

Ministry of Finance
BRIEFING DOCUMENT

To: Honourable Michael de Jong
Minister of Finance

Date Requested:
Date Required:

Initiated by: Heather Wood
Assistant Deputy Minister
Policy and Legislation Division

Date Prepared: September 27, 2012

Ministry Contact: Mary Tkachyk
Executive Director
Financial and Corporate
Sector Policy Branch

Phone Number: 250 387-9090

Email: Mary.Tkachyk@gov.bc.ca

Cliff #: 266144

TITLE: Implementation of Community Contribution Company Amendments

PURPOSE:

(X) DECISION REQUIRED

COMMENTS:

- This briefing note seeks your policy direction on the proposed regulations to support the implementation of Community Contribution Companies (CCCs). The

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Executive Director approval: _____

ADM approval: _____

DM approval: _____

DATE PREPARED: September 27, 2012

TITLE: Implementation of Community Contribution Company Amendments

ISSUE: Approval is sought for regulations to support the implementation of community contribution companies.

BACKGROUND:

The *Business Corporations Act* was amended in Spring 2012 to allow for the incorporation of “community contribution companies” (CCCs), a new hybrid type of company that combines social purposes with limited profit taking by shareholders. CCCs are prohibited from paying dividends (and making distributions to shareholders upon dissolution) above a prescribed rate, and are also subject to a higher degree of accountability than an ordinary company (for example, CCCs must have at least 3 directors and must publish annual “community contribution reports” on their social spending).

Regulations are required to establish the dividend cap and the allowable distribution on dissolution, and the CCC provisions cannot be implemented until these thresholds have been set.

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DISCUSSION:

Regulations

Dividend cap (and allowable distribution on dissolution):

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Qualified entities: Under the CCC amendments, “qualified entities” are entitled to receive unlimited transfers from CCCs both on an ongoing basis and on dissolution. Qualified entities are treated this way because they are themselves subject to a form of asset lock to ensure assets are used for social purposes.

The CCC amendments themselves define qualified entities as registered charities and community service cooperatives, but the Act allows for further entities to be prescribed. The proposed regulation would add to this definition aboriginal governments, as well as “qualified donees” under the federal *Income Tax Act* (ITA). Qualified donees include registered national amateur athletic associations and arts organizations, low-cost seniors’ housing corporations and all levels of government. These are all entities to which a registered charity may transfer funds under the ITA.

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Disclosure of remuneration: Under the amendments, a CCC is required to publish an annual “community contribution report” (report). The statute requires the report to contain information about the CCC’s socially-beneficial activities, as well as information about any dividends or asset transfers.

The proposed regulations contain uncontroversial requirements setting out the details about how dividends must be disclosed (e.g. by each class or series of shares) and identifying matters that need not be disclosed (such as asset transfers of under \$10,000). As well, for ease of access, the CCC’s financial statements (which are already publicly accessible) must be attached to the report.

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Other routine regulations: In addition to the above regulations, the proposed CCC regulation package will also contain provisions to:

- recognize existing companies with "CCC" in their names;
- allow qualified entities to receive unrestricted dividends (in addition to outright transfers); and
- prohibit CCCs from redeeming or purchasing their shares for more than their fair value.

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Timing of implementation

Regulations to implement the CCC amendments and reflect the above policy are in their final stages of drafting.

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RECOMMENDATIONS:

It is recommended that regulations reflecting the following policy be prepared forthwith for Cabinet consideration:

- dividends to shareholders to be capped at 40% of annual profits (with distributions to shareholders on dissolution similarly limited to 40%), with no additional "per share" restriction;

- “qualified entity” to be defined to include aboriginal governments and qualified donees under the ITA; and
- remuneration of the 10 highest paid personnel earning over \$75,000 to be publicly disclosed.

