

2022/23 Regulatory Roadmap

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INTRODUCTION

The Regulatory Roadmap (the “Roadmap”) lays out BCFSAs anticipated regulatory priorities for the next three fiscal years. It is intended to increase transparency of BCFSAs regulatory priorities and enable regulated entities to prepare for consultations and implementation of upcoming regulatory initiatives. It should be read in the context of commitments outlined in BCFSAs 2022-23 Service Plan.

BCFSAs mission is to promote confidence in British Columbia’s financial services sector by providing risk-based and proportional regulation and protecting the public.

BCFSA uses a risk-based prudential supervisory framework to identify imprudent or unsafe business practices and intervenes on a timely basis, as required. For example, the rationale, principles, concepts, and core processes in BCFSAs supervisory framework apply to all BCFSAs regulated financial institutions.

BCFSA is focused on protecting the public and ensuring fair treatment for consumers of financial services in B.C. BCFSAs is focused on ensuring British Columbians receive the information and advice they need to make informed decisions.

Based on the exercise of continuous monitoring and risk-based supervision, BCFSAs has identified several regulatory initiatives in the three-year roadmap. As risks evolve, BCFSAs may change its approach or priorities to remain effective and efficient.

As an integrated regulator with responsibility across B.C.’s financial services sector, the Roadmap outlines planned initiatives for the next three fiscal years in the following segments regulated by BCFSAs:

- Credit Unions
- Real Estate Services and Real Estate Development Marketing
- Mortgage Brokers
- Insurance Companies
- Pension Plans
- Trust Companies

BCFSAs expects to continue to evolve how it communicates its regulatory priorities through the Roadmap.

Credit Unions

BCFSA's regulatory priorities for provincially regulated credit unions are categorized into three main initiatives: (1) Capital and Liquidity Modernization; (2) Crisis Preparedness; and (3) Emerging Risks. The graphic below outlines BCFSA's anticipated regulatory priorities over the next three fiscal years, and identifies priorities from the previous year for which work is ongoing. Items in Year 1 identify the quarter in which a consultation, publication or implementation is expected to occur. For Years 2 and 3, the graphic notes that BCFSA anticipates doing work on the priority during the year with the specific quarter to be named later. The focus for credit unions in FY 2022/23 is on capital modernization.

Consultation	Implementation	Publication
		●

	YEAR 1 FY 2022/23				YEAR 2 FY 2023/24	YEAR 3 FY 2024/25
Topic						
Previous Year's Items in Progress	Q1 Apr 1-Jun 30	Q2 Jul 1-Sept 30	Q3 Oct 1-Dec 31	Q4 Jan 1-Mar 31	Q1-Q4 Apr 1-Mar 31	Q1-Q4 Apr 1-Mar 31
Credit Union Code of Market Conduct						
Recovery Plan Guideline						
Information Security Guideline						
Outsourcing Guideline						
CUDIC Target Fund Size Review	●					
CUDIC Differential Premium System (DPS)					●	
Capital & Liquidity Modernization						
Capital Modernization Framework						●
Commercial Lending Guideline						
Revised Residential Mortgage Underwriting Guideline						
Operational Risk and Resiliency Guideline						
Liquidity Modernization Framework						
Capital Management Guideline						
Crisis Preparedness Initiatives						
Deposit Insurance Data Requirements			●			
Transfer of Registered Deposits						
Deposit Insurance Awareness Survey						
Resolution Plan Guideline						
Emerging Risks						
Information Security Incident Reporting						
Anti-Money Laundering						
Natural Catastrophe and Climate Risk						

DETAILED SUMMARY OF REGULATORY PRIORITIES

Capital and Liquidity Modernization

Capital Modernization is a multi-year initiative to modernize B.C.'s capital framework. These updates will ensure that capital adequacy requirements continue to reflect underlying risks, clarify BCFSA's expectations, and reflect, as appropriate, developments in international standards and best practices.

The ultimate outcome of this initiative is expected to be a new Rule, replacing the existing Capital Requirements Regulation. Credit unions will be consulted on the capital modernization framework in several stages. In Q2 FY 2022/23, BCFSA will assemble a working group of representative credit unions. This group's work will inform a discussion paper to be published in FY 2023/24. Later in FY 2023/24, credit unions would be consulted on the draft capital rule, before Ministerial approval is sought, and the rule implemented.

