by understanding and overseeing a reporting entity's financial crime risk and compliance practices, and determining if these meet legislative and regulatory expectations;</li> <li>• Enforcing: Respond to non-compliance and, where appropriate, establish corrective measures.</li> </ul>	
<p>August 6, 2025</p>	<p><a href="#"><u>Administrative Monetary Penalties Policy</u></a></p> <p>Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) has issued a policy for administrative monetary penalties, which provides a framework for the determination of an administrative monetary penalty; and which summarizes the principles</p>	

	<p>and guidelines that are used by FINTRAC to issue an administrative monetary penalty.</p> <p>It explains the categories of violations, ranging from minor violations to very serious violations; the criteria for determining an administrative monetary penalty amount; the administrative monetary penalty process; and a reporting entity's rights to request a review of a notice of violation and of appeal.</p>	
--	---	--

**Payments Canada**

<p>August 5, 2025</p>	<p><a href="#"><u>Implementation of changes to Payments Canada's bill payment framework</u></a></p> <p>Payments Canada has issued an announcement about key changes to its bill payment framework which will take effect December 1, 2026:</p> <ul style="list-style-type: none"> <li>• The scope of the bill framework will be expanded to include electronic bill payments made to non-corporate creditor identification number (CCIN) billers.</li> <li>• Amendments to the rules will change the process for the enrollment of billers, to include communication requirements for financial institutions, clear responsibilities for all parties and the</li> </ul>	<p><b>A version of Rule H6, Rules Pertaining to the Inter-Financial Institution Exchange of Electronic Bill Payments for the Purpose of Clearing and Settlement, has been published as it will read upon coming into force on December 1, 2026.</b></p>
-----------------------	---	---

	<p>utilization of a common biller enrollment form.</p> <ul style="list-style-type: none"> <li>• The effective date for removing paper-based remittances as acceptable items for exchange has been revised to December 1, 2026</li> <li>• Payments Canada will publish a guideline that encourages all financial institutions (FIs) to include a provision in their agreements with non-corporate creditor identification number (CCIN) billers stipulating that billers agree to deem their customers to have paid their bills on the business day the customers make the bill payment at their FI.</li> </ul>	
<p>August 21, 2025</p>	<p>Payments Canada has published the <a href="#">Real-Time Rail Participation Guide for Payment Service Providers</a>, which can be downloaded by registration, outlining the process for becoming a Payments Canada member and Real-Time Rail (RTR) participant, along with the technical, operational and business requirements to participate.</p> <p>The Guide provides an overview of the Real-Time Rail product, explains the key roles in the RTR ecosystem and requirements for applying for membership;</p>	<p><b>Published and available online.</b></p>

	<p>it also lays out the financial risk framework of RTR, business requirements and operational requirements.</p>	
<p><b>Financial Action Task Force (FATF)</b></p>		
<p>August 28, 2025</p>	<p><a href="#"><u>Money Laundering National Risk Assessment Guidance</u></a></p> <p>A National Risk Assessment is a process that enables a country to systematically evaluate and address potential money laundering threats and vulnerabilities affecting the country. This structured, evidence-based approach can guide policymakers in tailoring national Anti-Money-Laundering (AML) strategies to appropriately mitigate money laundering risk. Tailoring AML strategies to risk means that areas of higher risk should be subject to enhanced risk mitigation measures, and, importantly, that lower risk areas should also be subjected to simplified or lesser measures.</p> <p>FATF has issued Money Laundering National Risk Assessment Guidance, intended to help countries conduct a National Risk Assessment (NRA) that focuses on the assessment of money laundering risks, drawing on insights from over 90 countries within the FATF Global Network and over 500 respondents to public consultation. Sections of the Guidance include:</p>	

	<ul style="list-style-type: none"> <li>• NRA Preparation and Setup;</li> <li>• Assessing and Understanding Money Laundering Risk;</li> <li>• Post-NRA Actions</li> </ul>	
<p>August 28, 2025</p>	<p><a href="#"><u>Money Laundering National Risk Assessment Toolkit – Annexes A-C</u></a></p> <p>Annexes to the Money Laundering (ML) National Risk Assessment (NRA) Guidance have been created because a need for assistance in the areas covered was identified in the Financial Action Task Force (FATF) Global Network. The practices described in the guidance are intended to serve as examples that may facilitate the implementation of obligations in a manner compatible with the FATF Standards. They are not considered mandatory checklists or requirements.</p> <p>Annex A provides quick guides and selected good practices for assessing the following challenging areas of risk assessments:</p> <ul style="list-style-type: none"> <li>• Corruption</li> <li>• Virtual Assets (VA) and Virtual Asset Service Providers (VASP)</li> <li>• Legal Persons and Legal Arrangements</li> <li>• Informal Economy</li> </ul> <p>Annex B is meant to provide countries with a cross-country aggregation of risk</p>	