APPROVED / NOT APPROVED

Michael de Jong, Q.C.
Minister

Date

Ministry of Finance
BRIEFING DOCUMENT

To: Honourable Michael de Jong, Q.C. **Date Requested:** December 2, 2012
Minister of Finance **Date Required:**

Initiated by: Mario Miniaci **Date Prepared:** January 21, 2013
Executive Assistant,
Minister of Finance Office

Ministry Contact: Brian Dillon **Phone Number:** 250-387-9090
Director, Financial Institutions **Email:** Brian.Dillon@gov.bc.ca

Cliff #: 266935

TITLE: s13

PURPOSE:

(X) FOR INFORMATION

COMMENTS:

- You received a series of emails from a homeowner in s22 raising concerns about interest-only second mortgages, which she believes is the primary cause of her home being foreclosed upon.

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Executive Director approval: _____

ADM approval: _____

DM approval: _____

DATE PREPARED: January 21, 2013

TITLE:

ISSUE:

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BACKGROUND:

- The Minister of Finance has responsibility for a number of statutes related to the regulation of the financial services industry.
- The *Financial Institutions Act* (FIA) protects consumers who deposit money in credit unions and who buy insurance by regulating the solvency of credit unions and insurers. The FIA also protects consumers by prescribing detailed rules that regulate the form of insurance contracts and the market conduct of insurance brokers

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- Under the FIA, the Financial Institutions Commission is given a broad discretion to prohibit the use of a form contract if it believes that the contract or advertising relating to the contract is "unfair, misleading or deceptive".

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- Moreover, the FIA has never regulated companies that simply lend money.
- The Minister of Finance is also responsible for the *Mortgage Brokers Act* (MBA), which regulates persons in the business of providing or arranging mortgage loans. Under the MBA, the Registrar of Mortgage Brokers may take disciplinary action against a mortgage broker that is a party to a mortgage transaction that is harsh and unconscionable or otherwise inequitable, or against a person who is conducting mortgage broker business without being registered or exempted from registration.

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- The *Business Practices and Consumer Protection Act* (BPCPA), which is the responsibility of the Minister of Justice, focuses on consumer protection including protecting borrowers of money. Deceptive and unconscionable acts and practices in relation to loan and other transactions are prohibited under Part 2 of the BPCPA. Part 5 of the BPCPA requires full and accurate disclosure of the cost of consumer credit for all lenders, including credit unions, loan companies, payday lenders and mortgage brokers.
- Taken together, the FIA, MBA and BPCPA frameworks focus on protecting consumers by ensuring full disclosure of mortgage terms and conditions and protecting against unfair contracts.

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DISCUSSION:

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- *Mortgage Brokers Act review*: In November 2012, a review of the MBA was commenced. The Deputy Minister of Finance's November 29, 2012 letter announcing the review to stakeholders notes that:

The purpose of the MBA review is to identify and address any legislative aspects that may expose consumers of mortgage products to unnecessary financial risk or create undue inefficiencies in the market. We are seeking your input on any problems, gaps, inconsistencies or ambiguities in the MBA and any reforms you would like considered.

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s13, s16

Proposed Next Steps:

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Attachment

Ministry of Finance
BRIEFING DOCUMENT

To: Honourable Michael de Jong, Q.C. **Date Requested:**
Minister of Finance **Date Required:**

Initiated by: Mary Tkachyk **Date Prepared:** February 5, 2013
Executive Director
Financial and Corporate Sector
Policy Branch

Ministry Contact: Brian Dillon **Phone Number:** 250-356-0539
Financial and Corporate Sector **Email:** Brian.Dillon@gov.bc.ca
Policy Branch

Cliff #: 266586

TITLE: Request for insurance exemption for s21
s21

PURPOSE:

(X) DECISION REQUIRED

COMMENTS:

The s21 is seeking an exemption for its self-insurance organization, s21, from the insurance corporation licensing requirements in the *Financial Institutions Act* (FIA).

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Executive Director approval: _____

ADM approval: _____

DM approval: _____

DATE PREPARED: February 5, 2013

TITLE: Request for insurance exemption for s21
s21

ISSUE: The s21 is seeking an exemption for its self-insurance organization, s21 from the insurance corporation licensing requirements in the *Financial Institutions Act* (FIA).

BACKGROUND:

s21 tax-exempt, non-profit organization without share capital (i.e., a society) that was incorporated by the s21 (the "Church") to provide insurance coverage to member organizations of the Church in Canada.