Modernizing B.C.'s capital framework will set new capital adequacy requirements for credit, operational, and market risk that will impact the Internal Capital Adequacy Assessment Process ("ICAAP") and the determination of Internal Capital Target ("ICT"). This will in turn require changes to existing Guidelines. As a result, starting in FY 2023/24, BCFSA plans to update or develop new Guidelines in the following areas to ensure expectations are communicated:

Commercial Lending Guideline. BCFSA issued a data call in Q4 FY 21/22 to better understand credit unions' evolving risk profile in this area. This new Guideline will codify BCFSA's expectations for credit unions to manage associated risks, harmonize risk rating categories for commercial loans, and clarify expectations for participation in syndicated lending.

Residential Mortgage Underwriting Guideline. BCFSA plans to enhance its existing Guideline to reflect changes in the residential mortgage market.

Operational Risk and Resiliency Guideline. BCFSA does not currently have a Guideline that codifies expectations for the management of operational risks. BCFSA will use the OSFI E-21 Guideline as a reference point. OSFI E-21 Guideline is currently being updated to include operational resiliency which is seen as an outcome of effective operational risk management.

Capital Management Guideline (including revised ICAAP & ICT). BCFSA plans to develop a Guideline that include updates to existing Internal Capital Adequacy Assessment Process Guide & Internal Capital Target. Failure to update capital management policies may increase the risk of inadequate capital levels commensurate to a financial institutions' risk profile.

Liquidity Management Framework is also a multi-year project, already underway that seeks to move B.C. credit unions toward liquidity standards based on Basel III. The Framework will outline Liquidity Adequacy Requirements in line with international standards and best practices to ensure credit unions continue to maintain adequate and appropriate forms of liquidity. BCFSA published its Liquidity Management Guideline in 2020 and has subsequently updated its reporting templates to include modern liquidity ratios. Engagement with industry on potential Rules is anticipated to start in FY 2023/24.

Crisis Preparedness Initiatives

Effective crisis preparedness can minimize the effects of events that threaten the ongoing viability of a financial institution. BCFSa issues Guidelines, such as the recently published Recovery Plan Guideline, to communicate its expectations for effective risk management and crisis preparedness, based on international and national standards. These expectations are meant to increase the resilience, relevance, and sustainability of credit unions to financial stress events. In the unlikely event of a credit union failure, BCFSa is responsible to ensure a sustainable and effective deposit insurance program is in place. As part of maintaining the deposit insurance fund and guarantee, Credit Union Deposit Insurance Corporation of British Columbia (“CUDIC”) proactively plans for unlikely credit union failures which requires depositors to be paid out from the fund. BCFSa and CUDIC are committed to working collaboratively with stakeholders to maintain preparedness and confidence in the credit union system in the face of changes such as consolidations and federal continuances, innovative technologies, natural catastrophe and climate impacts, and economic disruption.

Payout Preparedness. CUDIC must ensure that it has the appropriate data required to complete a prompt depositor payout in a crisis. Two initiatives will help CUDIC respond, if needed.

Deposit Insurance Data Requirements. CUDIC will update its data requirements for deposit insurance determinations for depositor reimbursement in an event of a credit union failure. These requirements will be the subject of a consultation in Q1 FY 2022/23.

Transfer of Registered Deposits. CUDIC will develop options for transferring registered deposits from a failing credit union. CUDIC will engage the credit union system in Q3 and Q4 FY 2022/23 before finalizing an approach to develop a pre-qualified list of those institutions who may assume a registered deposit product.

Deposit Insurance Awareness Survey. CUDIC will conduct a deposit insurance awareness survey, working with credit unions, to assess members’ understanding of the deposit insurance guarantee. This survey is targeted for Q1 FY 2023/24.

Resolution Plan Guideline. Building on the work undertaken with credit unions on the recovery plan guideline, BCFSa will develop and consult on resolution plans, which are implemented when a credit union is insolvent or approaching insolvency. Resolution plans are an important stabilizer for the entire credit union segment. The development of this Guideline is targeted for FY 2023/24.

