Federal Financial Institutions Legislative and Regulatory Reporter - December 2025

January 19, 2026

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.

December 2025

Published	Title and Brief Summary	Status (if applicable)
Office of the Superintendent of Financial Institutions (OSFI)		
December 16, 2025	Data Collection Modernization Initiative: Get Ready for Implementation This letter to industry reminds stakeholders of the timeline for the implementation of the Data	**Posted December 16, 2025.**

	Collection Modernization (DCM) project. The intent of this project is to modernize the regulatory data collection technology platform, and to advance key data initiatives and improve data quality. In 2026, OSFI will share technology implementation plan details in a number of forums (listed in the letter), and in early 2026 OSFI will begin to engage with relevant federally regulated banks on data initiatives.	
Bank of Canada		
December 19, 2025	Case Scenarios About Marketplaces [Retail Payments Supervision] The Bank of Canada's collection of	**Updated December 19, 2025.**

	case scenarios about marketplaces has been updated. New case scenarios include: • registration refusals and revocations; • safeguarding requirements; • reporting and notification obligations; • compliance scenarios observed during onboarding,	
December 19, 2025	Frequently Asked Questions About Retail Payments Supervision New questions and answers have been added to this document;	**Updated December 19, 2025.**

	they address commonly asked questions about the Bank's supervisory expectations that were raised during a series of meetings with insurance and guarantee providers to support the development of end-user fund safeguarding insurance or guarantee products in Canada that satisfy the requirements under paragraph 20(1)(*c*) of the *Retail Payment Activities Act* (RPAA) and section 14 of the *Retail Payment Activities Regulations* (RPAR).	
Financial Consumer Agency of Canada (FCAC)		
December 9, 2025	FIFAI II: A Collaborative Approach to AI Threats, Opportunities, and Best Practices:	**Published December 9, 2025.**

	Financial Well-Being and Consumer Protection This summary report from FCAC and the Global Risk Institute summaries the findings of a workshop held November 13, 2025, by FIFAI II. The workshop examined AI risks, opportunities and best practices in the financial sector, and focused on financial well-being and consumer protection. Three key principles to support AI adoption and safeguard consumers: • Inclusion by Design, meaning that financial institutions should integrate	

	consumer interests from the outset when developing AI tools • Innovation and Resilience, meaning that an innovative and resilient financial sector is generally to the benefit of consumers • AI Literacy, meaning that as AI tools are rolled out across the financial sector, promoting AI literacy among	

	consumers will improve access, inclusion, and consumer protection A final report that draws conclusions from four FIFAI II workshops will be released in the Spring of 2026.	

Bank for International Settlements (BIS)		
December 12, 2025	Review of the Implementation of Margin Requirements for Non-Centrally Cleared Derivatives The Basel Committee on Banking Supervision (BCBS), together with the International Organization of Securities Commissions (IOSCO) has published a	**Published December 12, 2025.**

	report that reviews the implementation of margin requirements for non-centrally cleared derivatives. It concludes that the framework has been implemented effectively, and it finds no evidence of material issues. The BCBS-IOSCO Working Group on Margining Requirements (WGMR) recommends ongoing monitoring through supervisory information exchange and the sharing of experiences among member authorities.	
December 10, 2025	Principles for the Sound Management of Third-Party Risk The Basel Committee on Banking Supervision has published principles for	**Published December 10, 2025.**

	the sound management of third-party risk in the banking sector: they are intended to establish a common baseline for banks and supervisors for the sound management of third-party risk. With the growing digitalization of finance, banks have become increasingly dependent on third-party service providers for services that banks had previously not undertaken. These new principles are meant to reflect this larger and more diverse third-party service provider environment in the banking sector.	
December 5, 2025	Machine-Readable Pillar 3 Disclosure: Consultation	**Comments are due March 5, 2026.**

	The Basel Committee on Banking Supervision has launched a consultation on Machine-readable Pillar 3 disclosure. It proposes to make the data disclosed by banks (so-called Pillar 3 disclosures) available in a standardized machine-readable format. Although Pillar 3 disclosures by internationally active banks under the Basel Committee's standards are an important source of their key risk metrics, most banks currently publish their disclosures in PDF format only. This makes it difficult to aggregate, process and compare data across banks. The proposed standard would introduce a	

	requirement and technical specifications to produce machine-readable quantitative Pillar 3 disclosures, without changing the underlying disclosure requirements for banks.	
Financial Action Task Force (FATF)		
December 22, 2025	Horizon Scan AI and Deepfakes This document provides a forward-looking perspective on current and potential Artificial Intelligence (AI) related risks and trends. It forms part of the FATF's staged approach to emerging technologies, with this study aiming to identify and explain developing risks and vulnerabilities associated	**Posted December 22, 2025.**