The Church's legal counsel has written to the Ministry of Finance to request an exemption for s21 from the licensing requirements of the FIA to carrying on insurance business. s21 of the Church has written in support of the application. Attached is a list of the over 100 properties to be insured, mostly churches and schools but also retirement centres, community centres and campgrounds. The Church would like to begin accessing s21 services in British Columbia as soon as possible.

DISCUSSION:

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In general, the primary purpose of the insurance regulatory regime is to ensure that consumers buying insurance obtain the protection they are promised (e.g., insurers remain solvent, contracts are clear, insurance advisors are competent). s13

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Other Provinces:

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The Church advises that it has requested exemptions in several other provinces, but no other decisions have been made.

Concerns of the Financial Institutions Commission:

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Other issues:

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OPTIONS:

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RECOMMENDATION:

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Attachment

APPROVED / NOT APPROVED

Michael de Jong, Q.C.
Minister

Date

Ministry of Finance
BRIEFING DOCUMENT

To: Honourable Michael de Jong, Q.C. **Date Requested:**
Minister of Finance **Date Required:**

Initiated by: Peter Milburn **Date Prepared:** March 12, 2013
Deputy Minister
Ministry of Finance

Ministry **Phone Number:** 250 387-9295
Contact: Jim Hopkins **Email:** Jim.Hopkins@gov.bc.ca
Assistant Deputy Minister
Cliff #: 268223

TITLE: HSBC: Breach of anti-money laundering laws

PURPOSE:
(X) DECISION REQUIRED

COMMENTS:

Executive Director approval: _____

ADM approval: JH.

DM approval: [Signature]

DATE PREPARED: March 12, 2013

TITLE: HSBC: Breach of anti-money laundering laws

ISSUE:

In December 2012, HSBC was strongly disciplined by US and UK Regulatory authorities for inadequate compliance with anti-money laundering and sanction laws, and agreed to pay a fine of \$1.92 billion to the US Department of Justice.

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BACKGROUND:

1) HSBC

HSBC Holdings is headquartered in London, UK. Over 267,000 employees work for the bank serving 130 million customers with more than 7200 offices in 85 countries and territories worldwide. HSBC Holdings ranks as the largest banking institution in the world based on numerous financial comparators. For example, it has the world's largest market capitalization of \$207 billion, total assets of \$2.7 trillion, and total revenue of \$71 billion resulting in \$21 billion in pretax profit in 2012.

HSBC Bank Canada, headquartered in Vancouver, is one of the largest private sector employers in BC (about 3500 employees) and is Canada's largest foreign bank, with over 260 offices, including 140 branches.

2) Inadequate Compliance with Anti-money Laundering Laws

For matters related to laundering money through HSBC's Mexican operations and allegedly for terrorist groups in 2007 and 2008, HSBC was placed under investigation by US and UK authorities for inadequate compliance with anti-money laundering laws. The US Senate investigative committee reported that HSBC Mexico had sent about \$7 billion in cash to the US and had been warned about weak internal controls by US authorities for a number of years to no avail. In December 2012, HSBC entered into agreements to establish effective compliance, to provide for a 5-year deferred prosecution under the US Bank Secrecy Act and Trading with the Enemy Act, and to pay a \$1.92 billion fine to the US Department of Justice.

On January 21, 2013, you wrote Mr. Paulo Maia, CEO of HSBC Canada to express your concerns with the Bank's involvement in money laundering and requested that he meet with Deputy Minister Peter Milburn to explain the Bank's response to this incident and the measures being taken to guard against a re-occurrence.

On February 28, 2013, Mr. Maia came to Victoria.

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Further to the meeting with Mr. Maia and review of the Banks' 2012 Annual Report, HSBC has launched a multi-year action plan to guard against a re-occurrence of money laundering or other illegal or unethical activity:

- over the 5-year term of the deferred prosecution agreement, HSBC has appointed an independent monitor to assess HSBC's progress with achieving effective compliance with anti-money laundering laws and report on same;
- increased global compliance department by four times to 3500 employees at an estimated cost of \$500 million in 2012. HSBC has created and recruited for two new compliance leadership roles –Global Head of Regulatory Compliance and Head of Group Financial Crime Compliance;
- added a new criteria called 'financial crime risk' for screening new acquisitions and clients;
- sold non-strategic or non-core businesses in order to simplify the Bank's structure and management thereof. Since 2011, HSBC has sold or announced the disposal of 47 businesses including with drawl from certain South American countries and retail banking in some Middle Eastern nations ;and
- strengthened and centralized governance , and affected closer integration with a streamlined global platform comprised of only four global businesses and eleven global functions, each headed by global executives

The HSBC Annual Report states that the Bank aspires to be the lead bank in standards of conduct. The Bank clams to commit to adopting and enforcing the highest compliance standards.

