

Sector: Credit Unions *Implementation Date May Vary Where Applicable

	Targeted Draft Guidance Consultation Date	Targeted Final Guidance Publication Date*	Description	Risk
OUTSOURCING (THIRD PARTY RISK) Theme: Strengthen Internal Controls Guidance Format: Guideline	Consultation completed.	Fall 2021	This guideline outlines the expectations for financial institutions that outsource business activities to an external service provider.	Outsourcing can increase a financial institution's dependence on third parties which may increase its risk profile.
INFORMATION SECURITY Theme: Strengthen Internal Controls Guidance Format: Guideline	Consultation completed.	Fall 2021	This guideline outlines principles-based expectations for the management of information security risks, and recognizes that the dynamic nature of information security threats requires evolving methods to mitigate these threats.	The increasing frequency, creativity, and severity of information security incidents, including cybersecurity attacks pose a reputational risk that could cause financial risk.
CUDIC TARGET FUND SIZE REVIEW Theme: Crisis Preparedness Guidance Format: Advisory	Q1-Q2 FY 21/22 Q3 FY 21/22 (April 1, 2022 - June 2021 - August 2021) and October 1, 2021 - December 31, 2021)	FY 22/23 (April 1, 2022 - March 31, 2023)	CUDIC's target fund size is reviewed every four years to determine if the range is still appropriate based on current financial conditions.	Rapidly changing financial conditions may render the current fund size obsolete and inadequate to respond to a crisis situation.
CUDIC DIFFERENTIAL PREMIUM SYSTEM (DPS) Theme: Crisis Preparedness Guidance Format: Advisory	Consultation completed.	Q1 FY 21/22 (June 30, 2021)	CUDIC, in cooperation with the BC credit union system and stakeholders, has developed a risk-based premium assessment methodology called the DPS to enhance its premium assessment capabilities. This will outline the DPS methodology.	The potential difficulties involved in the design and implementation of a risk-based premium system include: finding appropriate and acceptable methods of differentiating institutional risk, obtaining reliable and appropriate data, ensuring transparency, and examining the potential destabilizing effects of imposing high premiums on already troubled credit unions.
RECOVERY PLAN GUIDELINE Theme: Crisis Preparedness Guidance Format: Guideline	Q2 FY 21/22 (July 1, 2021 - September 30, 2021)		The purpose of a recovery plan is to serve as a 'playbook' for both the credit union's senior management and BCFA in times of financial stress. This Guideline will outline principles to assist credit unions in the development of an effective recovery plan.	The failure to develop a recovery plan means that management (and BCFA) will be reactive in the event of a severe stress scenario and therefore susceptible to sub-optimal decision making. For smaller credit unions, a recovery plan may be positioned as an extension of its business continuity plan but the focus is upon identifying feasible management options in times of extreme stress.
INFORMATION SECURITY Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Rule	Q3 FY 21/22 (October 1, 2021 - December 31, 2021)		This rule will create a requirement for all regulated financial institutions to inform the BCFA in the event of a major information security incident as soon as possible but within 72 hours in a format specified by the BCFA.	Reports from other jurisdictions indicates voluntary compliance with reporting expectations of information security incidents is low.
CODE OF MARKET CONDUCT Theme: Market Conduct Guidance Format: Regulatory Statement	Q3 FY 21/22 (October 1, 2021 - December 31, 2021)		Changes to the FIA require credit unions to adopt, implement and report on a code of market conduct. An advisory will confirm the timing for when credit unions will be required to file their codes of conduct with the Authority. A regulatory statement will establish annual reporting requirements to demonstrate adherence with the codes.	Failure to adopt or adequately implement an industry code can increase risks of unfair treatment practices and reduce public confidence in the sector.
CUDA DEPOSIT INSURANCE DATA REQUIREMENTS Theme: Crisis Preparedness Guidance Format: Advisory	Q3 FY 21/22 (October 1, 2021 - December 31, 2021)		CUDIC must ensure that it has the appropriate data required to complete a 7-day depositor payout in a crisis situation.	There may be significant technological changes required to meet the 7-day payout, as well as potential amendments to the FIA.
