

Page 001 to/à Page 004

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s.12;s.14;s.13

Page 005 to/à Page 012

Withheld pursuant to/removed as

s.12;s.13

Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Monday, May 9, 2016 10:25 AM
To: Cole, Elizabeth FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX
Cc: Achtemichuk, Melanie FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX
Subject: Ontario contemplating legislative Changes For Credit Unions

The Ontario government has recently confirmed it will accept the 15 recommendations set out in a legislative review report (Report) to amend Ontario's credit union legislation.

Here is a synopsis from Blakes on the recommendations.

<http://www.blakes.com/English/Resources/Bulletins/Pages/Details.aspx?BulletinID=2302>

<http://www.fin.gov.on.ca/en/consultations/cu-cp/legislative-review.html>

Harry James, Senior Regulatory Advisor
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Sunday, May 8, 2016 3:26 PM
To: Wood, Heather FIN:EX
Cc: Cole, Elizabeth FIN:EX
Subject: FW: Letter to provincially regulated FIs regarding FINTRAC
Attachments: 16-1936-LTR.pdf

Hi Heather, Beth,

Just a heads-up on this in case you hear about it.

Carolyn

From: Chen, Angel FIN:EX
Sent: Friday, May 6, 2016 11:02 AM
To: Rogers, Carolyn FIN:EX
Cc: Withnell, Kiah FIN:EX
Subject: RE: Letter to CU's regarding FINTRAC

Hello Carolyn,

Melanie's team made minor changes to the letter – please see attached final version for your reference.

The letter will send to all provincially regulated FIs on Monday.

Please let me know if you have any questions or concerns.

Regards,

Angel Chen
Senior Administrative Assistant to
Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604 660-3555 | Fax 604 660-3365
www.fic.gov.bc.ca



Financial
Institutions
Commission

May 5, 2016
File No.: 71000-01
Ref. No.: 1936

To: All Provincially Regulated Financial Institutions

Re: Anti-money Laundering/Anti-terrorist Financing

Anti-money laundering/anti-terrorist financing (AML/ATF) is an integral part of the Financial Institutions Commission's (FICOM) supervisory framework, forming a significant component of FICOM's assessment of both regulatory compliance and operational risk.

FICOM works closely with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), the federal government agency tasked with detecting, deterring and preventing money laundering and terrorist financing activities, to ensure compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA).

In October 2015 FINTRAC released a "Risk-Based Approach Guide" to help reporting entities better understand what a risk-based approach (RBA) is and to take inventory of their risks relating to products, services and delivery channels, clients and business relationships, geography and other relevant factors. FICOM encourages all provincially regulated financial institutions (PRFIs) to review this document, along with the PCMLTFA, associated regulations and FINTRAC Guidelines, to ensure they are in compliance with AML/ATF requirements.

Note that FINTRAC has also released sector-specific workbooks to help smaller reporting entities develop their RBA, including one targeted specifically to Credit Unions.

FICOM will continue to dedicate heightened attention to FINTRAC examination results of PRFIs in the coming years to ensure all regulatory compliance requirements are being met.

If you have any further questions or comments, please contact your FICOM relationship manager.

Yours truly,

Frank Chong
Deputy Superintendent, Regulation

MOB/ac

- Superintendent of Financial Institutions
- Superintendent of Pensions
- Superintendent of Real Estate
- Registrar of Mortgage Brokers

2800, 555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca

Toovey, Kari FIN:EX

From: Achtemichuk, Melanie FIN:EX
Sent: Wednesday, April 27, 2016 12:09 PM
To: Chong, Frank FIN:EX; Toovey, Kari FIN:EX; Cole, Elizabeth FIN:EX; Dillon, Brian FIN:EX; James, Harry FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX

s.12,s.13

-----Original Appointment-----

From: Chong, Frank FIN:EX

Sent: Monday, April 4, 2016 9:56 AM

To: Chong, Frank FIN:EX; Toovey, Kari FIN:EX; Cole, Elizabeth FIN:EX; Dillon, Brian FIN:EX; Achtemichuk, Melanie FIN:EX; James, Harry FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX

Subject: s.12,s.13

When: Tuesday, April 26, 2016 1:00 PM-2:00 PM Customized Time Zone.

Where: Teleconference

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Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Tuesday, April 26, 2016 2:36 PM
To: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX; Cole, Elizabeth FIN:EX
Subject: World Economic Forum Report on the Future of Financial Services
Attachments: WEF_The_future_of_financial_services.pdf

Here is the report I mentioned.

Harry James, Senior Regulatory Advisor
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Toovey, Kari FIN:EX

From: Achtemichuk, Melanie FIN:EX
Sent: Thursday, March 31, 2016 3:13 PM
To: Toovey, Kari FIN:EX; Cole, Elizabeth FIN:EX; Dillon, Brian FIN:EX
Cc: James, Harry FIN:EX; Chong, Frank FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX; Chong, Frank FIN:EX; Chen, Angel FIN:EX

s.12,s.13

We'll arrange a time for a call with our two groups, likely the week April 11.

Thanks,
MA


From: Toovey, Kari FIN:EX
Sent: Thursday, March 31, 2016 2:54 PM
To: Achtemichuk, Melanie FIN:EX; Cole, Elizabeth FIN:EX; Dillon, Brian FIN:EX
Cc: James, Harry FIN:EX; Chong, Frank FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX
Subject: s.12,s.13

Thanks Melanie:

s.12,s.13

Hopefully we can talk about soon.

Kari

KARI TOOVEY | Senior Policy Advisor | Financial and Corporate Sector Policy Branch | Policy and Legislation Division | Ministry of Finance | Ph: 250-387-7534; Fx: 250-387-9093 | 617 Government Street, Victoria, BC V8V 1X4 |  Please consider the environment before printing this e-mail.

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Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Wednesday, March 23, 2016 4:36 PM
To: Cole, Elizabeth FIN:EX
Subject: RE: FIA/CUIA Review: Stakeholder Response to Initial Public Consultation Paper

Thanks Beth. I read through the document last week – excellent summary!

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, March 23, 2016 1:10 PM
To: Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; James, Harry FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX
Cc: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX; Rogers, Carolyn FIN:EX
Subject: FW: FIA/CUIA Review: Stakeholder Response to Initial Public Consultation Paper

Hello everyone,

Please see attached docs.

The email below was sent today to our email distribution list of a large number of stakeholders interested in the FIA/CUIA review (e.g., BC credit unions, insurance organizations, business and consumer groups, etc.).

Thanks,
Beth

From: FIA Review FIN:EX
Sent: Wednesday, March 23, 2016 1:04 PM
To: FIA Review FIN:EX
Subject: FIA/CUIA Review: Stakeholder Response to Initial Public Consultation Paper

Dear Stakeholder:

Attached please find a letter from Kim Henderson, British Columbia Deputy Minister of Finance, about the *Financial Institutions Act* (FIA) and *Credit Union Incorporation Act* (CUIA) review.

A copy of the Ministry's report about the input received from stakeholders in response to the FIA/CUIA review initial public consultation paper is also attached.

This information, and copies of stakeholder submissions, can also be found at:
<http://www.fin.gov.bc.ca/pld/fiareview.htm>.

Sincerely,

Policy and Legislation Division
Ministry of Finance
British Columbia

Bridge, Jannea FIN:EX

From: Helen del Val <hdelval@hrdv.com>
Sent: Wednesday, March 23, 2016 2:11 PM
To: Cole, Elizabeth FIN:EX; Rogers, Carolyn FIN:EX
Subject: RE: FIA/CIUA Review: Stakeholder Response to Initial Public Consultation Paper

Thank you Elizabeth, Helen

From: Cole, Elizabeth FIN:EX [mailto:Elizabeth.Cole@gov.bc.ca]
Sent: March 23, 2016 1:08 PM
To: Helen del Val (hdelval@hrdv.com); Rogers, Carolyn FIN:EX
Subject: FW: FIA/CIUA Review: Stakeholder Response to Initial Public Consultation Paper

Hi Helen and Carolyn,

A high-level summary of the input received from stakeholders in response to the FIA/CIUA review initial public consultation paper is attached, along with a Deputy Minister letter.

The email below was sent today to a number of stakeholders interested in the FIA/CIUA review (e.g., BC credit unions, insurance organizations, business and consumer groups, etc.).

Thanks,
Beth

From: FIA Review FIN:EX
Sent: Wednesday, March 23, 2016 1:04 PM
To: FIA Review FIN:EX
Subject: FIA/CIUA Review: Stakeholder Response to Initial Public Consultation Paper

Dear Stakeholder:

Attached please find a letter from Kim Henderson, British Columbia Deputy Minister of Finance, about the *Financial Institutions Act* (FIA) and *Credit Union Incorporation Act* (CIUA) review.

