

Regulatory Statement

Annual Return

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| Regulatory Statement Number | 21-012 |
| Legislation: | <i>Financial Institutions Act</i> |
| Related Forms: | Annual Return Template and Reporting Instructions |
| Date: | June 29, 2021 |
| Distribution: | Extrajurisdictional Trust Corporations |

PURPOSE

This Regulatory Statement informs extrajurisdictional trust corporations of the requirement to complete and file the Annual Return with the Superintendent of Financial Institutions at BC Financial Services Authority (“BCFSA”), as required by the *Financial Institutions Act* (“FIA”) and its regulations. This new requirement is effective September 2021.

Beginning with the September 2021 reporting period, extrajurisdictional trust corporations are required to complete and file the Annual Return (using the attached template and reporting instructions).

LEGISLATION

FIA Section 163(1) states, “Subject to subsection (2), within 90 days after the end of its financial year in each year, an extrajurisdictional corporation must file with the superintendent a return in the form established by the superintendent outlining its financial condition and affairs during that financial year...”

The Capital Requirements Regulation (“CRR”) of the FIA Section 21 states, “Within 90 days after the end of its financial year in each year, ...

(e) an extrajurisdictional corporation authorized to carry on business in British Columbia

shall file with the superintendent a report made up to the financial year end showing, to the superintendent's satisfaction, the particulars of the calculation of the amount that constitutes an adequate capital base for that insurance company, trust corporation or extrajurisdictional corporation.”

REQUIREMENTS

Extrajurisdictional trust corporations are required to file the Annual Return pursuant to FIA Section 163(1) and CRR Section 21.

Due Dates and Frequency

All extrajurisdictional trust corporations are required to submit the Annual Return within 90 days of the trust corporation's fiscal year end. The Annual Return is based on the final non-consolidated financial statements of the trust corporation at each year end.

Completion of the Annual Return

The Annual Return must be prepared for the extraprovincial trust corporation on a non-consolidated basis using the Annual Return reporting template provided by BCFSA. Line numbers, fields, descriptions, or other aspects of the template must not be altered, and they have been locked accordingly.

The Annual Return must be based on the non-consolidated financial statements of the extraprovincial trust corporation prepared in accordance with the International Financial Reporting Standards (“IFRS”), reflecting book values at the date of the Annual Return unless otherwise specified.

Dollar amounts must be reported in Canadian and rounded to the nearest dollar. Foreign currency amounts must be converted to the Canadian dollar equivalent in accordance with IFRS. Percentages must be rounded to two decimal places (or four decimal places if in decimal format).

Filing of the Annual Return

The completed Annual Return must be submitted electronically in Excel format through BCFSA’s Integrated Regulatory Information System (“IRIS”) portal. Link: [Login | BCFSA](#).

Late Filing

Late submissions of the Annual Return may result in a penalty under the FIA’s Administrative Penalties Regulation, as described in BCFSA’s Non-Compliant Filings Administrative Penalty (“NFAP”) Guideline. The NFAP Guideline is available [here](#) on BCFSA’s website. Extraprovincial trust corporations should notify BCFSA as soon as possible of expected delays in the Annual Return submission.

ATTACHMENTS

1. [Annual Return Template](#)
2. [Annual Return Reporting Instructions](#)

OTHER INFORMATION

For questions on completion and submission of the Annual Return, please contact your BCFSA Relationship Manager or email filings@bcfsa.ca.

As the BC Financial Services Authority, we issue Regulatory Statements outlining how entities must operate, or the form and content required by the Regulator for mandatory regulatory filings identified in the *Financial Institutions Act*, Regulations, and other pertinent legislation. While the comments in a particular part of a Regulatory Statements may relate to provisions of the law in force at the time they were made, these comments are not a substitute for the law. The reader should consider the comments in light of the relevant provisions of the law in force at the time, taking into account the effect of any relevant amendments to those provisions or relevant court decisions occurring after the date on which the comments were made. Subject to the above, instructions, definitions, and positions contained in a Regulatory Statements generally apply as of the date on which it was published, unless otherwise specified.