CAPITAL MODERNIZATION FRAMEWORK Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Rule	Q4 FY 21/22 (pre-consultation) (January 1, 2022 - March 31, 2022)		This multi-year project seeks to modernize capital and standards using a framework based on Basel III. Changes to credit unions' reporting includes new Capital Adequacy Requirements (CAR) and ratios.	Failure to update and benchmark the latest standards in BC could reduce confidence in the regulatory oversight of credit unions and in the credit union system itself.
REVISED COMMERCIAL LENDING RISK RATING GUIDELINE Theme: Strengthen Internal Controls Guidance Format: Guideline	Q4 FY 21/22 (January 1, 2022 - March 31, 2022)		BCFA will revise this guideline, which was last updated in 1997. The purpose of the risk rating program is to risk rate commercial loans, regardless of loan size.	Risk rating is a measure of the viability of a business operation and the probability of repayment based on historical, current, and anticipated financial characteristics of a loan. The risk rating assessment reflects the collectability of a specific credit extension in accordance with the terms of the loan.
RESOLUTION PLAN GUIDELINE Theme: Crisis Preparedness Guidance Format: Guideline	FY 22/23 (April 1, 2022 - March 31, 2023)		A resolution plan will be implemented once a credit union is determined to be insolvent or approaching insolvency. The resolution plan will identify appropriate resolution options, detail the credit union's critical functions, identify and address any impediments to its resolvability and provide a 'playbook' for its final resolution.	The absence of a credible and comprehensive resolution plan introduces the risk of destabilization to the credit union sector, its members and the broader BC economy, as critical functions of the credit union are not maintained in an effective manner.
ANTI MONEY LAUNDERING (AML) RISK RATING Theme: Strengthen Internal Controls Guidance Format: Guideline	FY 22/23 (April 1, 2022 - March 31, 2023)		This guideline will provide expectations for risk mitigation activities and operational processes that need to be adopted in order to monitor and prevent money laundering activities. This includes processes such as policies, training and risk management, as well as tools, including sanctions list screening, transaction monitoring, risk scoring and regulatory reporting.	Weak AML controls may leave an institution vulnerable to domestic and foreign money laundering activities.
OPERATIONAL RISK GUIDELINE Theme: Strengthen Internal Controls Guidance Format: Guideline	FY 22/23 (April 1, 2022 - March 31, 2023)		This Guideline sets out BCFA's expectations for the management of operational risk and is applicable to all provincially regulated financial institutions. BCFA will use the OSFI E-21 Guideline as a reference point.	Failure to address operational risk may result in loss resulting from people, inadequate or failed internal processes and systems, or from external events.
DELEGATED LENDING AUTHORITIES Theme: Strengthen Internal Controls Guidance Format: Regulatory Statement	FY 22/23 (April 1, 2022 - March 31, 2023)		This regulatory statement will outline BCFA's position that the practice of providing lending authority to sales teams with volume targets is to be discontinued as it is contrary to effective risk management practices.	Team responsible for sales volumes should not be approving loans.
CLIMATE RISK GUIDELINE Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Guideline	FY 23/24 (April 1, 2023 - March 31, 2024)		This guideline will establish principles that outline assessment criteria to determine the impact of climate change on regulated entities' safety and soundness and in setting the appropriate prudential response. OSFI climate risk consultation paper provides a robust reference document for reference)	This is a new and evolving issue, and it is difficult to accurately measure the impact of climate risk to financial operations and consumers.
LIQUIDITY MODERNIZATION FRAMEWORK Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Rule	FY 2024 (April 1, 2023 - March 31, 2024)		This multi-year project seeks to modernize liquidity standards using a framework based on Basel III. The end product will outline Liquidity Adequacy Requirements (LAR) for liquidity metrics including LCR, NCCP. This rule will require credit unions to maintain adequate and appropriate forms of liquidity.	A failure to adequately monitor and ensure that a credit union is holding a sufficient reserve of high-quality liquid assets (HQLA) that will allow them to survive a period of significant liquidity stress may impact the viability of a financial institution.