	<p>information to highlight possible areas of focus. The Annex suggests that countries may wish to consider the information provided therein as a tool to kick-off or supplement their risk assessment and support prioritization of certain common predicate offences.</p> <p>Annex C is a package of National Risk Assessment Tools from the World Bank, International Monetary Fund and the Council of Europe.</p>	
--	---	--

**International Association of Insurance Supervisors (IAIS)**

<p>July 1, 2025</p>	<p><a href="#"><u>Public Consultation on Draft Application Paper on Operational Resilience Objectives and Toolkit</u></a></p> <p>The International Association of Insurance Supervisors (IAIS) is consulting on a <a href="#"><u>draft Application Paper including objectives and a toolkit to promote insurance sector operational resilience</u></a>. The paper builds on IAIS' Insurance Core Principles (ICPs), which establish the importance of insurers having effective risk and governance processes to manage all risks. The draft Application Paper is intended to help supervisors and insurers to understand how to address operational resilience with the ICP risk management and other requirements in mind.</p> <p>The operational resilience objectives contained in the Application Paper, an</p>	<p><b>Consultation closed September 29, 2025.</b></p>
---------------------	--	---

	<p>outcome-based expression of the application of ICPs, were previously consulted upon between August and October 2024. The toolkit included in the Application Paper is intended to provide a selection of practices to help achieve these objectives.</p>	
--	---	--

**Legislation**

<p>June 18, 2025</p>	<p><u><a href="#">Bill C-8, An Act respecting cyber security, amending the Telecommunications Act and making consequential amendments to other Acts</a></u></p> <p>Bill C-8 received first reading on June 18, 2025. It amends the <i>Office of the Superintendent of Financial Institutions Act</i> in connection with a new Act, the <i>Critical Cyber Systems Protection Act</i>. 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 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.</p> <p>This new Act would be administered by the Office of the Superintendent of Financial Institutions.</p>	<p><b>Act comes into force by proclamation.</b></p>
<p>June 3, 2025</p>	<p><u><a href="#">Bill C-2, An Act respecting certain measures relating to the security of the border between Canada and the United States and respecting</a></u></p>	<p><b>Part 10 largely in force on Royal Assent, with certain sections in force on proclamation.</b></p>

	<p><u><i>other related security measures</i></u> received first reading on June 3, 2025.</p> <p>Part 10 amends the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> to, among other things,</p> <p>(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;</p> <p>(b) replace the existing optional compliance agreement regime with a new mandatory compliance agreement regime that, among other things,</p> <p>(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),</p> <p>(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</p> <p>(iii) designates the contravention of a compliance order as a new violation under that Act;</p>	<p><b>Part 11, except s. 140 (in force on Royal Assent) in force on proclamation.</b></p> <p><b>Part 12 in force on Royal Assent.</b></p> <p><b>Part 16 in force on Royal Assent.</b></p>
--	---	---

(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 10 also makes consequential amendments to the *Retail Payment Activities Act* and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Administrative Monetary Penalties Regulations*.

Part 11 amends the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* to prohibit certain entities from accepting cash deposits from third parties and certain persons or entities from accepting cash payments, donations or deposits of \$10,000 or more. It also makes a related amendment to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Administrative Monetary Penalties Regulations*.

Part 12 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*

	<p><i>of Crime (Money Laundering) and Terrorist Financing Act</i> to enable the Director to exchange information with the other members of that committee.</p> <p>Part 16 amends the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> to permit a person or entity referred to in section 5 of that Act to collect and use an individual's personal information without that individual's knowledge or consent if</p> <p>(a) the information is disclosed to the person or entity by a government department, institution or agency or law enforcement agency; and</p> <p>(b) the collection and use are for the purposes of detecting or deterring money laundering, terrorist activity financing or sanctions evasion or for a consistent purpose.</p>	
<p>March 24, 2025</p>	<p><u><a href="#">By-law Amending the Canada Deposit Insurance Corporation Differential Premiums By-law, SOR/2025-117</a></u></p> <p>This Amending By-law increases the number of premium categories from four to five categories and clarifies the requirements that apply to Category III Small and Medium-Sized Deposit-Taking Institutions to align with OSFI's Small and Medium-Sized Deposit-</p>	<p><b>In force April 1, 2025.</b></p>