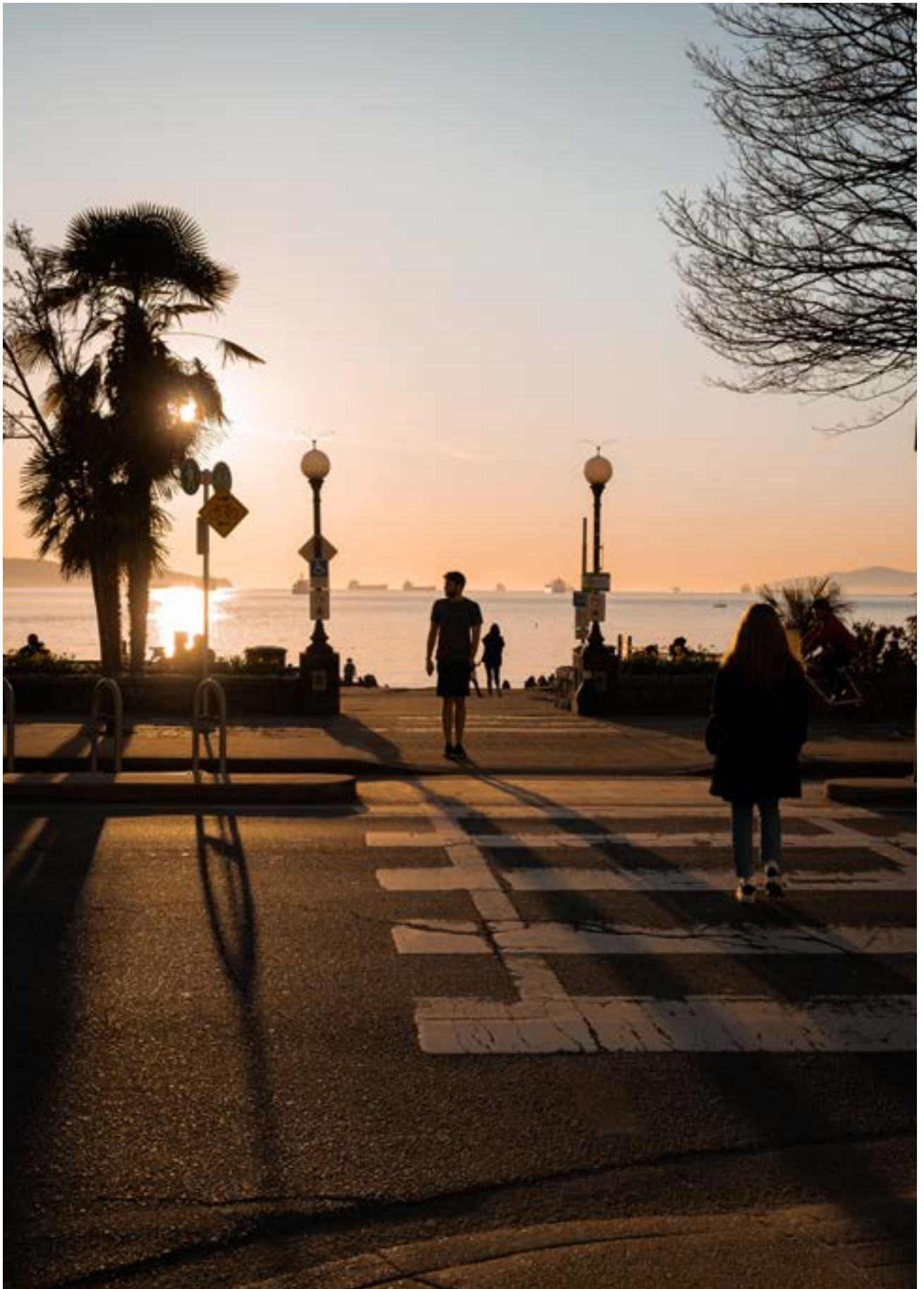
Emerging Risks

BCFSA closely monitors current and emerging risks that have the potential to have a material impact on financial institutions and its members or customers. Based on continuous risk monitoring, including surveys and data calls, BCFSA will consider how to respond and whether new initiatives are required.

Information Security Incident Reporting. Reporting of material information security incidents in a timely manner is of critical importance for BCFSA. As part of its consultation on an information security incident reporting rule, BCFSA received feedback that before proceeding to a rule, there should be sufficient time for all financial institutions to implement and demonstrate compliance with existing expectations contained in BCFSA's recently released [Information Security Guideline](#). In recognition of this and other feedback, BCFSA plans to revisit its guidance and expectations for the reporting of information security incidents beginning in Q3 FY 2022/23.

Anti-Money Laundering. BCFSA will continue with its efforts to strengthen B.C.'s Anti-Money Laundering ("AML") regime, building on the cross-sectoral AML review completed in spring 2021, and taking into consideration the final report of the Cullen Commission of Inquiry into Money Laundering in B.C. which is expected in FY 2022/23. Depending on the outcomes of the Cullen Commission, engagement on enhanced guidance could occur in Q4 FY 2022/23.

Natural Catastrophe and Climate Risk. Natural catastrophes, including earthquakes, floods, and wildfires, pose a significant risk to the financial services sector in B.C. As well, it appears that consumers lack information to make informed decisions to mitigate financial loss. BCFSA will outline its proposed approach to managing natural catastrophe and climate risk for the financial services sector in a discussion paper in Q4 FY 2022/23, followed by consideration of necessary regulatory instruments.