The Annual Report also advises that HSBC is the subject of other investigations along with other banks with whom the province does business.

HSBC has agreed to make a payment of \$96 million into a fund for the benefit of residential mortgage clients who were impacted by errors in HSBC's foreclosure process. HSBC states that it may be subject to additional charges, litigation and regulatory scrutiny in connection with this matter.

Further, HSBC is cooperating with an international investigation into the contrived and erroneous setting of the London interbank offered rates (LIBOR) and the Bank's participation in this activity. HSBC has not been named by regulatory authorities but states it may be possible. It has been named as a defendant in private lawsuits filed in the US with respect to the setting of LIBOR. Other banks with which the province does business have already settled with various regulatory authorities on this matter and paid fines.

3) Province's business relationship with HSBC.

HSBC Securities is a member of the Province's domestic bond syndicate as a junior banking group member based on its performance in Provincial Treasury's quarterly syndicate evaluation. HSBC Bank Canada has entered into an agreement with the province allowing them to be derivatives counterparty to the province on swap transactions.

HSBC Securities' main capital market relationship with the province is as joint lead manager for US dollar global bond offerings. HSBC manages one of the largest international capital market platforms in the world. HSBC has been involved in each of the province's three US dollar bond offerings since 2011, totaling US \$ 3.5 billion, and done an excellent job. HSBC arranged the province's Euro 40 million (about \$56 million Canadian) private placement in October 2011 – the province's first issue launched in Euros. In June 2012, HSBC assisted the province on its investor tour of Asia led by then Finance Minister Kevin Falcon. In December 2012, the firm accompanied the province on its investor tour of Asia to market the province as a prospective issuer in the new offshore Renminbi bond market.


HSBC Bank Canada provides banking services to the Banking/Cash Management Branch. HSBC is the principal banker to the Liquor Distribution Branch (deposit taking, cash disbursement, etc) with a contract that is worth about \$300,000 annually. It also provides paper remittance processing for the MSP program.

DISCUSSION:

It is still early to opine on HSBC's success in responding to the requirements of US and UK regulatory authorities for compliance with anti-money laundering standards. However, the Bank is not wasting anytime by trying to deny its guilt and is getting on with improving its situation with an impressive list of action items. The clear communication of its intentions and action plan subjects the Bank to transparent terms for judging progress and exposes its reputation to serious reproach if it fails. In our experience with banks that have been assailed by regulators we have seen few go to the lengths which HSBC proposes for redressing the situation and this is noteworthy when considering actions the province might take to show its displeasure for the Bank's misconduct.

As far as we are aware, no other HSBC government client has taken any punitive measures against the Bank for the money laundering breaches. This is not surprising given that governments generally accept the punishment meted out by regulatory authorities as appropriate when banks are found guilty of regulatory or legal infractions. A government may be provoked to, for example, discontinue business with a bank which it believes has harmed its commercial interests but that does not apply to the HSBC situation under discussion here. Since 2009, there have been several banks who have paid settlements related to allegations that they moved money for people or companies that were on the US sanctions list. These banks include firms with whom the province does treasury business, e.g. Credit Suisse, Barclays.

It bears noting that neither the Office of the Superintendent of Financial Institutions nor securities' regulators have found HSBC guilty of breaching any regulatory standards in Canada. Further, HSBC has been a good corporate citizen in British Columbia ever since it bought the Bank of British Columbia in the 1980's.