A copy of the Ministry's report about the input received from stakeholders in response to the FIA/CIUA review initial public consultation paper is also attached.

This information, and copies of stakeholder submissions, can also be found at:
<http://www.fin.gov.bc.ca/pld/fiareview.htm>.

Sincerely,

Policy and Legislation Division
Ministry of Finance
British Columbia

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Monday, March 21, 2016 12:42 PM
To: Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX; Wu, Jeffrey FIN:EX
Subject: Emailing: RGentleman Cliff Communication 9April2013
Attachments: RGentleman Cliff Communication 9April2013.pdf

Hi Beth,

I was looking through old files for something and came across this correspondence that I thought may be of interest to you.

Carolyn

Your message is ready to be sent with the following file or link attachments:

RGentleman Cliff Communication 9April2013

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

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Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Sunday, March 20, 2016 3:19 PM
To: Mentzelopoulos, Athana FIN:EX
Cc: Wood, Heather FIN:EX
Subject: Meeting Follow-up
Attachments: FICOM Commission.pdf; s.12,s.13

Hi Athana,

Following up on our meeting on Friday afternoon, I am sending along the Commission's submission on the FIA review, s.12, s.12,s.13

Carolyn



October 29, 2015

Heather Wood, Assistant Deputy Minister
Elizabeth Cole, Executive Director, Strategic Projects & Policy
Policy & Legislation Division
Ministry of Finance
PO Box 9470 Stn Prov Govt
Victoria BC V8W 9V8
Sent via e-mail to: fiareview@gov.bc.ca

Dear Ms. Wood and Ms. Cole:

Re: ***Financial Institutions Act & Credit Union Incorporation Act Review***

This letter is the Commission's response to the June 2015 initial public consultation paper related to the *Financial Institutions Act (FIA) & Credit Union Incorporation Act (CUIA) review*.^{*} Reference in this consultation response to FICOM includes the Commission, the Superintendent and staff. The Commission, Superintendent and staff individually will be referenced as such.

While the consultation paper raises numerous important issues that merit thoughtful discussion, we have chosen to not cover all topics. This response focuses on the powers and resources necessary for FICOM to effectively discharge its mandate in a manner that reflects best practices in prudential supervision.

We would be pleased to elaborate on our recommendations and would appreciate the opportunity to meet with Ministry staff to discuss them further. If you wish our input on an issue for which we have omitted providing a response, we would be pleased to provide our views. Please note that these submissions may be made public.

Yours truly,

Helen R. del Val, Chair

^{*}The ex-officio member of the Commission, who is the Deputy Minister of Finance or her designate, elected not to participate in this submission, given her direct association with the Ministry that launched the consultation. The remaining Commission members have no ties to government or to any of the regulated institutions. This submission was completed independent of the Superintendent and staff.

- Superintendent of Financial Institutions
- Superintendent of Pensions
- Superintendent of Real Estate
- Registrar of Mortgage Brokers

2800-555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca

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SUMMARY OF RECOMMENDATIONS

The Commission recommends that:

R-1: The FIA explicitly include a stated purpose of the Act.

R-2: The FIA set forth the objectives of FICOM. These should include promotion of safety and soundness of financial institutions; protection of the public from undue loss and unfair market conduct; and, timely intervention to deal with issues before they threaten the stability of the province's financial system.

R-3: The FIA re-constitute FICOM as structurally separate and arm's-length of government with authority to set operating and human resource policies that allow it to carry out its mandate.

R-4: The FIA set out the Commission and Superintendent's respective mandates to clarify that the:

- i. Commission provides oversight to the Superintendent including decisions related to direction of the organization such as those related to budget, operations and human resources planning;
- ii. Commission acts as a specialized administrative tribunal, adjudicating matters based upon the factual record created by the Superintendent and staff;
- iii. Commission approves supervisory policies and procedures;
- iv. Superintendent is vested with direct responsibility and the appropriate tools to administer day-to-day prudential supervision.

R-5: Commission members be independent of both government and supervised institutions.

R-6: The FIA require regular meetings between the Commission Chair and the Minister to facilitate open communication and understanding of government policy and regulatory matters where they intersect.

R-7: The FIA delineate the Commission's authority to issue guidelines after conducting mandatory public consultation on draft guidelines and following due process.

R-8: FICOM be provided with additional well-tailored, proportionate tools and the ability to hire and retain sufficient expert staff to exercise its powers fairly and appropriately and in a timely manner.

R-9: The FIA incorporate the best supervisory practice of extending privilege to certain supervisory information.

R-10: The FIA require effective risk management of financial institutions including a committee of an institution's board to oversee all risks in the institution as set out in guidelines issued by the Commission.

R-11: The FIA require that financial institutions hold adequate and appropriate forms of capital and liquidity as set out in guidelines issued by the Commission.

R-12: The FIA delineate the Commission's authority to designate institutions as systemically important. Once designated, these institutions may be subject to additional prudential requirements necessary to mitigate systemic risk including the preparation of recovery and resolution plans, as set out in guidelines issued by the Commission.

R-13: The FIA establish an effective resolution regime that addresses the following areas:

- i. The Commission determine when a financial institution is no longer viable and should be resolved;
- ii. FICOM be designated as the resolution authority for British Columbia;
- iii. The FIA provide the necessary authority to ensure sufficient liquidity in a crisis, including Emergency Lending Assistance from the Bank of Canada.

R-14: The FIA provide that a central credit union be subject to the same prudential standards and guidelines as all other credit unions in the province of British Columbia and any additional measures that apply to institutions designated as systemically important.

R-15: The FIA provide FICOM with the authority to approve, reject and impose prudential conditions on all major transactions (i.e. acquisitions, divestitures or investments) by a financial institution.

R-16: An ombudsperson for financial institutions be designated to provide a mandatory alternate dispute resolution mechanism for members and customers who are dissatisfied with a retail service or product provided.

R-17: The FIA authorize the Commission to require credit unions to adopt disclosure and voting practices that will engage members, provide them with adequate information and encourage the exercise of voting rights, as set out in guidelines issued by the Commission.

R-18: The government review unlimited deposit insurance and, as soon as circumstances permit, move to limit such coverage with careful planning of the transition.

October 20, 2015

**Financial Institutions Act
and Credit Union Incorporation Act Review**

Commission Response to the Initial Public Consultation Paper

INTRODUCTION

The Commission¹ has prepared this response to the Ministry of Finance's June 2015 consultation paper for several reasons. First, we wish to offer our experience and perspective as the regulator that has worked under the current regime and followed closely the evolution of international best practices in the exercise of prudential and market conduct supervision of the financial sector. Second, we wish to draw attention to parts of the current framework that no longer work effectively. Third, we wish to provide a voice for the broader public we serve, who are less likely to respond to this consultation. This response has been prepared taking into account FICOM's mandate to safeguard confidence and stability in British Columbia's financial sector by protecting consumers from undue loss and unfair market conduct.² It focuses on the powers and resources necessary for FICOM to effectively discharge its mandate in a manner that reflects best practices in prudential supervision.

BACKGROUND

Since the last financial institutions legislative review conducted over a decade ago, regulatory and supervisory approaches globally have changed significantly. Furthermore, the financial crisis has heightened the public's concern that its savings are secure and that governments and regulators act to keep the financial system operating even through the worst crises. As the intermediary between savings and investment, the financial system performs a unique function in the economy. There is a clear expectation that governments and regulators manage risk effectively to ensure that financial stability is maintained -- a critical public interest consideration. Achieving financial sector stability justifies not only public regulation but also a

¹ The ex-officio member of the Commission, who is the deputy minister of finance or her designate, elected not to participate in this submission, given her direct association with the Ministry that launched the consultation. The remaining Commission members have no ties to government or to any of the regulated institutions. Reference in this consultation response to FICOM includes the Commission, the Superintendent and staff. The Commission, Superintendent and staff individually will be referenced as such.

² http://www.fic.gov.bc.ca/?p=about_us/mandate

more proactive role for supervision than in other sectors, where regulation typically is aimed only at ensuring that rules are followed.³

Like most other financial services regulators in the world, FICOM has adopted a principles-based framework for financial institutions supervision. Within such a framework, the focus of FICOM's supervisory work is based on its assessment of risk. Its job is to determine the potential impact of current and future events, and to respond early to lessen significant risks to the individual financial institutions, to the financial system as a whole and to the public. FICOM strives to make its risk-based supervision as dynamic and forward-looking as possible to respond effectively to changes in British Columbia's financial system, now and in the future.