Real Estate Services and Development Marketing

BCFSA's regulatory priorities for the real estate segment are categorized into four main areas: (1) Enhanced Consumer Protection; (2) Improved Real Estate Development Marketing Disclosures and Requirements; (3) Effective Cross-Sector Education; and (4) Emerging Risks. The graphic below outlines BCFSA's anticipated work on these priorities over the next three fiscal years. Items in Year 1 identify the quarter in which a consultation, publication or implementation is expected to occur. For Years 2 and 3, the graphic notes that BCFSA anticipates doing work on the priority during the year with the specific quarter to named later. BCFSA's regulatory priorities will continue to focus on ethics, informed practice, and enhanced professionalism with the goal of ensuring consumers are informed and protected throughout the real estate transaction process.

Consultation	Implementation	Publication
		●

	YEAR 1 FY 2022/23				YEAR 2 FY 2023/24	YEAR 3 FY 2024/25
Topic						
	Q1 Apr 1-Jun 30	Q2 Jul 1-Sept 30	Q3 Oct 1-Dec 31	Q4 Jan 1-Mar 31	Q1-Q4 Apr 1-Mar 31	Q1-Q4 Apr 1-Mar 31
Report to Government on Cooling-Off Period & Enhanced Consumer Protection Measures	●					
Amendments to Real Estate Services Rules (Real Estate Teams & Trust Account Reporting)		●				
Improved Real Estate Development Marketing Disclosures & Requirements						
Amendments to REDMA Policy Statements 5 & 6 - Early Marketing Requirements		●				
Amendment to Policy Statement 13 - Real Estate Securities Disclosure Requirements			●			
Effective Cross-Sector Education						
Applied Practice Course Phase I - Introducing Practical Training						
Applied Practice Course Phase II - Enhancing Course Components						
Emerging Risks						
Anti-Money Laundering						
Natural Catastrophe and Climate Risk						

DETAILED SUMMARY OF REGULATORY PRIORITIES

Enhanced Consumer Protection

In the coming years, BCFSA will continue to take steps to strengthen consumer protection in the real estate market, working with government and industry.

Report to Government on the Cooling-Off Period and Enhanced Consumer Protection Measures. BCFSA will report to government in Spring 2022 on the outcome of its industry consultations and provide advice on the parameters of a cooling-off period for residential real estate sales and other potential measures to enhance consumer protection.

Amendments to Real Estate Services Rules (Real Estate Teams and Trust Account Reporting). Amendments will reduce uncertainty regarding business practices and agency relationships between real estate teams and consumers and will eliminate duplication between various trust account reporting regimes. BCFSA's consultation on these Rules closed on April 24, 2022. BCFSA will consider the feedback received before deciding on next steps. If implemented, it is anticipated the new rules would not come into effect until January 1, 2023, at the earliest.

Improved Real Estate Development Marketing Disclosures and Requirements

Building on the extension to early marketing time periods made permanent in FY 2021/22, BCFSA will continue to look for ways to improve real estate development marketing disclosures and requirements in the province while ensuring consumers are protected.

Amendments to REDMA Policy Statements 5 & 6 – Early Marketing Requirements. BCFSA is exploring amendments to Policy Statements 5 & 6 to provide greater clarity to developers on the early marketing period for real estate development units. This will be the subject of a consultation in Q1 FY 2022/23 with implementation anticipated to follow shortly thereafter based on the results of the consultation.

Amendment to REDMA Policy Statement 13 – Real Estate Securities Disclosure Requirements. This work will align and update REDMA disclosure requirements for real estate securities in light of updates to securities disclosure requirements proposed in National Instrument 45-106 and Companion Policy 45-106CP. Depending on the extent of the updated REDMA disclosure requirements, there may be a consultation anticipated to occur in Q2 FY 2022/23 with implementation anticipated to follow shortly thereafter.

Effective Cross-Sector Education

BCFSA continues to make enhancements to its education programs for real estate licensees and mortgage brokers and will undertake a multi-phased project to address gaps identified in qualification requirements across the sector. A key component of this initiative will focus on the development of Applied Practice Courses for rental property management, strata management, managing brokers, and mortgage brokers. These courses, comprising a practical education component to licensing education, will be modelled on the existing course for trading services licensees. A second phase will focus on enhancing the Applied Practice Courses through development of a more rigorous mentorship framework and the introduction of an integrated examination. This work is an important priority for BCFSA and will help to promote confidence in licensing requirements and the professionalism of the real estate and mortgage broker industries.