**OPTIONS:**

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2. Encourage rigorous compliance with anti-money laundering laws

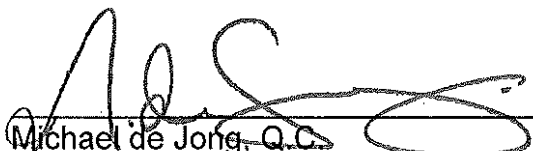
In keeping with the province's longstanding and positive relationship with the Bank, a letter is recommended from the Minister to the CEO of HSBC Canada which affirms the gravity of the Bank's legal violations, applauds their actions to date and encourages rigorous implementation of the necessary measures for compliance. The letter should also put the Bank on notice that if it breaches the terms of the deferred prosecution agreement the province will consider it as a serious failing. At this time, it is recommended to leave open how the province would respond to such a breach. It is further recommended that the province focus its expectations of HSBC on compliance with anti-money laundering laws only and not on other matters such as charges which may arise related to US mortgages and LIBOR setting; these should be dealt with separately based on the facts as they become known.

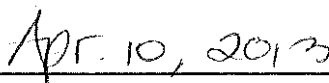
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RECOMMENDATION:

- Option 2 and letter attached

APPROVED / NOT APPROVED


Michael de Jong, Q.C.
Minister


Date

Ministry of Finance
BRIEFING DOCUMENT

To: Honourable Michael de Jong, Q.C.
Minister of Finance

Date: February 18, 2013

Initiated by: Jim Hopkins
Assistant Deputy Minister
Provincial Treasury

Phone: [250] 387-9295
email: jim.hopkins@gov.bc.ca

Contact: Darshi Klear
Executive Director
Debt Management Branch
Provincial Treasury

Phone: [250] 387-8815
email: darshi.klear@gov.bc.ca

CLIFF # 267860

TITLE: Post-Budget Investors' Teleconference Call – February 21, 2013

PURPOSE:

(X) FOR INFORMATION

DATE PREPARED: February 18, 2013

TITLE: Post-Budget Investors' Teleconference Call – February 21, 2013

BACKGROUND:

- On February 21, 2013, Mr. Doug Porter, BMO Capital Markets will host a conference call for you to review the 2013 Budget and Fiscal Plan with firms in the province's domestic and international underwriting syndicates, and their institutional clients. There will be an opportunity to field questions from the audience.
- Former Ministers of Finance have participated in these calls dating back to the 1992 Budget.
- The format of the conference call is as follows:

8:00 a.m. Senior Ministry of Finance officials will meet with you in your office to review expected questions on the teleconference call and the format of your presentation.

8:15 a.m. Confidential briefing with Mr. Doug Porter and Mr. Grant Williams of BMO Capital Markets, after which they will connect the confidential call into the teleconference call. The instructions from BMO are as follows:

Moderator/Guest Speakers Dial-in: s17 **(Passcode:** s17

Upon dial-in, please identify that you're calling for the "Province of British Columbia Investor Conference Call" confidential briefing with Mr. Doug Porter.

8:30 a.m. Mr. Porter will introduce you and welcome participants and provide a brief commentary on the Budget.

8:35 a.m. Minister will provide key budget highlights (about ten or so minutes). Reference to the Budget powerpoint deck is suggested; also see Appendix A for suggested key messages.

8:45 a.m. Call will be opened to questions from the audience. It is quite appropriate to refer technical questions to staff.

9:00 a.m. Closing remarks by BMO Capital Markets and call ends.

DISCUSSION:

- Expect that the call typically will reach about 50 plus callers. The call is recorded and interested parties will have the ability to play back the call until February 28, 2013. Majority of the audience will be comprised of Canadian dealers and investors and the three rating agencies; expect that there will be Europeans and Americans on the line as well.

- The audience is comprised of financial market participants, tending to be conservative and well-informed. It should be assumed that callers will have read budget press reports and dealer analyses. BMO Capital Markets' analysis and proposed questions will be provided to you prior to the call.
- The basic objective of investors on the call is to obtain information, which they can use to help decide whether to buy, hold or sell British Columbia debt securities.
- The opening remarks should summarize the key points in the budget and focus on strategic considerations and the direction of the government. Using your Budget power-point slide deck is suggested for guiding your remarks.
- See Appendix A for some key messages which you may wish to deliver
- Question and answer session: BMO Capital Markets will supply sample questions which may be asked on the call. We will review these questions with you immediately before the call.