	<p>Taking Institutions Capital and Liquidity Requirements – Guideline (2023). In addition, some amendments to the By-law aim to ensure that the By-law is brought up to date with OSFI’s Basel Capital Adequacy Reporting.</p>	
<p>March 12, 2025</p>	<p><a href="#"><u>Regulations Amending the Financial Consumer Protection Framework Regulations, SOR/2025-96</u></a></p> <p>When in force, the Regulations will cap non-sufficient funds (NSF) fees at \$10 and prohibit the imposition of NSF fees to accounts that have been charged an NSF fee within the last two business days and on overdrawn amounts of under \$10.</p>	<p><b>In force March 12, 2026.</b></p>
<p>March 4, 2025</p>	<p><a href="#"><u>Proclamation: Fall Economic Statement Implementation Act, 2023, S.C. 2024, c. 15, and Budget Implementation Act, 2024, No. 1, SC 2024, c. 17 (SI/2025-24)</u></a></p> <p><a href="#"><u>Fall Economic Statement Implementation Act, 2023, S.C. 2024, c. 15, ss. 278(1), 285, 296, 297, 301 and 302</u></a> were proclaimed in force April 1, 2025. These provisions make amendments to s. 2(1), add new Part 2.1 (Reporting of Goods), and amend ss. 73(1)(k), 74(1) of the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i>.</p> <p><a href="#"><u>Budget Implementation Act, 2024, No. 1, SC 2024, c. 17,</u></a></p>	<p><b>Provisions proclaimed in force April 1, 2025.</b></p>

	<p>ss. 340(2), (4) and 342(2) were proclaimed in force April 1, 2025. These provisions make amendments to ss. 5(h)(iii), (h.1)(iii) and 55(3) of the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i></p> <p>Sections 341, 344 and 347 of the Act were proclaimed in force February 4, 2025. These provisions add s. 11.01 and amend s. 73(1) of the same Act.</p>	
<p>February 15, 2025</p>	<p><a href="#"><u>[Proposed] Diversity Information Disclosure (Banks and Bank Holding Companies) Regulations</u></a></p> <p><a href="#"><u>[Proposed] Diversity Information Disclosure (Insurance Companies and Insurance Holding Companies) Regulations</u></a></p> <p><a href="#"><u>[Proposed] Diversity Information Disclosure (Trust and Loan Companies) Regulations</u></a></p> <p>These proposed regulations would require directors of federally regulated financial institutions (FRFIs) to disclose information on the diversity of board directors and senior management at the same time as the notice of annual meeting is sent to owners. The proposed regulations would specify the class of FRFIs subject to the disclosure requirements, establish a definition of “members of senior management” for the purposes of diversity</p>	<p><b>Comments were due March 17, 2025.</b></p>

	<p>disclosure and provide details on the prescribed information and the form in which it is to be disclosed. The new obligations to disclose this information would apply to all distributing FRFIs.</p>	
<p>January 18, 2025</p>	<p>[Proposed] <a href="#"><u>Canada Deposit Insurance Corporation Differential Premiums By-law</u></a></p> <p>The proposed <i>Canada Deposit Insurance Corporation Differential Premiums By-law</i> (proposed By-law) would repeal and replace the current By-law and strengthen the risk sensitivity of the DPS while modernizing its framework. In addition to classification based on five premium categories, the proposed By-law sets out requirements for the classification of new member institutions, establishes a semi-annual classification framework, and provides for revised criteria in respect of quantitative and qualitative scoring among other changes.</p>	<p><b>Comments were due February 17, 2025.</b></p>

**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.

*To view the Reporter for previous months, please visit our [Banking and Financial Services publications page](#).*

By

[Suhuyini Abudulai, Donna Spagnolo](#)

Expertise

## **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 800 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](http://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](mailto:unsubscribe@blg.com) or manage your subscription preferences at [blg.com/MyPreferences](http://blg.com/MyPreferences). If you feel you have received this message in error please contact [communications@blg.com](mailto:communications@blg.com). BLG's privacy policy for publications may be found at [blg.com/en/privacy](http://blg.com/en/privacy).

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.