Applied Practice Course Phase I: Introducing Practical Training. In Q3 FY 2022/23, BCFSA anticipates beginning consultation on a multi-year project to develop Applied Practice Courses (“APC”) for mortgage brokers as well as for individuals seeking licensing to provide rental property management, strata management, or as managing brokers. This practicum course would be required following the successful completion of a licensing exam. This requirement is already in place for real estate licensees providing trading services and will be expanded to other licensing categories in real estate, along with mortgage brokers.

Applied Practice Course Phase II: Enhancing Course Components. Following the development of foundational APC courses, BCFSA anticipates beginning work to further augmenting the courses through the development of a rigorous mentorship component and the introduction of new examination requirements. Consultation on these further developments, is not planned until FY 2023/24, and would focus on development of mentor training and a program including integrated examination.

Emerging Risks

BCFSA closely monitors current and emerging risks that have the potential to have a material impact on regulated entities and financial services consumers. Based on continuous risk monitoring, BCFSA will consider how to respond and whether new regulatory initiatives are required.

Anti-Money Laundering. BCFSA will continue with its efforts to strengthen B.C.'s Anti-Money Laundering ("AML") regime, and consider a cross-sector response to the final report of the Cullen Commission of Inquiry into Money Laundering in B.C. which is expected to be released in FY 2022/23. Depending on the outcomes of the Cullen Commission, engagement on enhanced guidance could occur in Q4 FY 2022/23.

Natural Catastrophe and Climate Risk. The impact of natural catastrophes including earthquakes, floods and wildfires pose a significant risk to the financial services sector in B.C. As well, it appears that consumers lack information to make informed decisions to mitigate financial loss. BCFSA will outline its proposed approach to managing natural catastrophe and climate risk for the financial services sector in a discussion paper targeted for release in Q4 FY22/23, followed by consideration of necessary regulatory instruments.



Mortgage Brokers

BCFSA's regulatory priorities for mortgage brokers are categorized into two main initiatives: (1) Effective Cross-Sector Education and (2) Emerging Risks. The graphic below outlines BCFSA's anticipated regulatory priorities for mortgage brokers over the next three fiscal years. Items in Year 1 identify the quarter in which a consultation, publication or implementation is expected to occur. For Years 2 and 3, the graphic notes that BCFSA anticipates doing work on the priority during the year with the specific quarter to be named later.

The priority objective for the 2022/23 fiscal year is developing a continuing education program for mortgage brokers based on the BCFSA program for real estate licensees, with implementation anticipated to begin in the last quarter of FY 2022/23.

Consultation	Implementation	Publication
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	YEAR 1 FY 2022/23				YEAR 2 FY 2023/24	YEAR 3 FY 2024/25
Topic						
Effective Cross-Sector Education	Q1 Apr 1-Jun 30	Q2 Jul 1-Sept 30	Q3 Oct 1-Dec 31	Q4 Jan 1-Mar 31	Q1-Q4 Apr 1-Mar 31	Q1-Q4 Apr 1-Mar 31
Enhanced Continuing Education						
Applied Practice Course Phase I - Introducing Practical Training						
Applied Practice Course Phase II - Enhancing Course Components						
Emerging Risks						
Anti-Money Laundering						
Natural Catastrophe and Climate Risk						

DETAILED SUMMARY OF REGULATORY PRIORITIES

Effective Cross-Sector Education

As an integrated financial services regulator, BCFSA will leverage the existing education program and resources for real estate licensees to develop and deliver a robust program of licensing and continuing education to mortgage brokers. Over the next three fiscal years, BCFSA will take a phased approach to introducing education for mortgage brokers. This work is an important priority for BCFSA and will help to promote confidence in licensing requirements and the professionalism of the mortgage broker industry.

Enhanced Continuing Education. In Q4 FY 2022/23, BCFSA will begin offering mandatory continuing education to mortgage brokers, aligning requirements with those for real estate licensees. The first course to be introduced, “Legal Update” will provide legal and regulatory updates for mortgage brokers. A second course will launch in FY 2023/24 focusing on ethical decision making in the context of the financial services sector.

Applied Practice Course Phase I: Introducing Practical Training. In Q3 FY 2022/23 BCFSA anticipates beginning consultation on a multi-year project to develop an Applied Practice Course (“APC”) for mortgage brokers. This practicum course would be required following the successful completion of a licensing exam. This requirement is already in place for real estate licensees providing trading services and will be expanded to other licensing categories in real estate, along with mortgage brokers.