We believe that British Columbia's legislative framework for financial institutions should be grounded in leading practices for prudential supervision. These are articulated in the Core Principles for Effective Banking Supervision (Core Principles), which are the de facto global minimum standard for sound prudential regulation and supervision.⁴ Originally issued by the Basel Committee on Banking Supervision in 1997 and updated in 2012, the Core Principles are used as a benchmark for assessing the quality of supervisory systems and for identifying future work to assure sound supervisory practices.⁵ The International Monetary Fund (IMF) and the World Bank also use the Core Principles to assess the effectiveness of countries' financial sector supervisory systems and practices through their Financial Sector Assessment Program (FSAP). Both federal and provincial supervision of the financial system is regularly scrutinized under this FSAP program. The Core Principles for Banking Supervision were developed for banks; however, with few exceptions and very minor modifications, their focus on protecting depositors means they also apply to the credit union supervisory framework in British Columbia.

As global leading practices for supervision evolves, so too must the legislative framework on which supervisory authority is based. Accordingly, we seek a modernized structure for FICOM and a principles-based legislative framework that will support risk-based supervision and continued access by British Columbians to financial services, even through a financial crisis.⁶

³ IMF Working Paper, WP/02/46 – Regulatory and Supervisory Independence and Financial Stability, Marc Quintyn and Michael W. Taylor.

⁴ The Basel Core Principles can be found at: <http://www.bis.org/publ/bcbs230.htm>. The International Association of Deposit Insurers (IADI) Core Principles for Effective Deposit Insurance Systems as well as the International Association of Insurance Supervisors Core Principles should also be adhered to.

⁵ The Basel Committee on Banking Supervision currently consists of senior representatives of bank supervisory authorities and central banks from Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong SAR, India, Indonesia, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

⁶ The Commission currently provides oversight and direction to the Superintendent, who is appointed by the Lieutenant Governor in Council. The Commission can delegate certain powers to the Superintendent, but must then oversee the use of that delegation. The Commission has no staff as day-to-day regulatory and operational decisions are administered by the Superintendent and her staff of about 90 people hired under the *Public Service Act*, [RSBC 1996] Chapter 385. The Superintendent, who is also the chief executive officer of FICOM, serves in several official capacities, including Superintendent of Financial Institutions, Superintendent of Pensions, Superintendent of Real

OVERALL FRAMEWORK ISSUES

Purpose & Objectives

R-1: The FIA explicitly include a stated purpose of the Act.

R-2: The FIA set forth the objectives of FICOM. These should include promotion of safety and soundness of financial institutions; protection of the public from undue loss and unfair market conduct; and, timely intervention to deal with issues before they threaten the stability of the province's financial system.

Modern legislation should use plain language to set out clearly its purposes and objectives and to define the roles and responsibilities of the various actors within that legislative framework. As the Core Principles are the *de facto* minimum standard for sound prudential regulation and supervision, we recommend that the legislative framework in British Columbia align with those principles. Core Principle 1 provides as follows:

Principle 1- Responsibilities, objectives and powers:

An effective system of banking supervision has clear responsibilities and objectives for each authority involved in the supervision of banks and banking groups. A suitable legal framework for banking supervision is in place to provide each responsible authority with the necessary legal powers to authorise banks, conduct ongoing supervision, address compliance with laws and undertake timely corrective actions to address safety and soundness concerns.

Essential criteria:

- 1. The responsibilities and objectives of each of the authorities involved in banking supervision are clearly defined in legislation and publicly disclosed. Where more than one authority is responsible for supervising the banking system, a credible and publicly available framework is in place to avoid regulatory and supervisory gaps.*
- 2. The primary objective of banking supervision is to promote the safety and soundness of banks and the banking system. If the banking supervisor is assigned broader responsibilities, these are subordinate to the primary objective and do not conflict with it.⁷*

Estate, Registrar of Mortgage Brokers and CEO of the Credit Union Deposit Insurance Corporation (CUDIC) under the corresponding legislation.

⁷ *Supra*, note 4.

Consistent with this Principle, we recommend that the FIA explicitly include a stated purpose of the Act and set forth the objectives of FICOM. The federal *Office of the Superintendent of Financial Institutions Act* provides an example of legislative objectives for a prudential regulator.⁸ The 2015 British Columbia *Chartered Professional Accountants Act* is an example of British Columbia legislation that sets forth objectives for the self-regulatory body for Chartered Professional Accountants in the province.⁹ Entrenching clear objectives in legislation for FICOM would promote transparency and clarity and underpin a principles-based framework for the regulation of financial institutions in British Columbia.

FICOM's paramount objectives should include the promotion of safety and soundness of financial institutions, protection of the public from undue loss and unfair market conduct and timely intervention to deal with issues before they threaten the stability of British Columbia's financial system.

Governance and Accountability

R-3: The FIA re-constitute FICOM as structurally separate and arm's-length of government with authority to set operating and human resource policies that allow it to carry out its mandate.

R-4: The FIA set out the Commission and Superintendent's respective mandates to clarify that the:

- iv. **Commission provides oversight to the Superintendent including decisions related to direction of the organization such as those related to budget, operations and human resources planning;**
- v. **Commission acts as a specialized administrative tribunal, adjudicating matters based upon the factual record created by the Superintendent and staff;**
- vi. **Commission approves supervisory policies and procedures;**
- vii. **Superintendent is vested with direct responsibility and the appropriate tools to administer day-to-day prudential supervision.**

R-5: Commission members be independent of both government and supervised institutions.

R-6: The FIA require regular meetings between the Commission Chair and the Minister to facilitate open communication and understanding of government policy and regulatory matters where they intersect.

⁸ R.S.C., 1985, c. 18 (3rd Supp).

⁹ [SBC 2015] Chapter 1.

The Core Principles provide significant guidance related to the independence, accountability and governance of supervisors. Core Principle 2 provides as follows:

Principle 2 – Independence, accountability, resourcing and legal protection for supervisors:

The supervisor possesses operational independence, transparent processes, sound governance, budgetary processes that do not undermine autonomy and adequate resources, and is accountable for the discharge of its duties and use of its resources. The legal framework for banking supervision includes legal protection for the supervisor.

Essential Criterion:

1. The operational independence, accountability and governance of the supervisor are prescribed in legislation and publicly disclosed. There is no government or industry interference that compromises the operational independence of the supervisor. The supervisor has full discretion to take any supervisory actions or decisions on banks and banking groups under its supervision.¹⁰

The IMF working paper “Regulatory and Supervisory Independence and Financial Stability” (referenced above, Note 3) advocates for a substantial degree of independence of regulators and supervisors both from government and industry. Such independence is necessary for regulators and supervisors to fulfill their mandate and preserve financial sector stability. At the same time, the authors, Quintyn and Taylor, urge the implementation of measures to hold independent regulators accountable, emphasizing that “agency independence and accountability need to go hand in hand.”¹¹ They explain the four dimensions of independence – regulatory, supervisory, institutional and budgetary. While the regulatory and supervisory dimensions are the core elements, institutional and budgetary independence are essential to support the execution of the core functions; without solid arrangements underpinning institutional and budgetary independence, regulatory and supervisory independence cannot be achieved. The authors recognize that the power of independence must be kept in check and point to the “often-cited danger of regulatory independence” being “over-zealous regulators” over-regulating the market and ignoring the cost of regulation. Transparent rule-making combined with mechanisms for consultation with all parties involved is one among several ways to address this concern.¹²

Separately accountable regulatory agencies are increasingly seen as a necessary component of modern governance. Arm’s-length regulatory agencies offer clear benefits to both the regulatory body and government ministry. For example, market interventions such as taking corrective

¹⁰ *Supra*, Note 4.

¹¹ *Supra*, Note 3, p. 1.

¹² *Supra*, Note 3, p. 3.

actions against a particular supervised institution are shielded from real or perceived political interference. Additionally, an independent regulatory and supervisory process offers improved transparency, stability and expertise.¹³ As such, we recommend that FICOM be structurally separate and arm's-length of government.

An arm's-length arrangement could be achieved in a variety of ways as long as it operates within a defined public policy context that assures fairness and due process. The chosen arrangement, whatever it is, must include proper accountability mechanisms to balance the operational advantages of independence. Accordingly, we recommend that the mandates of the Commission and the Superintendent be repositioned and clarified along the following lines.

First, the Commission provides oversight to the Superintendent and staff. This would include making decisions on the direction of the organization such as those involving budget and human resources planning.

Second, the Commission continues to act as a specialized administrative tribunal, adjudicating matters based on the factual record created by the Superintendent and staff.

Third, the Commission approves policies and procedures for the supervision of financial institutions, such as guidelines discussed in recommendations 7, 11, 12, 14 and 17 below.

