

Advisory

BCFSA's Response to Consultation on Information Security Incident Reporting

Date:	September 28, 2022
Distribution:	Provincially regulated financial institutions and extraprovincially or federally regulated financial institutions that are authorized to conduct business in B.C. (excluding pension plans registered outside of B.C.)
Advisory Number:	22-038

PURPOSE

With increased adoption of digital technology in the financial services sector, B.C.'s citizens and its economy are increasingly exposed to the risk of information security incidents that could compromise critical services or sensitive information.

In October 2021, B.C. Financial Services Authority ("BCFSA") published an Information Security ("IS") Guideline that included expectations for provincially regulated financial institutions ("PRFIs") to report material information security incidents. BCFSA subsequently published a Discussion Document in January 2022 proposing the establishment of a rule that would require all financial institutions authorized to conduct business in B.C. to report material IS incidents to the regulator. By proposing to require reporting through a rule, BCFSA was signalling to all authorized financial institutions the importance of reporting material incidents in a timely manner.

During the public engagement, BCFSA heard from financial institutions that a rule is not needed to ensure material incidents would be reported in a timely manner and that financial institutions should be allowed time to implement the IS Guideline, which comes into force on September 30, 2022. In addition, industry indicated its desire to see BCFSA align its reporting expectations and definitions with other regulators that have or intend to publish guidance on incident reporting, including the Office of the Superintendent of Financial Institutions and the Autorité des Marchés Financiers.

Based on the feedback received during the consultation period, BCFSA has amended its approach as follows:

- BCFSA will update and clarify its existing IS Guideline applicable to PRFIs.
- BCFSA will publish and consult on a separate IS Incident Reporting Guideline for extraprovincially or federally regulated financial institutions that are authorized to conduct business in B.C.
- BCFSA will align its expectations to the extent possible with other Canadian regulators.

ADDITIONAL INFORMATION

To learn more about what BCFSA heard during the consultation, please see the [Consultation Summary Report: Response to Feedback on Information Security Incident Reporting Discussion Document](#).

BCFSA's expectations for reporting of material incidents by extraprovincially or federally regulated financial institutions would not be applied to pension plans registered outside of B.C.

If you have questions regarding the Information Security Guideline or the Consultation Summary Report, please contact us at: policy@bcfsa.ca.