Applied Practice Course Phase II: Enhancing Course Components. Following the development of a foundational APC course, BCFSA anticipates beginning work to further augment the courses through the development of a more rigorous mentorship component and the introduction of an additional examination requirement. Consultation on these further developments is not planned until FY 2023/24 and would focus on development of mentor training and a program including integrated examination.

Emerging Risks

BCFSA closely monitors current and emerging risks that have the potential to have a material impact on regulated entities and financial services consumers. Based on continuous risk monitoring, BCFSA will consider how to respond and whether new regulatory initiatives are required.

Anti-Money Laundering. BCFSA will continue efforts to strengthen B.C.'s Anti-Money Laundering ("AML") regime in response to the final report of the Cullen Commission of Inquiry into Money Laundering in B.C. which is expected to be released in FY 2022/23. Depending on the outcomes of the Cullen Commission, BCFSA will consider developing a cross-sector guideline on AML for consultation in Q4 FY 2022/23.

Natural Catastrophe and Climate Risk. The impact of natural catastrophes, including earthquakes, floods, and wildfires, in B.C. poses a significant risk to the financial services sector. Also, consumers appear to lack sufficient information to make informed decisions to mitigate financial loss. BCFSA will outline its proposed approach to managing natural catastrophe and climate risk for the financial services sector in a discussion paper in Q4 FY 2022/23, followed by consideration of necessary regulatory instruments.

Insurance Companies

BCFSA's regulatory priorities for provincially regulated insurance companies are categorized into two main initiatives: (1) Consumer Protection and (2) Emerging Risks. The graphic below outlines BCFSA's anticipated regulatory priorities over the next three fiscal years. Items in Year 1 identify the quarter in which a consultation, publication or implementation is expected to occur. For Years 2 and 3, the graphic notes that BCFSA anticipates doing work on the priority during the year with the specific quarter to be named later.

BCFSA is an active participant in the Canadian Council of Insurance Regulators ("CCIR"), an association of Canadian insurance regulators. The mandate of the CCIR is to facilitate and promote an efficient and effective insurance regulatory system in Canada to serve the public interest. CCIR members work together to develop solutions to regulatory issues and emerging risks identified by its members and industry. CCIR members strive to harmonize approaches to regulatory issues. As well, where appropriate, BCFSA [aligns](#) with the regulatory guidance issued by the Office of the Superintendent of Financial Institutions ("OSFI").

Consultation	Implementation	Publication
		●

	YEAR 1 FY 2022/23				YEAR 2 FY 2023/24	YEAR 3 FY 2024/25
Topic						
Previous Year's Items in Progress	Q1 Apr 1-Jun 30	Q2 Jul 1-Sept 30	Q3 Oct 1-Dec 31	Q4 Jan 1-Mar 31	Q1-Q4 Apr 1-Mar 31	Q1-Q4 Apr 1-Mar 31
Recovery Plan Guideline						
Information Security Guideline						
Outsourcing Guideline						
Consumer Protection						
Insurance Company Code of Market Conduct			●			
Emerging Risks						
Information Security Incident Reporting						
Anti-Money Laundering						
Natural Catastrophe and Climate Risk						

DETAILED SUMMARY OF REGULATORY PRIORITIES

Consumer Protection

Through proactive market conduct supervision, including data collection and reporting requirements, thematic reviews of products or business practices, and targeted monitoring of specific regulated entities and individuals, BCFSa will identify and intervene to address harmful business practices. BCFSa promotes high standards of market conduct within the financial services sector by providing the information, training, and guidance necessary to enable regulated entities to comply with legislative requirements and best practices.

Insurance Company Code of Market Conduct. Changes to the Financial Institutions Act require insurance companies to adopt a code of market conduct (the “Code”) to be established by BCFSa. BCFSa will rely on the principles included in the CCIR’s Guidance “Conduct of Insurance Business and Fair Treatment of Customers” to develop the Code. To supplement the Code, BCFSa will develop a guideline that outlines BCFSa’s expectations for the principles identified in the Code. BCFSa plans to consult on the Code and the accompanying Guideline in Q1 FY 2022/23.

Emerging Risks

BCFSA closely monitors current and emerging risks that have the potential to have a material impact on financial institutions or consumers. Based on continuous risk monitoring, including surveys and data calls, BCFSA will consider how to respond and whether new regulatory initiatives are required.