Appendix A

KEY MESSAGES

It is a pleasure to join this conference call with the domestic and international financial community. I welcome an opportunity to discuss the key themes in our government's Budget 2013 and take any questions

I am pleased that in this fiscal year we were able to build on our past record of fiscal management success:

- 2012/13 operating deficit is expected to be \$1.2 billion, \$260 higher than projected in the 2012 Budget,
- Total debt in 2012/13 is estimated to be \$1.5 billion lower than budget, and
- Taxpayer supported debt to GDP at March 31, 2012 is expected to be 17% or .2% below budget. This will be ninth year in the past ten in which government has outperformed its budgeted debt to GDP target

Budget 2013 confirms government's ongoing commitment to its key fiscal objectives:

- Protection of essential health care, education and social services,
- balanced budgets starting in 2013/14,
- continuance of spending discipline and affordable public sector wage settlements
- \$1.4 billion of prudence to mitigate risks in the 3-year plan ,
- Retaining one of the lowest overall tax burdens in Canada, and
- an affordable taxpayer supported debt to GDP ratio in keeping with a AAA credit rating

Over the medium term, we expect BC to continue to be one of the top economic performers in Canada thanks in part to our AAA credit rating and proximity to the strong economies of Asia.

BC remains well-positioned for continued growth given its mature and diversified service economy, its sought-after commodity base and its export markets being more diversified than other Canadian provinces. Export of LNG to Asia markets is a transformational opportunity for the province and offers prospect of debt repayment and lower taxes in the future.

Next year's borrowing requirement will be very manageable. .

We are committed to meet and exceed our fiscal targets and look forward to a successful financing program in the domestic and international capital markets

**Ministry of Finance
BRIEFING DOCUMENT**

To:	Honourable Michael de Jong Minister of Finance	Date Requested:	April 1, 2012
		Date Required: Date Prepared:	August 13, 2012
Initiated by:	Peter Milburn Deputy Minister Ministry of Finance	Phone Number: Email:	250 387-3184 peter.milburn@gov.bc.ca
Ministry Contacts:	Phil Grewar Executive Director Risk Management Branch	Phone Number: Email:	250 387-0521 phil.grewar@gov.bc.ca
	Carl Fischer Executive Director Financial Reporting and Advisory Services	Phone Number: Email:	250 356-9272 carl.fischer@gov.bc.ca
		CLIFF #:	265598

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2012

PURPOSE:

(X) ACTION REQUIRED

COMMENTS:

- The *Financial Administration Act* requires the Minister of Finance to lay a report respecting the guarantees and indemnities approved during the preceding fiscal year before the Legislative Assembly as soon as possible after the end of the fiscal year. Appended to this briefing note is the report for tabling in the Legislature.
- The information in this briefing note is background for the Minister of Finance respecting the contents of the report. It is not to be tabled in the House with the report. It only covers guarantees and indemnities that are considered to require further explanation.

DATE PREPARED: August 13, 2012

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2012.

BACKGROUND:

- In order to deliver programs, the government is often required to provide guarantees and indemnities to third parties.
- The Province has provided payment guarantees for various infrastructure projects. These guarantees would become payable in the event the responsible entities default on payments required by the respective agreements.
- The Province indemnifies against loss, damage or injury arising out of activities carried out by or on behalf of the Province. Indemnities are normally for an unlimited amount and represent a liability only if the circumstance that gives rise to an indemnity payment occurs. Each is vetted carefully on its own merit before approval. Indemnities are a standard part of many government contracts.

DISCUSSION:

- There were no guarantees issued during the year.
- The 896 approved ministry indemnities for fiscal 2011/12 generally fall into one of ten categories:
 - **Special (8 approvals)** – These indemnities cover a wide range of applications, but generally involve unique situations that are outside the control of the Province and therefore, expose the Province to risk that it would not have in the absence of the indemnity. Where such an indemnity is necessary to conclude a contract, all measures are taken to reduce the risk to government before approval is granted.
 - **Legal Representation (7 approvals)** – These indemnities cover legal costs of individuals (usually employees or former employees) who are named, or could be named, in litigation or appear as witnesses in litigation. No further information can be provided as details are subject to the *Freedom of Information and Protection of Privacy Act* and confidentiality agreements.

