British Columbia financial institutions legislative and regulatory reporter

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The British Columbia (B.C.) Reporter provides a monthly summary of B.C.'s legislative and regulatory developments of relevance to provincially regulated financial institutions. It does not address Canadian federal financial services legislative and regulatory developments, although this information is provided by BLG separately. In addition, purely technical and administrative changes (such as changes to reporting forms) are not covered.

July 2023

Published	Title and brief summary	Status
BC Financial Services Authority (BCFSA)		
July 25, 2023	Capital Modernization: Consultation Paper for B.C. Credit Unions BCFSA has released a consultation paper recommending changes to the current Capital Requirements Regulation to ensure that capital adequacy requirements continue to reflect the underlying risks. As a result of this initiative, a new Capital Rule will replace portions of the existing Capital Requirements Regulation respecting credit unions. BCFSA is seeking comments on proposed changes laid out in the paper with respect to the	Comments are due Oct. 23, 2023

	following areas:
	
	• Consolidated reporting;
	• Components of regulatory capital:
	  o Definition of capital;
	  o Regulatory adjustments to capital;
	  o Capital conservation buffer;
	  o Minimum capital requirements;
	  o Credit risk;
	  o Operational risk; and
	  o Market risk;
	• Leverage ratio requirements; and
	• Transitional and implementation arrangements.
	
	Under the current proposal, these changes will take effect Jan. 1, 2026, followed by a two-year transitional period to allow credit unions to make any necessary changes to their policies and banking systems to meet the new requirements.
	
	For an overview and timeline of the project, see the home page for the consultation.	

July 19, 2023	BCFSA Launches Consultation on Natural Catastrophe and Climate-Related Risks BCFSA has released a discussion paper which outlines its proposed approach towards natural catastrophes and climate-related risks. Natural Catastrophes and Climate-Related Risks: Managing Uncertainty and Building Resilience in the B.C. Financial	Comments are due Nov. 30, 2023

	Services Sector outlines the material risks posed to the financial services sector in B.C. as well as the specific impacts on each of the segments regulated by BCFSA. It then puts forward BCFSA's proposed approach, which rests on two pillars: • Financial institutions and pension plan administrators identifying, measuring, and managing natural catastrophes and climate-related risks (NCCR) for themselves and consumers; • The responsibility all financial services providers have in ensuring consumers have sufficient understanding of the products and services they are receiving.	
July 10, 2023	Insurer code of market conduct released in British Columbia BCFSA has released its Insurer Code of Market Conduct, which reflects the Canadian Council of Insurance Regulators' Conduct of Insurance Business and Fair Treatment of Customers guidance. The Code is based on twelve Fair Treatment of Customers Principles, with the intent of providing insurers with flexibility to determine the strategies, policies, processes, procedures, and controls that apply to the offer of insurance products and services to customers based on the nature, size, and complexity of their activities.	B.C. authorized insurers must adopt and comply with Code by April 1, 2024.

June 26, 2023	Consultation on proposed amendments to real estate data collection rules BCFSA is consulting the public and licensees on proposed amendments to the Real Estate Services Rules (Rules) that will strengthen and clarify BCFSA's authority to collect real estate data. BCFSA aims to enhance its ability to gather this data to strengthen its understanding of current real estate market conditions and practices, including market-driven risks to residential real estate consumers, and to aid its evidence-based policy and decision-making. The proposed rules amendments also include: • new requirements for document retention; and • modifying the existing requirement to disclose conflicts of interest to require that disclosure in writing.	Comments are due Aug. 27, 2023

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By

Cindy Y. Zhang, Matthew Connors

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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

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