Sector: Insurance *Implementation Date May Vary Where Applicable

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INFORMATION SECURITY Theme: Strengthen Internal Controls Guidance Format: Guideline	Consultation completed.	Fall 2021	This guideline outlines principles-based expectations for the management of information security risks, and recognizes that the dynamic nature of information security threats requires evolving methods to mitigate these threats.	The increasing frequency, creativity, and severity of information security incidents, including cybersecurity attacks pose a reputational risk that could cause financial risk.
INFORMATION SECURITY Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Rule	Q3 FY 21/22 (October 1, 2021 - December 31, 2021)		This rule will create a requirement for all regulated financial institutions to inform the BCFA in the event of a major information security incident as soon as possible but within 72 hours in a format specified by the BCFA.	Reports from other jurisdictions indicates voluntary compliance with reporting expectations of information security incidents is low.
RECOVERY PLAN GUIDELINE Theme: Crisis Preparedness Guidance Format: Guideline	Q3 FY 21/22 (October 1, 2021 - December 31, 2021)		This guideline will provide BCFA expectations for a credible recovery plan that will be implemented if an insurer is facing a financial distress scenario. This Guideline will outline principles to help insurers in the development of an effective recovery plan.	The failure to develop a recovery plan means that management (and BCFA) will be reactive in the event of a severe stress and therefore susceptible to sub-optimal decision making. For smaller insurers, a recovery plan may be positioned as an extension of its business continuity plan but the focus is upon identifying feasible management options in times of extreme stress.
CODE OF MARKET CONDUCT Theme: Market Conduct Guidance Format: Regulatory Statement	Q4 FY 21/22 (January 1, 2022 - March 31, 2022)		Changes to the FIA empower BCFA to establish a code of market conduct. For adoption by the insurance industry, BCFA will establish the CCIR Guidance Conduct of Insurance Business and Fair Treatment of Customers as the code of conduct insurers will be required to adopt and implement at a date to be confirmed.	Failure to adopt and adequately implement an industry code can increase fair treatment risk and reduce public confidence in the sector.
OPERATIONAL RISK GUIDELINE Theme: Strengthen Internal Controls Guidance Format: Guideline	FY 22/23 (April 1, 2022 - March 31, 2023)		This Guideline sets out BCFA's expectations for the management of operational risk and is applicable to all provincially regulated financial institutions. BCFA will use the OSFI E-21 Guideline as a reference point.	Failure to address operational risk may result in loss resulting from people, inadequate or failed internal processes and systems, or from external events.
CLIMATE RISK GUIDELINE Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Guideline	FY 23/24 (April 1, 2023 - March 31, 2024)		This guideline will establish principles that outline assessment criteria to determine the impact of climate change on regulated entities' safety and soundness and in setting the appropriate prudential response. OSFI climate risk consultation paper provides a robust reference document for reference)	This is a new and evolving issue, and it is difficult to accurately measure the impact of climate risk to financial operations and consumers.