- **Land Deals (2 approvals)** – These indemnities cover various land purchase or sale arrangements, including several related to transportation projects. Risks are assessed based on the individual circumstances. Where the Province indemnifies for pre-existing environmental matters, all measures are taken to assure that the contamination risk is low to ensure these indemnities are not likely to be called on.
- **Gateway Program (47 approvals)** – These indemnities relate to land acquisition, land access, and other agreements pertaining to the Gateway road and bridge improvement projects in the Lower Mainland.
- **Services Provided to the Province (27 approvals)** – These indemnities are included in agreements with contractors who provide services directly to government, or on behalf of government, where the services themselves expose the contractor to risk above their normal operations. Often specialists in their field, the only contractors available or qualified to deliver the required services are unable to obtain insurance to protect themselves or the Province from losses arising out of those activities. In these circumstances, the Province has little choice but to indemnify the contractors for losses arising out of the activities undertaken to deliver the contracted services or risk having no service provider.
- **Leases, Rights of Way, Occupancy Permits (52 approvals)** – These indemnities cover a wide range of agreements related to the Province's occupation or access to private lands or property including office leases, access required for communications installations, and land access required for various transportation projects.
- **General (67 approvals)** – These indemnities are related to risks that are generally within the control of the Province, primarily arising from the acts or omissions of the Province. Normally, the other party to the contract would agree to a similar indemnity regarding their own responsibilities.
- **Activities for Children in Care (685 approvals)** – These indemnities are included in various forms of releases, waivers and agreements for children in care participating in various recreational, educational and sports activities. Because the Province is the legal guardian for children in care, liability for the actions of these children rests with the Province and these approvals are considered low risk. For certain common forms, where several children participated, blanket approval was granted.
- **Public Private Partnerships and Alternative Service Delivery (1 approval)** – This indemnity relates to the Public Private Partnership for the Surrey Pretrial Services Centre Expansion and Redevelopment Project.

Comparison of Fiscal Year Totals of Indemnities by Category											
Fiscal Year	Children in Care	General	Leases, Rights of Way, and Permits	Services Provided to the Province	Olympics	Special	Land Deals	P3s and ASDs	Legal Representation	Other	Total
2011/12	685	67	52	27	N/A	8	2	1	7	47	896
2010/11	811	44	57	14	3	6	7	1	2	37	982
2009/10	693	55	44	21	24	3	8	N/A	8	15	871
2008/09	589	52	67	19	8	6	8	N/A	4	15	768
2007/08	449	23	32	25	4	15	4	4	6	N/A	562
2006/07	340	35	54	8	2	10	8	3	4	27	491
2005/06	230	37	42	9	4	17	N/A	12	11	24	386

PLEASE NOTE: Details on many of the indemnities are subject to *FOIPPA* and confidentiality agreements and therefore, should not be made public without first contacting the Risk Management Branch.

Specific indemnities worth noting are:

Agriculture

Indemnity 120421 to BC Veterinary Captive Insurance Co. Ltd. – This indemnity is with respect for the provision of alternate capital for a finite period of time (terminating June 30, 2014) in connection with Directors' and Officers' Liability and Commercial General Liability insurance coverage provided by the captive to the College of Veterinarians of British Columbia.

Attorney General

s22
expenses s22 – This is a Legal Representation Agreement for legal
Women's Commission. -in order to participate as a witness in the Missing

Indemnity 120990 various former Crown Counsel – This is a Legal Representation Agreement for legal advice for former Crown Counsel of the Criminal Justice Branch and who were counsel on appeals and post-conviction applications brought by claimant.

Indemnity 121175 to various employees – This is a Legal Representation Agreement for legal expenses for employees who have not agreed to give up their privilege over certain documents and information sought by the Auditor General.

s22 This is a Legal Representation Agreement for legal
expenses in human rights proceeding in which she is named as a respondent.