Fourth, the Superintendent has direct responsibility and the appropriate tools to administer day-to-day prudential supervision.¹⁴

The Basel Core Principles have made clear that independent regulation of financial institutions is a vital ingredient of financial stability. To avoid the potential for real or perceived conflicts of interest, all Commission members should be independent of the institutions that FICOM supervises and of government.

The Minister has an important role in providing policy direction, and we respect the need to balance that role with the goal of assuring independent supervisory and regulatory decision-making. In our view, policy directions would best be provided in the form of legislation, regulation or mandate letters from the Minister; providing any policy directions in that manner would promote greater clarity, transparency and accountability.

Finally, we recommend that the Commission Chair and the Minister meet regularly to facilitate open communication and understanding of government policy and regulatory matters where they intersect.

¹³ *Supra*, Note 3.

¹⁴ The Commission delegates most day-to-day supervision responsibilities to the Superintendent, with the exception of the powers listed under s. 201 of the FIA, which the Commission is not permitted to delegate.

Guidelines

R-7: The FIA delineate the Commission's authority to issue guidelines after conducting mandatory public consultation on draft guidelines and following due process.

We strongly concur with the consultation paper that issuing guidelines can be an important supervisory tool because they clarify supervisory expectations and allow for timely direction to financial institutions to address emerging risks. Guidelines that the Commission can amend as circumstances warrant also help to ensure that prudential standards remain effective and relevant to changing industry norms, practices and structure. We therefore recommend that the FIA delineate the Commission's authority to issue guidelines to foster the effective supervision of British Columbia financial institutions. Furthermore, the legislation should provide the Superintendent with additional tools necessary to encourage adherence to the guidelines as appropriate. (We will discuss these tools further below.)

With increased flexibility comes increased responsibility. This requires appropriate checks and balances to ensure complete transparency and fairness within the guideline-making process. We recommend incorporating mandatory public consultation on draft guidelines within the legislation.

Supervisory Tools and Expert Staff

R-8: FICOM be provided with additional well-tailored, proportionate tools and the ability to hire and retain sufficient expert staff to exercise its powers fairly and appropriately and in a timely manner.

R-9: The FIA incorporate the best supervisory practice of extending privilege to certain supervisory information.

International regulatory standards, as well as Canadian federal and provincial supervisory practice, emphasize continuous review and evaluation of the governance and risk management of financial institutions. Furthermore, it is recognized that regulators must have appropriate tools to make timely interventions to address prudential problems at an early stage.

Revised legislation should give FICOM additional tools based on two key principles. First, some supervisory information and communications should be privileged, in keeping with established best supervisory practices and jurisprudence. Requiring an institution to make public undertakings could unnecessarily undermine confidence in the institution. Financial institutions should be free to speak openly with their regulators without fear of having confidential information divulged publicly. Supervisors, for their part, should be able to clearly identify concerns and intervene early with moderate incremental measures without fearing negative market consequences that might aggravate any emerging problems.

Second, as generally used by other prudential authorities in the day-to-day supervision of financial institutions, there should be a graduated supervisory tool set beyond those currently available. For example, the FIA should give FICOM clear authority to enter into confidential prudential action plans with institutions and to restrict the business activities of an institution until action plans are completed or identified risks are otherwise reduced. More calibrated tools would allow FICOM to enforce its guidelines without having to resort to the limited, dated enforcement options available under the current legislation; they are not well-tailored to the particular risky behaviour FICOM is attempting to curb.

A prudential regulator's tool kit includes making use of best practice supervisory monitoring techniques such as horizontal reviews and market surveillance to detect emerging areas of risk. Effective deployment of this sophisticated tool kit is predicated on having a well-resourced, well-trained, independent cadre of supervisors. Staff must be able to exercise sound judgement to identify emerging problems and take measured steps at an early stage to reduce risks before they threaten financial stability.

Several assessments, including the March 2014 report of the British Columbia Auditor General, have identified a disturbing fact.¹⁵ FICOM has been unable to attract and retain enough competent, qualified staff to discharge its mandate effectively and in a timely fashion, thereby increasing risk to the British Columbia financial system. The challenge in attracting and retaining sufficient qualified staff is directly related to the highly competitive environment for skills in financial sector risk management. The Auditor General's report stated "With their shortage of staff, it would take over 14 years to review all of British Columbia's credit unions instead of FICOM's intended target of two to three. The Ministry needs to work with FICOM to resolve this issue."¹⁶ These observations remain all too valid. As of August, 2015, the Financial Institutions Division of FICOM had a vacancy rate of 41% (27 vacancies out of 66 positions). Further, FICOM has experienced significant challenges in hiring and retaining experienced leadership to oversee the delivery of the Financial Institutions Division mandate; there were six vacancies out of 13 positions (46%) on the Supervision Team and four vacancies out of nine positions (44%) on the Regulations Team.

Staffing challenges will become even more acute as FICOM's role expands in 2017 when the federal Office of the Superintendent of Financial Institutions (OSFI) relinquishes supervisory responsibilities of central credit unions. The proposed addition of recovery and resolution planning frameworks within the British Columbia supervisory framework will further add to staff workload. (Both items are discussed further below.)

¹⁵ Office of the Auditor General of British Columbia, *Credit Union Supervision in British Columbia*, March 2014.

¹⁶ *Ibid.*

FINANCIAL INSTITUTION ISSUES

Governance and Risk Management

R-10: The FIA require effective risk management of financial institutions including a committee of an institution's board to oversee all risks in the institution as set out in guidelines issued by the Commission.

In September 2013, FICOM established a governance guideline for British Columbia credit unions that, with the addition of more calibrated tools to facilitate compliance (Recommendations 8 and 9 on tools above), would empower FICOM to foster appropriate risk-based governance that is proportionate to the size, complexity and risk profile of the financial institution.¹⁷

The FIA requirement for a board-level investment and loan committee is too narrowly defined as it is focused only on credit risk. Current best practice requires that the board of a financial institution oversee *all* risks and consider them on an integrated basis. Requirements related to a board's responsibilities, such as setting up a committee to oversee risk in the institution, would be better set out in guidelines rather than embodied in legislation; this would allow efficient amendment over time as governance best practices evolve. This flexibility would allow the Superintendent, for example, to ensure that credit unions carry out board risk committee requirements in a manner consistent with the risk profile of the institution. For example, smaller or less complex institutions might be permitted to combine the risk review function with another committee such as the audit committee.

All credit unions should have a board-approved risk appetite and an integrated risk management framework. In larger institutions, a Chief Risk Officer (CRO) who is independent of front-line business decision-making should carry out this framework. In smaller or less complex institutions, the CRO function could be combined with other control responsibilities, such as the Chief Financial Officer function. However it is structured, the key point is that risk management should not rest solely in the hands of the people who are making loans or otherwise assuming risk on behalf of the institution.

¹⁷ Governance Guideline, September 2013:
<http://www.fic.gov.bc.ca/pdf/creditUnionsTrusts/GovernanceGuidelineCUs.pdf>

Capital and Liquidity Requirements

R-II: The FIA require that financial institutions hold adequate and appropriate forms of capital and liquidity as set out in guidelines issued by the Commission.

Our overarching recommendation regarding capital and liquidity requirements is that the legislative framework should avoid any hard-wiring of quantitative requirements that cannot be adjusted in a timely fashion to mitigate risk and emerging concerns. The various federal financial institution statutes (e.g., *Bank Act*, *Trust and Loan Companies Act* and the *Cooperative Credit Associations Act*)¹⁸ require federally regulated financial institutions to hold adequate capital and liquidity. However, it is OSFI guidelines on Capital Adequacy, Leverage and Liquidity Requirements that provide the framework within which the federal Superintendent assesses whether a federally-regulated financial institution has adequate capital and liquidity pursuant to the federal acts.¹⁹ Accordingly, we recommend that the FIA continue to require that financial institutions hold adequate and appropriate forms of capital and liquidity but delete all current references to specific targets, which should instead be set out in guidelines issued by the Commission.

Standards for British Columbia Credit Unions

OSFI guidance is based on the global Basel II and III standards. As pointed out in the Ministry's consultation paper, "BC's legislative framework is still primarily based on Basel I."²⁰ There is good reason to adopt the latest standards in British Columbia, with certain exceptions to take into account the unique nature of the British Columbia credit union system. In particular, there are several British Columbia-specific risk considerations that argue for a stronger capital and liquidity regime: (1) the unlimited deposit insurance guarantee; (2) the concentration of deposits and loans in two credit unions representing about 50 percent of all credit union deposits and loans in the province; (3) credit unions' focus and concentration on residential and commercial real estate in the province; and (4) limited access to capital markets given the nature and structure of credit unions. Accordingly, consideration should be given to not only meeting, but exceeding the Basel III standardized capital requirements.

