

# Advisory

## Consultation on Draft Recovery Plan Guideline

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**Date:** October 4, 2021  
**Distribution:** All BC incorporated credit unions, insurance and trust companies  
**Advisory Number:** 21-031

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### PURPOSE

BC Financial Services Authority (BCFSA) is issuing for comment a [draft Recovery Plan Guideline](#) (Guideline) for all provincially incorporated financial institutions in BC (hereafter referred to as PRFIs). The draft Guideline outlines BCFSA's expectations for the key elements of Recovery Plans that will be developed by PRFIs.

A Recovery Plan is a comprehensive document with a strategic focus that is invoked when the ongoing viability of a PRFI is threatened. Recovery planning should not be viewed as a regulatory compliance exercise; instead, the expectations contained in the Guideline should be used by senior management and the Board to make a PRFI more resilient to financial stress. A Recovery Plan is a critical component of a PRFI's crisis preparedness planning. BCFSA provides PRFIs with the flexibility to implement guideline expectations in a risk-based and proportionate manner given the differences in nature, scope, complexity, systemic importance, and risk profile of each PRFI.

With the release of the draft guideline, BCFSA has commenced a 60-day consultation period. All interested parties are encouraged to send feedback electronically to [policy@bcfsa.ca](mailto:policy@bcfsa.ca). BCFSA will host a webinar on October 14, 2021 to provide a high-level overview of the guideline, including background, context and the importance of crisis preparedness planning.

Please add the following meeting information to your calendar:

**Topic:** Draft Recovery Plan Guideline Webinar  
**Time:** Oct 14, 2021 12:15 PM Pacific Time (US and Canada)

**Speakers:** Ravinder Purewal, Analyst (Financial Institutions Policy); Rob O'Brien, Manager (Financial Institutions Policy)

Join Zoom Meeting  
<https://us06web.zoom.us/j/86829885416?pwd=aDc1emkyMkZqMGZLWDhNMkRYUE5Hdz09>

Meeting ID: 868 2988 5416  
Passcode: 703063

BCFSA values the feedback it receives during consultations and, where appropriate, input will be used to clarify and strengthen the Guideline. Prior to releasing this draft Guideline, BCFSA issued a self-assessment survey to gauge the current state of PRFI's crisis preparedness. The results from this survey contributed to the development of expectations outlined in the draft.

BCFSA published its Regulatory Roadmap on May 17, 2021, which sets out the organization's regulatory guidance priorities for the next three fiscal years. The Roadmap indicated that separate Recovery Plan

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Guidelines would be released in Q3, 2021 (October 1, 2021 to December 31, 2021) for credit unions, and in Q4 (January 1, 2022 to March 31, 2022) for insurers. The Roadmap originally did not indicate that a Recovery Plan would apply to Trust companies. In order to ensure a consistent approach across all PRFIs, the Roadmap has been updated to indicate that a Recovery Plan guideline will be released in Q3, and will be applicable to all PRFIs.