	with AI through the lens of Anti-Money Laundering, Countering the Financing of Terrorism, and Countering the Financing of Proliferation (AML/CFT/CPF).	
International Association of Insurance Supervisors (IAIS)		
December 15, 2025	Global Insurance Market Report (GIMAR) Special Section Excerpt: Insurance Adoption and Governance of AI The adoption of AI systems is accelerating globally and is expected to have an economy-wide impact. In this excerpt, GIMAR explores how the trends in adoption and the ongoing evolution of AI may impact	**Published December 15, 2025.**

	the insurance sector. For insurers, these developments offer commercial benefits across the insurance value chain. For consumers it could lead to faster underwriting decisions and more timely claims handling, thereby improving customer outcomes. However, with the adoption of AI comes risks that need to be effectively managed. The report divides these risks into two categories: • Risks from insurers' own adoption of AI • Balance sheet risks arising from the broader econo	

	my's adoptio n of AI	
December 15, 2025	Global Insurance Market Report (GIMAR) Special Section Excerpt: Insurers' Increasing Investments in Private Credit Private credit has witnessed significant growth in recent years. While private credit is emerging as a key component of insurer's investment strategies, its true measure is difficult to quantify due to the lack of a clear definition. For example, the inclusion in the definition of mortgage loans, a key insurer allocation, can increase the measurement significantly. With the objective of	**Published December 15, 2025.**

	gathering more complete data, the IAIS is refining both the definition it uses to measure private credit and its data requests from supervisors.	
December 15, 2025	Global Insurance Market Report (GIMAR) Special Section Excerpt: Impact of Geoeconomic Fragmentation on Insurers' Management of Assets and Liabilities The global economy is increasingly contending with the complexities of geoeconomic fragmentation, driven by escalating geopolitical tensions and the growing shift of economic activities into regional or national blocs. This trend	**Published December 15, 2025.**

	presents significant challenges to global growth and financial stability. These disruptions have the potential to spill over into macroeconomic and financial risks. For insurers, such risks may require a strategic reallocation of asset and liability portfolios to address emerging vulnerabilities.	
Legislation		
December 11, 2025	Bill C-12, *Strengthening Canada's Immigration System and Borders Act* Bill C-12 received first reading in the Senate on **December 11, 2025** Bill C-12 would enact provisions put forward by Bill C-2, *Strong*	**First reading in the Senate December 11, 2025.** **Part 9 largely in force on Royal Assent, with certain sections in force on proclamation.** **Part 10 in force on Royal Assent.**

	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 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 punish	

	ments 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 p ii. Requires the Director of the Centre to make a compliance order if the person or entity r 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 a nd includes transitional provisions. Part 10 amends the *Office of the Superintende nt 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.	
December 11, 2025	Bill C-13, *Act to implement the Protocol on the Accession of*	**Second reading in the House of Commons December**

	the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership Bill C-13 received second reading in the House of Commons on December 11, 2025. Bill C-13 implements 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*	**11, 2025.** **Act comes into force by proclamation.**

	Act and *Trust and Loan Companies Act* respectively.	
December 10, 2025	Bill C-15, *Budget 2025 Implementation Act, No. 1* Bill C-15 received second reading in the House of Commons on December 10, 2025. Among its provisions to implement the 2025 Federal Budget, the following measures affect federally regulated financial institutions. Division 9 of Part 5 repeals the *Consumer-Driven Banking Act* and enacts a new *Consumer-Driven Banking Act* to ensure that individuals and businesses can safely and securely share their	**Second reading in the House of Commons December 10, 2025.** Part 5, Division 9 in force on Royal Assent. Part 5, Division 10 in force on Royal Assent. Part 5, Division 11 in force on proclamation. Part 5, Division 12 in force on Royal Assent. Part 5, Division 13 in force on Royal Assent. Part 5, Division 14 in force on Royal Assent. Part 5, Division 15 in force on proclamation.