Basel III standards for liquidity requirements also are appropriate, provided that they are adjusted for the specific characteristics of the British Columbia credit union system. For example, the notion of a Liquidity Coverage Ratio (highly liquid assets equal to or greater than an institution's net cash over a 30-day period) is appropriate. However, the liquidity framework would have to

¹⁸ *Bank Act* (S.C. 1991, c. 46); *Trust and Loan Companies Act* (S.C. 1991, c. 45); *Cooperative Credit Associations Act* (S.C. 1991, c. 48)

¹⁹ OSFI Guidelines Table found at: <http://www.osfi-bsif.gc.ca/eng/fi-if/rq-ro/gdn-ort/gl-jd/Pages/default.aspx#cpt>

²⁰ British Columbia Ministry of Finance, *Financial Institutions Act & Credit Union Incorporation Act Review, Initial Public Consultation Paper*, p. 23.

be tailored to recognize that credit unions hold liquidity at Central 1, which is a current legislative requirement.²¹

FINANCIAL SYSTEM ISSUES

Systemic Designation, Resolution Authority and Emergency Liquidity

***R-12:* The FIA delineate the Commission’s authority to designate institutions as systemically important. Once designated, these institutions may be subject to additional prudential requirements necessary to mitigate systemic risk including the preparation of recovery and resolution plans, as set out in guidelines issued by the Commission.**

FICOM has identified Central 1 as a domestically systemically important financial institution (D-SIFI) in British Columbia with accompanying regulatory and supervisory implications.²² It is now considered best practice for legislation to provide the authority to designate D-SIFIs, and enable additional prudential requirements needed to mitigate systemic risks. This should include the requirement for D-SIFIs to prepare recovery and resolution plans in order to prepare for the recovery of a distressed financial institution and the efficient resolution, expeditious liquidation of assets, fair treatment of creditors and continuation of critical systemically important functions—should it come to that.

Accordingly, we recommend that the FIA delineate the Commission’s authority to designate institutions as systemically important. The designation process should include the same indicators that were considered in identifying Central 1 as a D-SIFI (interconnectedness, limitations on substitutability, complexity and size).²³

²¹ Centralizing liquidity management for a network of credit unions to one central credit union provides scale and efficiency to the credit union system and is standard practice in cooperative financial institutions worldwide. However, the legislative requirement that all British Columbia credit unions must hold their statutory liquidity with Central 1 has the potential to create systemic risk. Thus, it is important that FICOM has the authority and tools to exercise its effective supervision and surveillance of Central 1, and can impose expectations on integrated risk management, liquidity management, eligible investments, capital adequacy, recovery and resolution planning, new products and activities approval framework, etc to mitigate this systemic risk.

²² Central 1 identification letter, regulatory and supervisory implications can be found at: http://www.fic.gov.bc.ca/pdf/info_bulletins/CU-14-001.pdf.

²³ At the federal level, OSFI publishes its considerations for designating domestic banks as systemically important within Annex 1 of its Capital Adequacy Requirements Guidelines: http://www.osfi-bsif.gc.ca/eng/fi-if/rg-ro/gdn-ort/gl-ld/Pages/CAR_chpt1.aspx#1.11. The Bank of Canada designates systemically important payment, clearing and settlement systems.

R-13: The FIA establish an effective resolution regime that addresses the following areas:

- viii. **The Commission determine when a financial institution is no longer able to assure viability and should be resolved.**
- ix. **FICOM be designated as the resolution authority for British Columbia.**
- x. **The FIA provide the necessary authority to ensure sufficient liquidity in a crisis, including Emergency Lending Assistance from the Bank of Canada.**

To ensure that the province is prepared for a crisis affecting any financial institution, we further recommend that FICOM be named as the resolution authority for the province of British Columbia. This would include the Commission having responsibility for triggering resolution after determining a financial institution is no longer able to assure viability on its own. Clearly delineating the roles of the Minister, Commission, Superintendent and CUDIC in a financial crisis will be essential to building a comprehensive and robust resolution regime. The legislative framework should be particularly clear as it relates to the roles of FICOM and CUDIC given the Commission and Superintendent have leadership and decision-making roles in each of these organizations. Legislative arrangements should be carefully constructed to ensure that there is no conflict between FICOM's prudential role and as the resolution authority and CUDIC's administrative responsibility for deposit insurance.

Funding and liquidity are often in short supply during periods of severe financial stress, particularly during the early stages of resolving a financial institution. A sound resolution regime should ensure that mechanisms exist to assure sufficient funding and liquidity during a crisis, including any use of the deposit insurance fund. Seeking Bank of Canada Emergency Lending Assistance (ELA) could also become necessary. In its May 2015 consultation paper on emergency lending, the Bank of Canada proposed that a provincially-regulated credit union, *caisse populaire* or central credit union would only be eligible for ELA if it met four requirements: (i) the firm be a member of the Canadian Payments Association (CPA)²⁴; (ii) the province provide an indemnity against losses incurred by the financial institution; (iii) ELA be necessary to support the stability of the Canadian financial system; and (iv) the firm have a credible recovery and resolution framework.

²⁴ Currently, section 4(2) of the *Canadian Payments Act*, R.S.C., 1985, c. C-21, prohibits a local credit union that is a member of a central from becoming a member of the Association. In light of the recent Bank of Canada ELA proposal, should FICOM deem it necessary to designate as systemically important a credit union that is not a central, discussion would need to ensue between FICOM, the Bank of Canada and the Canadian Payments Association regarding this provision.

Central Credit Unions

R-14: The FIA provide that a central credit union be subject to the same prudential standards and guidelines as all other credit unions in the province of British Columbia and any additional measures that apply to institutions designated as systemically important.

Under the current legislation, a central credit union is treated differently than all other credit unions. As a result, FICOM's ability to exercise supervisory authority over a central credit union is more constrained than for other credit unions. Even if a serious breach occurred that would permit FICOM to intervene, the process for taking supervisory action is slow and cumbersome and the enforcement tools available are limited and relatively severe.²⁵ The current legislative scheme does not facilitate continuous risk-based supervision of a central credit union or graduated early intervention measures to deal with issues before they threaten financial stability. This is no longer adequate. A central credit union should be subject to the same prudential standards and guidelines as all other credit unions in the province. Furthermore, as a systemically important financial institution, it should also be subject to additional requirements necessary to mitigate systemic risks.

The inadequacy of the current enforcement tools will become more pronounced when OSFI ceases to supervise central credit unions nationally as of January 15, 2017, leaving FICOM as the primary regulator of Central 1.

The activities of Central 1 go well beyond the boundaries of the province. It plays a crucial role in providing payments, clearing and liquidity services to credit union systems across the country (excluding Quebec). FICOM will need the authority to consider extra-provincial supervision issues arising out of Central 1's role in Ontario, and its involvement in liquidity agreements with centrals from other provinces when exercising its responsibilities as primary regulator of Central 1.²⁶ Further, FICOM will undoubtedly need more staff with a high level of supervisory expertise to take on the supplementary responsibilities vacated by OSFI. We therefore recommend that FICOM have the legislative authority, tools and resources to conduct risk-based supervision and

²⁵ The test within sections 244 and 248 of the FIA for FICOM to exercise its supervisory authority over a Central Credit Union is quite onerous (e.g., a breach of the Act or regulations, failure to comply with a business authorization or a written undertaking, or where it might reasonably be expected that harm will be caused to depositors). Even once the test is met, FICOM must order the Central Credit Union to hold a special general meeting, which the Central must call within 30 days. Tools for such breaches include revocation of a business authorization and the appointment of a receiver.

²⁶ Per Central 1's 2014 Annual Report, p. 34; Central 1's average assets in 2014 were \$12.9 Billion. Central 1's assets consist primarily of liquid securities and fully secured loans to credit unions. The proportions of these fluctuate with the levels of liquidity in the system and the demand for loans from Central 1 by its members. Central 1's liabilities consist primarily of deposits from credit unions. Central 1 has a mandatory source of funding through the regulatory requirement that British Columbia credit unions maintain deposits with Central 1 and through Liquidity Agreements with Ontario member credit unions. Central 1 supplements mandatory deposits with deposits of excess liquidity from credit unions and deposits from organizations external to the system.

apply graduated early intervention measures to central credit unions before they threaten financial stability.

Major Transactions

R-15: The FIA provide FICOM with the authority to approve, reject and impose prudential conditions on all major transactions (i.e. acquisitions, divestitures or investments) by a financial institution.