Information Security Incident Reporting. Reporting of material information security incidents (that could result in adverse outcomes for insurers or consumers) in a timely manner is of critical importance for BCFSA. As part of its initial consultation on an information security incident reporting rule, BCFSA received feedback that insurers should be given the opportunity to demonstrate compliance with existing incident reporting expectations contained in BCFSA's [Information Security Guideline](#) before proceeding to a rule. In recognition of this and other feedback, BCFSA plans to revisit its guidance and expectations for the reporting of information security incidents beginning in Q3 FY 2022/23. BCFSA plans to establish relevant expectations for both provincially and extra-provincially incorporated insurers.

Anti-Money Laundering. BCFSA will continue with its efforts to strengthen B.C.'s Anti-Money Laundering ("AML") regime, building on the cross-sectoral AML review completed in spring 2021, and taking into consideration the final report of the Cullen Commission of Inquiry into Money Laundering in B.C. which is expected to be released in FY 2022/23. Depending on the outcomes of the Cullen Commission, engagement on enhanced guidance could occur in Q4 FY 2022/23.

Natural Catastrophe and Climate Risk. Natural catastrophes including earthquakes, floods and wildfires pose a significant risk to the financial services sector in B.C. As well, it appears that consumers lack information to make informed decisions to mitigate financial loss. BCFSA will outline its proposed approach to managing natural catastrophe and climate risk for the financial services sector in a discussion paper in Q4 FY 2022/23, followed by consideration of necessary regulatory instruments.

Pension Plans

BCFSA's regulatory priorities for B.C. pension plans are categorized into two main initiatives: (1) Effective Oversight and (2) Emerging Risks. The graphic below outlines BCFSA's anticipated regulatory priorities over the next three fiscal years, and identifies priorities from the previous year for which work is ongoing. Items in Year 1 identify the quarter in which a consultation, publication or implementation is expected to occur. For Years 2 and 3, the graphic notes that BCFSA anticipates doing work on the priority during the year with the specific quarter to be named later. Among several updates planned to ensure effective oversight of B.C. pension plans, BCFSA will also update its Risk-Based Supervision Framework for Pension Plans.

BCFSA is an active participant in the Canadian Association of Pension Supervisory Authorities ("CAPSA"), an association of Canadian pension regulators. The mandate of CAPSA is to facilitate an efficient and effective pension regulatory system in Canada.

Consultation	Implementation	Publication
		●

	YEAR 1 FY 2022/23				YEAR 2 FY 2023/24	YEAR 3 FY 2024/25
Topic						
Previous Year's Items in Progress	Q1 Apr 1-Jun 30	Q2 Jul 1-Sept 30	Q3 Oct 1-Dec 31	Q4 Jan 1-Mar 31	Q1-Q4 Apr 1-Mar 31	Q1-Q4 Apr 1-Mar 31
Information Security Guideline						
Effective Oversight						
Disclosure Requirement	●					
Revision to Pension Plan Membership Data			●			
Multi Employer Pension Plan - Best Practices				●		
Update Risk-Based Supervision Framework for Pension Plans					●	
Emerging Risks						
Information Security Incident Reporting						
Anti-Money Laundering						
Natural Catastrophe and Climate Risk						

DETAILED SUMMARY OF REGULATORY PRIORITIES

Effective Oversight

BCFSA oversees the administration and enforcement of the Pension Benefits Standards Act (“PBSA”) and the Pension Benefits Standards Regulation (“PBSR”). As part of its oversight responsibilities, BCFSA ensures that there is an appropriate regulatory framework in place to oversee pension plan members and beneficiaries in a comprehensive and forward looking way.

Disclosure Requirements. BCFSA will provide information on the communication and disclosure requirements for plan administrators, including legislative timelines to ensure effective communication with members. This requirement is targeted for release in Q1 FY 2022/23.

Revision to Pension Plan Membership Data. BCFSA will provide information regarding upcoming changes to the information requirements for membership data that must be submitted when filing the pension plan Annual Information Report (“AIR”). This information is targeted for release in Q3 FY 2022/23.

Multi-Employer Pension Plan - Best Practices. BCFSA will outline best practices for multi-employer pension plans (“MEPPs”) in B.C. This information is targeted for release in Q4 FY 2022/23.

Update Risk-Based Supervision Framework for Pension Plans. This Guideline will update the Risk-based Supervision Framework document published in 2014. The document describes the principles, concepts, and core processes that make up our Risk-Based Regulatory Framework. Ongoing updates to the supervision framework for pension plans helps maintain public confidence in the regulatory oversight of plans in B.C. This Guideline is targeted for release in FY 2023/24.

Emerging Risks

BCFSA closely monitors current and emerging risks that have the potential to have a material impact on pension plans and plan members. Based on continuous risk monitoring, including surveys and data calls, BCFSA will consider how to respond and whether new initiatives are required.