Indemnity 120717 and 120718 and 120719 and 120720 – These four indemnities were issued to various municipal police detachments and Her Majesty the Queen in Right of Canada respecting the Province's assumption of defence and settlement costs related to the class action lawsuit for the use of roadside screening devices by police departments.

BC Public Service Agency

s22 - This is a Legal Representation Agreement for legal
expenses in connection with a professional practice complaint against an Occupation Health
Nurse lodged by a correctional officer.

Children and Family Development

Indemnity 120019 to various Persons listed in Schedule A. – This is a Legal Representation Agreement as it relates to a security interest being registered against a judicial justice of the peace by a "Freeman of the Land".

Environment

Indemnity 120494 – The Province has agreed to indemnify Cariboo Regional District with respect to the performance of any statutory duty in relation to the Province's involvement in the property acquisition and dismantling in the Cottonwood Subdivision.

Indemnity 120710 – The Province has agreed to indemnify the Town of Smithers with respect to the performance of any statutory duty in relation to the Province's involvement in the acquisition or dismantling of property at 4264 Rosenthal Road.

Justice

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Agreement for legal expenses
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- This is a Legal Representation
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Public Safety and Solicitor General

Indemnity 120515 and 120516 and 120589 - The Province has agreed to indemnify various individuals for their role in the independent review of the June 15, 2011 riot in Vancouver, and for the review and creation of planning frameworks related to major civic celebrations.

All indemnities specific to the Ministry of Finance:

Number	Indemnatee	Subject
120006	Liberty International Underwriters a division of the Liberty Mutual Insurance Company	Indemnity and Hold Harmless Agreement between Liberty International Underwriters a division of the Liberty Mutual Insurance Company and Her Majesty the Queen in Right of the Province of British Columbia, acting through and represented by the Risk Management Branch of the Ministry of Finance, Master Insurance Program fronting arrangement.
120283	Simon Fraser University	Rental Facility Agreement between Simon Fraser University (SFU) and Her Majesty the Queen in right of the Province of British Columbia, as represented by the Minister of Finance with respect to the use of facilities for a Financial Institution Commission meeting on June 2, 2011 at the SFU Surrey Campus.
120294	IHS Global Insight (USA) Inc.	IHS Subscription Agreement between IHS Global Insight (USA) Inc. and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance, with respect to software licenses for three products used by provincial staff to conduct economic analysis.
120309	Simon Fraser University	Rental Facility Agreement between Simon Fraser University and Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Finance (FICOM), for FICOM's use of space on June 10, 2011 for a staff appreciation event.
120346	Public Works and Government Services Canada	indemnities between Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Finance, and Public Works and Government Services Canada in the Undertaking and Indemnity agreement, concerning the two outstanding cheques for \$1,017,780.00 and \$249,978 payable to the BC Medical Services Plan, both of which remain un-cashed and are in the process of a re-issue request.
120390	CanDeal.ca Inc.	User Agreement whereby Her Majesty the Queen in right of the Province of British Columbia represented by the Minister of Finance agrees to indemnify CanDeal.ca Inc. with respect to breach and noted responsibilities under the user agreement.

120460	Bank of Montreal	letter of indemnity between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Bank of Montreal in support of the request to cancel a Letter of Credit that was lost in the mail.
120789	Royal Roads University	Facility Rental and Event Service Agreement, Agreement # 180156, between Royal Roads University and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance for use of space to host a training event on October 13, 2011.
121073	Royal Bank of Canada	Third Party Cheque Indemnity Agreement whereby Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Insurance Corporation of British Columbia have agreed to indemnify Royal Bank of Canada for losses arising directly or indirectly as a result of third party cheque agreements for the payment of motor vehicle fines.
121128	Canadian Imperial Bank of Commerce	Agreement Re Deposit of Cheques between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and the Canadian Imperial Bank of Commerce in regards to cheques and payments made under the name of Province of British Columbia, made payable to Schedule A "Clients".
121388	CIBC Mellon Trust Company (Custodian), Canadian Imperial Bank of Commerce (CIBC) The Bank of New York Mellon (BNY)	Custodial Services Agreement between Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Finance, and CIBC Mellon Trust Company, and Canadian Imperial Bank of Commerce, and The Bank of New York Mellon for Custodial Services and Collateral Services.