As noted in the consultation paper, the FIA and CUIA do not set out clear criteria for the approval of major transactions. Transactions that might affect the risk profile of the credit unions involved or that might threaten financial system stability should require FICOM approval.

We recommend that the FIA give FICOM the authority to approve or reject and impose prudential conditions on all major transactions. In addition to identifying prudential and systemic risk considerations as the criteria for FICOM to base its determination, a threshold based on the significance and risk impact should be established for FICOM approval. This will clarify what types and size of major transactions require prior supervisory approval and cases where notification after the transaction has occurred is sufficient (i.e., where the acquisition is small relative to the financial institution's capital).

MEMBER AND CUSTOMER ISSUES

Ombudsperson

R-16: An ombudsperson for financial institutions be designated to provide a mandatory alternate dispute resolution mechanism for members and customers who are dissatisfied with a retail service or product provided.

We believe that the current framework for market conduct supervision in British Columbia is sound, as long as FICOM has enough expert staff to carry out the job. However, as credit unions expand their membership and as the products they offer become more sophisticated, it would be beneficial to create more structured mandatory mechanisms to help resolve any disputes about the provision of financial services for which a customer or member would have no recourse other than going to court. Options for such mechanisms include, for example, a new ombudsperson office in British Columbia and the existing federal Ombudsman for Banking Services and Investments (OBSI), whose services are now used by Saskatchewan credit unions.

Disclosure and Voting Practices

R-17: The FIA authorize the Commission to require credit unions to adopt disclosure and voting practices that will engage members, provide them with adequate information and encourage the exercise of voting rights, as set out in guidelines issued by the Commission.

Credit union members are expected to hold credit unions accountable for their decisions through the exercise of their voting rights. To enable members to fulfil this role, credit unions must provide members with adequate information. There are inconsistencies among credit unions regarding the provision of information to members to allow them to make informed choices on matters subject to their decisions (e.g., selection of directors, mergers, acquisitions). Technology can be used to modernize disclosure and voting processes and foster informed member engagement in a cost-effective manner. Once the FIA provides the necessary authority, the Commission would establish guidelines to ensure that all credit unions adopt common baseline practices for voting and disclosure practices.

Deposit Insurance

R-18: The government review unlimited deposit insurance and, as soon as circumstances permit, move to limit such coverage with careful planning of the transition.

The danger of unlimited deposit insurance is that lenders, knowing that their depositors are fully protected by government, might take excessive risk; this situation is an example of moral hazard. Although British Columbia has some measures to mitigate moral hazard (e.g., risk-adjusted premiums, prudent regulatory requirements and timely intervention mechanisms), additional measures should be adopted even if coverage is limited. These measures include more intensive supervision, the implementation of an effective recovery and resolution framework and others included in the recommendations we have made above in this response.

As for the question of whether a limit on deposit insurance protection should be introduced, the Commission concurs with the recommendations of the Basel Committee on Banking Supervision and the International Association of Deposit Insurers (IADI) noted on page 19 of the Ministry's consultation paper. Their recommendations include requiring that: (1) deposit insurance adequately cover a large majority of depositors with coverage that is limited but credible; and (2) jurisdictions with unlimited deposit insurance move to limit such coverage as soon as their circumstances permit, with careful planning of the transition due to the importance of deposit insurance in maintaining public confidence.

The Commission recognizes that any proposal to reintroduce limits on deposit insurance entails public policy and other considerations that go beyond the Commission's mandate to consider. Our recommendation is that as soon as circumstances permit, the province move towards introducing a limit on deposit insurance, with careful planning of the transition.

CONCLUSION

The Ministry of Finance consultation paper raises numerous important issues that merit thoughtful discussion. We have chosen to not cover all topics, but rather to focus on items closest to our mandate and responsibilities. Further, we have identified areas where modernization of the British Columbia legislative framework is necessary to reflect current understanding of what is required for sound prudential supervision of deposit-taking institutions and address matters of concern that have arisen in the exercise of FICOM's prudential supervision mandate.

We would be pleased to elaborate on our recommendations and would appreciate the opportunity to meet with Ministry staff to discuss them. If you wish our input on an issue we have not addressed, we would be happy to provide our views.

Thank you for the opportunity to participate in this most important consultation.



November 17, 2015
File No.: 140-20-FIA
Ref. No.: 0779

Ms. Elizabeth Cole
Executive Director, Strategic Projects & Policy
Ministry of Finance
PO Box 9470 Stn. Prov. Govt
Victoria, BC V8W 9V8

Dear Ms. Cole:

**Re: Advice to the Minister - *Financial Institutions Act & Credit Union Incorporation Act*
Review: Initial Consultation Paper**

This letter is in response to the *Financial Institutions Act (FIA) & Credit Union Incorporation Act (CUIA)* Initial Consultation Paper released by the Ministry of Finance in June 2015 soliciting initial comments and feedback on the 10-year review of both Acts. This response from the Superintendent of Financial Institutions and staff is being submitted in addition to a separate response prepared by the Financial Institutions Commission and is intended as confidential advice to the Minister.

British Columbia (BC) is home to vibrant credit union, insurance and trust sectors that offer a range of financial products and services to individuals and businesses. FICOM welcomes the opportunity to offer its comments in this current review to ensure the province's regulatory environment continues to foster confidence, stability and efficiency in these sectors.

s.12,s.13

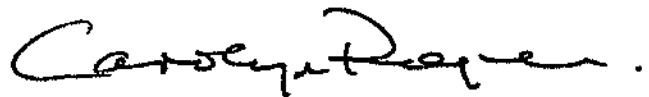
-
- Superintendent of Financial Institutions
 - Superintendent of Pensions
 - Superintendent of Real Estate
 - Registrar of Mortgage Brokers

2800, 555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca

s.12,s.13

My staff and I value the respectful and collaborative relationship we have developed with the Ministry's Financial & Corporate Sector Policy Team and appreciate the opportunities we have had so far, to contribute to this important review. We look forward to working with you and your colleagues in the days ahead.

Yours truly,

A handwritten signature in black ink, appearing to read "Carolyn Rogers". The signature is fluid and cursive, with a period at the end.

Carolyn Rogers
CEO & Superintendent
Financial Institutions Commission

MOB/ks

cc: Heather Wood, ADM, Policy and Legislation Division

Page 236 to/à Page 269

Withheld pursuant to/removed as

s.12;s.13

Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Sunday, March 6, 2016 10:13 AM
To: Wood, Heather FIN:EX; Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX
Subject: Emailing: C1 Future State Discussion Paper - Intro Letter[1], C1 Future State Discussion Paper Final
Attachments: C1 Future State Discussion Paper Final.pdf

Hi Heather, Beth,

You may find this paper of interest. Don Wright sent it along to us last week. Perhaps he also sent a copy to you, but it in case not I thought I would. Please feel free to share with your team.

s.12,s.13

Looking forward to seeing you tomorrow,

Carolyn

Your message is ready to be sent with the following file or link attachments:

C1 Future State Discussion Paper - Intro Letter[1]
C1 Future State Discussion Paper Final

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Page 002 to/à Page 023

Withheld pursuant to/removed as

Copyright

Dillon, Brian FIN:EX

From: Wu, Jeffrey FIN:EX
Sent: Tuesday, March 8, 2016 2:28 PM
To: Cole, Elizabeth FIN:EX; Chong, Frank FIN:EX
Cc: Dillon, Brian FIN:EX; Toovey, Kari FIN:EX
Subject: RE: FICOM: Initial Consultation Paper: Risk Based Premium Assessment Methodology Review
Attachments: VAC Template for Individual CU Use

Thank you for asking, Elizabeth. I here attach an email from my colleague Caitlyn, which contains the spreadsheet you are looking for.

Thanks and regards,

Jeffrey

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, March 8, 2016 1:56 PM
To: Wu, Jeffrey FIN:EX; Chong, Frank FIN:EX
Cc: Dillon, Brian FIN:EX; Toovey, Kari FIN:EX
Subject: RE: FICOM: Initial Consultation Paper: Risk Based Premium Assessment Methodology Review

Thanks Jeffrey.

Also, Carolyn had mentioned that there was a spreadsheet that individual credit unions could use to clearly figure out how their deposit assessment was/ would be calculated – i.e., how the supervisory assessment rating, etc. played in.

Either you or Frank was going to send to us, but I don't think I've received it (or possibly didn't recognize it as such).

Can one of you please send it to us?

Thanks.