Sector: Trusts *Implementation Date May Vary Where Applicable

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INFORMATION SECURITY Theme: Strengthen Internal Controls Guidance Format: Guideline	Consultation completed.	Fall 2021	This guideline outlines principles-based expectations for the management of information security risks, and recognizes that the dynamic nature of information security threats requires evolving methods to mitigate these threats.	The increasing frequency, creativity, and severity of information security incidents, including cybersecurity attacks pose a reputational risk that could cause financial risk.
REVISED REPORTING TEMPLATES Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Regulatory Statement	April 1, 2021 - May 31, 2021		BCFA completed consultation with trusts and gathered feedback on issues and challenges related to reporting templates. The final product will be a Regulatory Statement for each reporting template.	
INFORMATION SECURITY Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Rule	Q3 FY 21/22 (October 1, 2021 - December 31, 2021)		This rule will create a requirement for all regulated financial institutions to inform the BCFA in the event of a major information security incident as soon as possible but within 72 hours in a format specified by the BCFA.	Reports from other jurisdictions indicates voluntary compliance with reporting expectations of information security incidents is low.
OPERATIONAL RISK GUIDELINE Theme: Strengthen Internal Controls Guidance Format: Guideline	FY 22/23 (April 1, 2022 - March 31, 2023)		This Guideline sets out BCFA's expectations for the management of operational risk and is applicable to all provincially regulated financial institutions. BCFA will use the OSFI E-21 Guideline as a reference point.	Failure to address operational risk may result in loss resulting from people, inadequate or failed internal processes and systems, or from external events.
CLIMATE RISK GUIDELINE Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Guideline	FY 23/24 (April 1, 2023 - March 31, 2024)		This guideline will establish principles that outline assessment criteria to determine the impact of climate change on regulated entities' safety and soundness and in setting the appropriate prudential response. OSFI climate risk consultation paper provides a robust reference document for reference)	This is a new and evolving issue, and it is difficult to accurately measure the impact of climate risk to financial operations and consumers.

Sector: Pensions *Implementation Date May Vary Where Applicable

	Targeted Draft Guidance Consultation Date	Targeted Final Guidance Publication Date*	Description	Risk
INFORMATION SECURITY Theme: Strengthen Internal Controls Guidance Format: Guideline	Consultation completed.	Fall 2021	This guideline outlines principles-based expectations for the management of information security risks, and recognizes that the dynamic nature of information security threats requires evolving methods to mitigate these threats.	The increasing frequency, creativity, and severity of information security incidents, including cybersecurity attacks pose a reputational risk that could cause financial risk.
DISCLOSURE REQUIREMENT Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Regulatory Statement	Q4 FY 21/22 (January 1, 2022 - March 31, 2022)		The document provides information on the communication and disclosure requirements for plan administrators. It provides legislative timelines to ensure effective communication with members.	Not being aware of disclosure requirements will result in members not being aware of information that impacts their pension benefits.
REVISION TO PENSION PLAN MEMBERSHIP DATA Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Regulatory Statement	Q4 FY 21/22 (January 1, 2022 - March 31, 2022)		The document will provide pension stakeholders with the information regarding upcoming changes to the information requirements for membership data that must be submitted when filing the pension plan Annual Information Report (AIR).	Membership data may not be accurately collected if administrators are not aware of BCFA's planned implementation date.
UPDATE RISK-BASED SUPERVISION FRAMEWORK FOR PENSION PLANS (DEFINED CONTRIBUTION/DEFINED BENEFIT/TARGET BENEFIT PLAN) Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Guideline	Q4 FY 22/23 (January 1, 2023 - March 31, 2023)		This is an update to the Risk-based Supervision Framework's document published in 2014. The document describes the principles, concepts and core processes that make up our Risk-Based Regulatory Framework.	Failure to update the supervision framework for pension plans may reduce public confidence in the regulatory oversight of plans in BC.
CLIMATE RISK GUIDELINE Theme: Enhanced Regulatory Monitoring Tools and Reporting Guidance Format: Guideline	FY 23/24 (April 1, 2023 - March 31, 2024)		This guideline will establish principles that outline assessment criteria to determine the impact of climate change on regulated entities' safety and soundness and in setting the appropriate prudential response. OSFI climate risk consultation paper provides a robust reference document for reference)	This is a new and evolving issue, and it is difficult to accurately measure the impact of climate risk to financial operations and consumers.

Sector: Mortgage Brokers *Implementation Date May Vary Where Applicable

	Targeted Draft Guidance Consultation Date	Targeted Final Guidance Publication Date*	Description	Risk
EDUCATION REFORM Theme: Market Conduct Guidance Format: Advisory		FY 22/23 (April 1, 2022 - March 31, 2023)	A review and update of mortgage broker educational programs will be conducted to ensure that all requirements are standardized and modernized.	Failure to standardize and modernize increases compliance risk, damaging the sector's reputation and undermining public confidence.