	data with the participating entities of their choice. That Act addresses, among other things, accreditation, national security, data sharing, security safeguards, consent, authentication, liability, complaints, administration and enforcement and screen scraping. The Division also makes related amendments to the *Access to Information Act*, the *Financial Consumer Agency of Canada Act* and the *Budget Implementation Act, 2024, No. 1*. Division 10 of Part 5 amends the *Trust and Loan Companies Act*, the *Bank Act* and the *Insurance Companies Act* to extend the period	Part 5, Division 16 in force on proclamation. Part 5, Division 17 in force on proclamation, except ss. 337, 339(1), 340, 343, 344, 348, 349, 351 in force on Royal Assent. Part 5, Division 18 in force on Royal Assent. Part 5, Division 37 in force on Royal Assent, except s. 584 deemed to have come into force on October 1, 2025, immediately after the coming into force of section 8 of the *Regulations Amending Certain Regulations Made Under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, made on December 16,

	during which federal financial institutions governed by those Acts may carry on business. Division 11 of Part 5 amends the *Trust and Loan Companies Act*, the *Bank Act* and the *Insurance Companies Act* to, among other things, modernize prudential limits by repealing certain provisions that impose limits on federally regulated financial institutions with respect to debt obligations and borrowing, consumer and commercial loans and investments in real property and equity. Division 12 of Part 5 amends the *Bank Act*, the *Trust and*	2024 and registered as SOR/2024-267. Part 5, Division 45, s. 600 (enacting the *Stablecoin Act*) in force on proclamation; ss. 601 to 605 in force on proclamation.

	Loan Companies Act and the *Insurance Companies Act* to allow for the electronic delivery of certain documents to shareholders, members and policyholders without their consent, while ensuring that they receive paper copies if they request them. Division 13 of Part 5 amends the *Trust and Loan Companies Act*, the *Bank Act* and the *Insurance Companies Act* to increase the equity threshold related to the public holding requirement from $2 billion to $4 billion and to make changes to other provisions that include that threshold. Division 14 of Part 5 amends the	

	Trust and Loan Companies Act, the *Bank Act*, the *Insurance Companies Act* and the *Office of the Superintendent of Financial Institutions Act* to, among other things, a. clarify the powers of the Superintendent of Financial Institutions in respect of the adherence by federally regulated financial institutions to their policies and procedures to protect themselves against threats to their integrity or	

	securit y; b. provide the Superi ntende nt of Financi al Instituti ons with powers to issue directio ns of compli ance in respect of unsafe or unsoun d practic es in the conduc t of the affairs of those financi al instituti ons; and c. provide that the Superi ntende nt of Financi al Instituti ons is not prevent ed from	

	disclosing information to any federal government agency or body for purposes related to the Superintendent's regulation or supervision of financial institutions. Division 15 of Part 5 amends the *Bank Act* to raise the amount of funds that can be withdrawn immediately from a retail deposit account after the deposit of a cheque or other instrument and to remove the delay for the withdrawal of funds deposited by a cheque or other	

	instrument that is not deposited in person. Division 16 of Part 5 amends the *Bank Act* to, among other things, a. prohibit the activation of certain capabilities for a personal deposit account in Canada without the express consent of the natural person in whose name the account is kept; b. permit a natural person in whose name such an	

	account is kept to deactivate certain account capabilities; c. permit a natural person in whose name such an account is kept to adjust certain transaction limits on the account; d. require institutions to establish policies and procedures for detecting and preventing consumer-targeted fraud and mitigating its	

	impacts; and e. require institutions and the Commissioner of the Financial Consumer Agency of Canada to prepare annual reports on consumer-targeted fraud. Division 17 of Part 5 amends the *Canada Deposit Insurance Corporation Act*, the *Bank Act* and the *Financial Consumer Agency of Canada Act* to support the growth of federal credit unions, including by way of amalgamation or asset acquisition and by	

	permitting them to engage in motor vehicle leasing in certain circumstances. Division 18 of Part 5 makes amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* consequential to amendments to the *Special Economic Measures Act*. Division 37 of Part 5 amends the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* to a. clarify that all regulations made under that Act are to be made on the recommendation of	

	the Minister of Finance; b. clarify that paragraph 36(3.01)(b) of that Act applies to donations that are not charitable donations; and c. prohibit the disclosure of reports, or the information contained in them, related to discrepancies in information discovered in the course of verifying the identity of persons	

	having beneficial ownership or control of an entity. It also amends the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations* to a. clarify that paragraph 138(5)(b) of those Regulations applies to donations that are not charitable donations; and b. clarify the application of those Regulations to mortgage administrators, mortga	

	ge brokers and mortga ge lenders . Division 45 of Part 5 enacts the *Stablecoin Act*, which imposes duties on persons that create stablecoins and make them available for purchase, directly or indirectly, by persons in Canada. That Act sets out the objects of the Bank of Canada in respect of stablecoin and requires the Bank to maintain a public registry of stablecoin issuers. That Act also addresses, among other things, the redemption of stablecoins by issuers, the reserve of assets that issuers must maintain to fulfill their redemption obligations	

	and the policies that they must establish. The Division also makes consequential and related amendments to the *Access to Information Act*, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and the *Retail Payment Activities Act*.	

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

Banking & Financial Services, Financial Services

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

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.

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