Information Security Incident Reporting. Reporting of material information security incidents in a timely manner is of critical importance for BCFSA. As part of its consultation on an information security incident reporting rule, BCFSA received feedback that before proceeding to a rule, there should be sufficient time for all financial institutions to implement and demonstrate compliance with existing expectations contained in BCFSA's recently released [Information Security Guideline](#). In recognition of this and other feedback, BCFSA plans to revisit its guidance and expectations for the reporting of information security incidents beginning in Q3 FY 2022/23.

Anti-Money Laundering. BCFSA will continue with its efforts to strengthen B.C.'s Anti-Money Laundering ("AML") regime and consider a cross-sector response to the final report of the Cullen Commission of Inquiry into Money Laundering in B.C. which is expected to be released in FY 2022/23. Depending on the outcomes of the Cullen Commission, engagement on enhanced guidance could occur in Q4 FY 2022/23.

Natural Catastrophe and Climate Risk. The impact of natural catastrophes including earthquakes, floods and wildfires pose a significant risk to the financial services sector in B.C. BCFSA will outline its proposed approach to managing natural catastrophe and climate risk for the financial services sector in a discussion paper in Q4 FY 2022/23, followed by consideration of necessary regulatory instruments.

Trust Companies

BCFSA's regulatory priorities for the Trust segment are outlined in the Emerging Risks category. Where appropriate, BCFSA [aligns](#) with the regulatory guidance issued by the Office of the Superintendent of Financial Institutions ("OSFI").

The graphic below outlines BCFSA's anticipated regulatory priorities for trust companies over the next three fiscal years, and identifies priorities from the previous year for which work is ongoing. Items in Year 1 identify the quarter in which a consultation, publication or implementation is expected to occur. For Years 2 and 3, the graphic notes that BCFSA anticipates doing work on the priority during the year with the specific quarter to be named later.

Consultation	Implementation	Publication
		●

	YEAR 1 FY 2022/23				YEAR 2 FY 2023/24	YEAR 3 FY 2024/25
Topic						
Previous Year's Items in Progress	Q1 Apr 1-Jun 30	Q2 Jul 1-Sept 30	Q3 Oct 1-Dec 31	Q4 Jan 1-Mar 31	Q1-Q4 Apr 1-Mar 31	Q1-Q4 Apr 1-Mar 31
Recovery Plan Guideline						
Information Security Guideline						
Outsourcing Guideline						
Emerging Risks						
Information Security Incident Reporting						
Anti-Money Laundering						
Natural Catastrophe and Climate Risk						

DETAILED SUMMARY OF REGULATORY PRIORITIES

Emerging Risks

BCFSA closely monitors current and emerging risks that have the potential to have a material impact on financial institutions or consumers. Based on continuous risk monitoring, including surveys and data calls, BCFSA will consider how to respond and whether new regulatory initiatives are required.

Information Security Incident Reporting. Reporting of material information security incidents (that could result in adverse outcomes for insurers or consumers) in a timely manner is of critical importance for BCFSA. As part of its initial consultation on an information security incident reporting rule, BCFSA received feedback that financial institutions should be given the opportunity to demonstrate compliance with existing incident reporting expectations contained in BCFSA's [Information Security Guideline](#) before proceeding to a rule. In recognition of this and other feedback, BCFSA plans to revisit its guidance and expectations for the reporting of information security incidents beginning in Q3 FY 2022/23. BCFSA plans to establish relevant expectations for both provincially incorporated and extra-provincially incorporated insurers.

Anti-Money Laundering. BCFSA will continue with its efforts to strengthen B.C.'s Anti-Money Laundering ("AML") regime, building on the cross-sectoral AML review completed in spring 2021, and taking into consideration the final report of the Cullen Commission of Inquiry into Money Laundering in B.C. which is expected to be released in FY 2022/23. Depending on the outcomes of the Cullen Commission, engagement on enhanced guidance could occur in Q4 FY 2022/23.

Natural Catastrophe and Climate Risk. Natural catastrophes including earthquakes, floods and wildfires pose a significant risk to the financial services sector in B.C. As well, it appears that consumers lack information to make informed decisions to mitigate financial loss. BCFSA will outline its proposed approach to managing natural catastrophe and climate risk for the financial services sector in a discussion paper in Q4 FY 2022/23, followed by consideration of necessary regulatory instruments.





600-750 West Pender Street
Vancouver, BC V6C 2T8

604 660 3555
Toll free 866 206 3030
info@bcfsa.ca