From: Wu, Jeffrey FIN:EX
Sent: Tuesday, March 8, 2016 1:37 PM
To: Dillon, Brian FIN:EX; Cole, Elizabeth FIN:EX; Toovey, Kari FIN:EX
Subject: FW: FICOM: Initial Consultation Paper: Risk Based Premium Assessment Methodology Review

Good afternoon Elizabeth, Brian and Kari,

First of all, thank you all for coming over yesterday to update us regarding the FIA review. Please note that we have just issued our initial consultation paper on deposit insurance assessment methodology review, and I here attach one copy for your reference. We plan to issue a second consultation paper in May after gathering all comments from the credit unions and drafting our revised methodology. The new methodology is expected to be implemented in 2017. Please let me know if you have any questions or comments.

Thanks and Best regards,

Jeffrey Wu, CFA, MBA, MA
Executive Director, Deposit Insurance
Financial Institutions Commission

Dillon, Brian FIN:EX

From: Sue, Caitlyn FIN:EX
Sent: Tuesday, March 8, 2016 2:22 PM
To: Wu, Jeffrey FIN:EX
Cc: Fernando, Sharon FIN:EX
Subject: VAC Template for Individual CU Use
Attachments: IndividualCUCalc-NewMethod-Blank.xlsx

Hi Jeffrey,

Here is the calculation template I believe Elizabeth was referring to. The credit union simply inputs the various data points required in the "DataInput" tab, which automatically populates its score found on the "Score" tab. Please let me know if you have any questions on this.

Thanks,
Caitlyn

<Select CU Name> Credit Union
 2015 Variable Deposit Insurance Calculation

= Calculated Field

Capital	Points	Range	Actual Data	Score	Source Data Comments	Additional Comments
Capital Adequacy Ratio	10	8.0%	13.0%	0.0	December Year End	
Retained Earnings As a Percent of RWA	10	6.0%	8.0%	0.0	Annual Filing Confirmation	
	20			0.0	Annual Filing Confirmation	

Earnings as a % of total assets

Net Operating Income	5	0.30%	0.70%	0.0	Weighted Audited Year End Data	L3440/ Average Assets*
Operating Income excl. subs.	5	0.20%	0.60%	0.0	Weighted Audited Year End Data	L3434/ Average Assets*
Net Income	5	0.20%	0.40%	0.0	Weighted Audited Year End Data	L3500/ Average Assets*
	15			0.0		

*Average balance of line 1430 over 13 months

Liquidity

Borrowings To Capital	7.5	100.0%	25.0%	#DIV/0!	Monthly Averages	(L2050-2028)/(L2310-6340)
	7.5			#DIV/0!		

Asset Quality % of Total Loans

Property Acquired, Over 90 day Delinquency	7.5	1.0%	0.1%	#DIV/0!	Year End Data	(R75+R77+L1350)/(R14-R77+L1290)
	7.5			#DIV/0!		

CRR and Intervention Stage

CRR	50	<Select CRR>		#N/A		
Intervention Stage	50	<Select Intervention Stage>		#N/A		
	100			#N/A		

Total Score

Base Assessment Rate	7.25	bps
Variable Assessment Premium	#N/A	bps
Total Assessment Rate	A	bps
2014 Year End Deposits	B	\$
Deposit Insurance Assessment	A x B	#N/A

Toovey, Kari FIN:EX

From: Wu, Jeffrey FIN:EX
Sent: Tuesday, March 8, 2016 1:37 PM
To: Dillon, Brian FIN:EX; Cole, Elizabeth FIN:EX; Toovey, Kari FIN:EX
Subject: FW: FICOM: Initial Consultation Paper: Risk Based Premium Assessment Methodology Review
Attachments: CUDIC Initial Consultation Paper (March 2016).pdf

Good afternoon Elizabeth, Brian and Kari,

First of all, thank you all for coming over yesterday to update us regarding the FIA review. Please note that we have just issued our initial consultation paper on deposit insurance assessment methodology review, and I here attach one copy for your reference. We plan to issue a second consultation paper in May after gathering all comments from the credit unions and drafting our revised methodology. The new methodology is expected to be implemented in 2017. Please let me know if you have any questions or comments.

Thanks and Best regards,

Jeffrey Wu, CFA, MBA, MA
Executive Director, Deposit Insurance
Financial Institutions Commission
Chief Financial Officer, CUDIC
Phone: 604 660-2640
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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From: Withnell, Kiah FIN:EX **On Behalf Of** Rogers, Carolyn FIN:EX
Sent: Tuesday, March 8, 2016 12:42 PM
Cc: chadb@stabil.com; Don Wright
Subject: FICOM: Initial Consultation Paper: Risk Based Premium Assessment Methodology Review

To: All CEOs/General Managers and Board Chairs of British Columbia Credit Unions

Please see the attached *Initial Consultation Paper*, sent on behalf of Carolyn Rogers, CEO & Superintendent, Financial Institutions Commission.

Kind regards,

Kiah Withnell, Executive Assistant
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604 660-3532
www.fic.gov.bc.ca



March 8, 2016
File No.: 73000-06

To: All CEOs /General Managers and Board Chairs of British Columbia Credit Unions

Re: Initial Consultation Paper: Risk-based Premium Assessment Methodology Review

The Credit Union Deposit Insurance Corporation of British Columbia (CUDIC) guarantees the deposits and non-equity shares of credit unions in BC in accordance with the *Financial Institutions Act* (FIA). To support this guarantee CUDIC maintains an ex-ante deposit insurance fund (fund). The FIA provides the Financial Institution Commission (Commission) with the authority to assess deposit insurance premiums annually and to determine the method for that assessment. The FIA requires premiums to be based on the annual returns filed by credit unions, with the Superintendent.

Since 2009, the Commission has assessed deposit insurance premiums using a risk-based premium methodology. The methodology assigns deposit insurance premiums to each credit union based on its relative risk to the fund. This approach is consistent with the standards and best practices set by the International Association of Deposit Insurers (IADI) and those employed by some other domestic deposit insurers of banks and credit unions.

The current methodology was established by the Commission in 2012 after consultation with BC credit unions. The methodology is designed to differentiate between credit unions whose risk profile and performance pose different levels of risk to the fund and to incent prudent management. The methodology is also designed to be revenue neutral: no additional premiums are collected as a result of some credit unions paying higher premiums. Instead, the additional premiums collected from credit unions that pay higher premiums are used to lower the base rate assessed to all credit unions.

The Commission's policy is to review its premium assessment methodology regularly to ensure it remains consistent with best practices and effective under changing conditions. The purpose of this initial consultation paper is to provide credit unions with an opportunity to provide input. This paper lists a number of topics and questions for credit unions to comment on. Your input will be considered, along with the Commission's own research and best practices, to determine whether changes are required to the current premium assessment methodology. Following this initial consultation phase, a second paper will be issued summarizing feedback and research to date and outlining any proposed changes. Credit unions will then have a second opportunity to offer comment and feedback.

-
- Superintendent of Financial Institutions
 - Superintendent of Pensions
 - Superintendent of Real Estate
 - Registrar of Mortgage Brokers

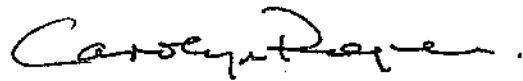
2800-555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca

Please submit your written comments by April 22, 2016 to:

Jeffrey Wu
Executive Director, Deposit Insurance
Financial Institutions Commission
2800 - 555 West Hastings Street
Vancouver, BC V6B 4N6
Email: Jeffrey.Wu@ficom.bc.ca

Your input will be kept confidential and we will not publish individual submissions or attribute comments. However, please note that all submissions received are subject to the *Freedom of Information and Protection of Privacy Act*.

Yours truly,



Carolyn Rogers
Superintendent of Financial Institutions

cc: Stabilization Central Credit Union
Central 1 Credit Union

Introduction and Background

In setting the premium assessment methodology the Commission is guided by principles endorsed by IADI whose members include deposit insurers of banks and cooperative deposit taking institutions from around the globe. IADI's principles and guidelines are publicly available at the links below:

IADI Core Principles for Effective Deposit Insurance Systems (November 2014)

<http://www.iadi.org/docs/cprevised2014nov.pdf>

General Guidance for Developing Differential Premium Systems (First Issued February 2005, and Updated in October 2011)

http://www.iadi.org/docs/IADI_Diff_prem_paper_FINAL_updated_Oct_31_2011_clean_version.pdf

Under the current premium assessment methodology credit unions are categorized into one of four rate categories. The rate categories are based on a combined score derived from quantitative and qualitative risk measures. The Commission approves an annual base assessment rate (BAR) which is the premium rate to be paid by credit unions in the lowest of the four categories. Details of the current assessment methodology metrics and rate categories are provided in Appendix 1.

