

Regulatory Statement

Deposit Data Requirements

| | |
|------------------------------------|--|
| Regulatory Statement Number | 23-011 |
| Legislation: | <i>Financial Institutions Act (“FIA”)</i> |
| Related Forms: | Reporting Instructions: Deposit Data Requirements |
| Date: | March 29, 2023 |
| Distribution: | All CEOs/General Managers/CFOs, B.C. Credit Unions |

PURPOSE

This Regulatory Statement provides the deposit data that B.C. credit unions may be required to submit under Sections 210, 211, 212, and/or 213 of the FIA for BC Financial Services Authority (“BCFSA”) to complete accurate and timely deposit insurance determination for payment to depositors.

Effective March 31, 2023, this Regulatory Statement, along with the Reporting Instructions: Deposit Data Requirements document (“Data Requirements”) replaces all previous versions of the Deposit Data Requirement, as well as all associated supplemental material.

BACKGROUND

BCFSA is responsible for administering the Credit Union Deposit Insurance Corporation of BC (“CUDIC”). Pursuant to Section 266 of the FIA, CUDIC guarantees the payment of deposits and non-equity shares (issued prior to January 1, 2020) of B.C. credit unions.

All money on deposit and money invested in non-equity shares (issued prior to January 1, 2020) with a BCFSA-authorized credit union, regardless of whether it is placed directly with the credit union or through a broker, is 100 per cent guaranteed.¹

FIA Sections 210, 211, 212, and 213 provide the Superintendent of Financial Institutions with authority to collect information and records from B.C. credit unions related to deposit data for examination purposes and for making deposit insurance determinations and payments.

DEFINITIONS

For the purposes of this document:

- **“Account holder”** means a person who has money on deposit with the credit union in accordance with Section 82 of the FIA.
- **“Accounting system”** means a system implemented by credit unions to record financial information including income, expense, and other accounting transactions. An accounting system acts as an important tool that monitors and tracks the performance of the credit union and ensures smooth running of the business. This can be separate from the core banking system.
- **“Banking system”** means a platform used by credit unions to process, manage, and maintain records of its business transactions and activities.

¹ As of February 17, 2022, savings institution deposits are not guaranteed by CUDIC except where a savings institution makes a brokered deposit in a credit union and no savings institution has a beneficial interest in the deposit.

Classification: **Public**

600-750 West Pender Street
Vancouver, B.C. V6C 2B7

T 866 206 3030
F 604 660 3365

You're Protected
bcfsa.ca

- **“Contact information”** is defined by the *Freedom of Information and Protection of Privacy Act* as information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email, or business fax number of the individual.
- **“Personal information”** is defined by the *Freedom of Information and Protection of Privacy Act* as recorded information about an identifiable individual other than contact information.
- **“Savings institution”** means a bank, a credit union, an extraprovincial trust corporation authorized to carry on deposit business under the FIA, or a corporation that is a subsidiary of a bank and is a loan company to which the federal *Trust and Loan Companies Act* applies.

In the event of the failure of a B.C. credit union, BCFSA is responsible for making insurance determinations and CUDIC must make payments to depositors in a timely manner and in accordance with statutory requirements.

To fulfill these obligations, BCFSA has developed the CUDIC payout program. The CUDIC payout program requires accurate and timely deposit data from credit unions to make deposit insurance determinations for deposit reimbursement. BCFSA will rely on deposit liability data records held at B.C. credit unions for making deposit insurance determinations.

REQUIREMENTS

Credit unions must produce a Data Extract Package in accordance with the Data Requirements attached to this Regulatory Statement. The Data Requirements apply only to data extracts related to deposit products covered by the CUDIC deposit guarantee. In cases where non-CUDIC covered deposit products cannot be excluded, an additional flag under the CUDIC Coverage field can be applied to assist in data filtering. In addition, B.C. credit unions must provide a description for any manual adjustments required to determine the payout amount for insured deposits.

Frequency and Timing

There are two types of data extract submissions, each with varying frequency:

- **Test Extract Data**
The Test Extract Data consists of the Data Extract Package and has the personal information of customers masked or excluded from the submission. Test Extract Data submission will be required at least every three years and may be requested more frequently based on a risk-based approach that will inform the submission schedule (e.g., changes to BCFSA Supervisory Ratings) and ad hoc changes (e.g., bank system updates). Test Extract Data will typically be requested with an end-of-month run-date and is validated against data from Financial and Statistical Returns. Tests will also be performed to ensure that the banking system matches the accounting system of the credit union.
BCFSA will be issuing letters to all credit unions requiring the first Test Extract Data submission on or before March 31, 2024, according to the Data Requirements.
- **Staged Extract Data**
Staged Extract Data will be requested on a risk-based approach, where BCFSA and CUDIC management determine that the credit union’s risk has reached a level where further payout preparation and examination is required (e.g., when a credit union’s Intervention Stage Rating reaches Stage 3 or 4). BCFSA will require the credit union to submit a Data Extract Package that may include unmasked customer data.

For more information on the BCFSA Intervention Stage Ratings, please refer to the [Guide to Intervention](#) for B.C. credit unions.

Data Extract Package

The following sections describe the system extracts requirements that B.C. credit unions must implement. The Data Extract Package consists of six extracts and must be labelled as follows:

| | Extract Title | File Name |
|---|---------------------------|--------------------------|
| 1 | Account Extract | DepositAccounts.csv |
| 2 | Customer Extract | DepositCustomers.csv |
| 3 | Account Joints Extract | DepositAccountJoints.csv |
| 4 | GL Extract | GeneralLedger.csv |
| 5 | Hold Transactions Extract | Holds.csv |
| 6 | Customer Names Extract | CustomerNames.csv |

The name of the fields in the extracts may not exactly match the names in the credit union's banking system. The description column in the extract layout provides details about the fields and can be used as a reference for mapping the field names.

Required Data Not Held Within Banking Systems

To ensure that banking system upgrades are not required by credit unions, BCFSA has not made the below data points mandatory for submission via the Data Requirements. However, BCFSA will require credit unions to provide the data via other means. The below list is not an exhaustive list of non-mandatory fields that BCFSA may request:

1. Anti-Terrorist Funding Flag;
2. Politically Exposed Foreign Person Flag;
3. Domestic Politically Exposed Person Flag;
4. Anti-Money Laundering Flag; and
5. Product information not available within banking system, such as, Index-Linked Term Deposits.

INSTRUCTIONS

When requested, data extracts must be submitted via a secured BCFSA system. The instructions for data submission will be provided in the data request letter sent to the credit union.

To make an enquiry or to request a meeting regarding the Deposit Data Requirements, please contact BCFSA at depositinsurance@bcfsa.ca or at (604) 660-3555.

ATTACHMENTS/TEMPLATES/FORMS

1. [Reporting Instruction: Deposit Data Requirements](#)

LEGISLATION

FIA, ss. 210, 211, 212, 213, 266

Interpretation Act, s.27

Copies of the legislation are available from www.bclaws.gov.bc.ca.

As 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* and *Credit Union Incorporation 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.