The qualitative portion of the premium assessment methodology is established by importing each credit union's Composite Risk Rating (CRR) and Intervention Stage Rating (ISR). A credit union's CRR and ISR are established through the Commission's supervisory process. A credit union's CRR is communicated in writing annually to the credit union's Board. Any changes to a credit union's CRR or ISR are also communicated in writing to the Board, along with details supporting the change and direction to address deficiencies where appropriate.

A comprehensive description of FICOM's *Supervisory Framework*, published June 2012, is available on FICOM's website at: <http://www.fic.gov.bc.ca/pdf/aboutus/FICOMSupervisoryFramework.pdf>

FICOM's *Guide to Intervention*, published February 2013, can be found on FICOM's website at: <http://www.fic.gov.bc.ca/pdf/creditUnionsTrusts/GuideToIntervention.pdf>

Credit unions are encouraged to familiarize themselves with this background information in preparing their comments and feedback.

The paper invites feedback under five separate topic areas and poses a specific question in each area. Credit unions are also invited to provide comments or feedback on topic areas related to deposit insurance premiums, not included here.

Premium Collection and Timing

The FIA requires that deposit insurance premiums be assessed on the credit union's prior fiscal year end deposits. The deadline for filing the annual Financial and Statistical Return is 90 days after fiscal year end. Premiums are assessed in accordance with CUDIC's funding targets which establishes a target fund size and timeline. To determine annual premium requirements it is necessary to forecast system deposit growth, fund investment returns and costs each year. Once these factors are established the amount of premium revenue can be established and from there the BAR can be determined given the current profile of credit unions by assessment category.

While CUDIC's costs and investment returns are relatively predictable, credit union deposit growth has proven more difficult to forecast. Beginning in 2013, the determination of the BAR (and corresponding assessment collection) was moved from July to November/ December to reduce forecasting risk to CUDIC.

Most credit unions pay the BAR and certainty around this number assists credit unions in budgeting each year. To assist credit unions with budgeting for premiums the Commission communicates a forecasted BAR earlier in the year (usually beginning in June) based on available data at that time and on what the Commission is forecasting over the year. However, material changes can impact the forecast and result in a BAR that is more or less than what the Commission forecasted earlier in the year. Depending on whether or not a credit union budgets adequate contingency this can put pressure on credit unions' budget and cash flows.

1) What are your views on how best to fairly balance the forecast risk between the fund and credit unions?

Risk Metrics

The current premium assessment methodology categorizes credit unions into one of four rate categories based on a combined score derived from:

- Quantitative Metrics including capital, earnings, liquidity and asset quality; and
- Qualitative measures including a credit union's CRR and ISR as established under FICOM's Supervisory Framework and Guide to Intervention.

Qualitative measures (CRR and ISR) supplement the quantitative measures by including an assessment of a credit union's quality of risk management and governance. The combination of quantitative and qualitative measures provides a comprehensive view of the overall risks a credit union poses to the fund.

The current methodology does not include risk measures to differentiate based on deposit or asset growth or composition. Higher levels of deposit and/or asset growth impact risk if not managed

prudently. Wholesale vs. retail deposits, brokered vs. member deposits, term vs. demand deposits, all have different funding risks and can behave differently when a credit union is financially stressed. Similarly, encumbered vs. unencumbered assets have different asset recovery rates in the event of a credit union failure and therefore directly impact risk to the fund. The Commission is therefore considering incorporating additional factors to capture these risks.

2) What are your views on the current metrics? What additional or alternative metrics could the Commission consider incorporating in the assessment methodology?

Quantitative and Qualitative Risk Measurements

The current methodology assigns 50 per cent weight to the quantitative measures and 50 per cent to the qualitative measures. Most deposit insurers that have adopted a differential premium system rely on both measures.

Quantitative data has the advantage of being objective and transparent; however it is based on past financial condition and performance and is therefore less forward-looking. Furthermore, quantitative metrics do not incorporate a credit union's quality of risk management and governance which can significantly impact a credit union's relative risk to the fund.

Qualitative factors are more current and forward looking in their identification of risks. However, they require a measure of subjective assessment. The qualitative metrics employed by the Commission may also "double count" quantitative metrics as a credit union's CRR is heavily influenced by capital, earnings liquidity and asset quality.

3) What are your views on how best to incorporate both quantitative and qualitative risk factors in a manner that is fair and transparent?

Measuring Performance over Time

The current assessment methodology employs a calculated fixed range to assign a score to each quantitative measure. The range was fixed at the last review and was based on the ten-year performance of the credit union system at that time. The floor of the range is the average minus one standard deviation and the ceiling is the average itself. A score of zero is assigned when a credit union performs below the floor; the maximum score is assigned when it performs above the ceiling and a pro-rated score is assigned for performance within the range.

The Commission is considering establishing more dynamic ranges that move along with business cycles. The advantage of this approach would be that it could more appropriately differentiate performance at any point of the cycle.

4) *What are your views on how best to establish simple yet dynamic metrics that fairly reflect the business environment credit unions are operating in?*

Risk Categories

Under the current assessment methodology credit unions are categorized into one of four premium rate categories and pay the BAR or a multiple of BAR depending on their category.

The categories and relative premium rates are designed to assess credit unions based on their relative risk. In that way there is an incentive for credit unions to maintain their risk profile at a level that ensures their premiums remain low (in category 1 or 2). The Commission uses a stepped approach (rather than a curve) relatively consistent with deposit insurer best practices. IADI guidance provides that a large number of categories or a curved approach with less significant distinction between the category rates may not provide the intended incentives.

The current categories and ranges appear to be having their intended effect when the distribution is examined. Most credit unions pay BAR under the current assessment methodology and credit unions in lower categories actively manage their risk to improve their assessment.

In the 2015 assessment year:

- 31 credit unions paid the BAR
- 8 paid BAR * 1.5
- 4 paid BAR * 2

In the 2014 assessment year:

- 32 credit unions paid the BAR
- 6 paid BAR * 1.5
- 4 paid BAR * 2
- 1 paid BAR * 3

However, the Commission has received feedback that credit unions experiencing financial stress and therefore assessed at a higher risk category, may experience additional pressure and find it harder to recover if they are assessed higher deposit insurance premiums.

5) *What are your views on how best to incent prudence and balance fairness in allocating annual premiums among credit unions with differing risk profiles?*

Appendix I

The Current Premium Assessment Methodology

Financial Institutions Commission
Variable Assessment Calculation Particulars

	Range	Actual Data	Max. Points	Score
	Zero pts	Max pts		
Capital				
Capital Adequacy Ratio				
Retained Earnings as a percentage of Risk Weighted Assets	8.00% 6.00%	13.00% 8.00%	10 points 10 points 20 points	
Earnings as a % of total assets				
Net Operating Income	0.30%	0.70%	5 points	
Operating Income excl. subs	0.20%	0.60%	5 points	
Net Income	0.20%	0.40%	5 points 15 points	
Liquidity				
Borrowings to capital	100%	25.00%	7.5 points	
Asset Quality as a % of total loans				
Total Over 90 day Loan Delinquency and Property Acquired in Settlement of Loans	1.00%	0.10%	7.5 points	
Composite Risk Rating and Intervention Stage				
Assessment				
Intervention Stage				
Total Variable Risk Assessment Score				
Fiscal Year End Deposits				
Scoring Table				
Total Assessment Score	Assessment Rate			(bps)
80 points and greater	Base Rate			
65 points and greater, but less than 80 points	Base + (Base x 0.6)			
50 points and greater, but less than 65 points	Base + (Base x 1)			
less than 50 points	Base + (Base x 2)			
Total Assessment				

Page 036

Withheld pursuant to/removed as

s.12;s.13

Toovey, Kari FIN:EX

From: Cole, Elizabeth FIN:EX
Sent: Friday, February 19, 2016 11:29 AM
To: Achtemichuk, Melanie FIN:EX
Cc: Toovey, Kari FIN:EX
Subject: RE: FIA stakeholder meetings

Hi Melanie,

We'd be happy to meet with them. Please provide Kari as the contact thanks.

Beth

From: Achtemichuk, Melanie FIN:EX
Sent: Friday, February 19, 2016 10:30 AM
To: Cole, Elizabeth FIN:EX
Subject: FIA stakeholder meetings

Hi Beth –

I just met with a couple of reps from a fintech called ^{s.21}

They are in the business of making consumer loans across the country via an internet platform and then bundling those loans to credit unions and banks. I had a good chat with them about their business, and on the general question of whether lending companies like theirs should be regulated. In any case, they are aware of the FIA review and interested in meeting with someone at the ministry for an introduction.

Please let me know if you are good with me forwarding along your contact info or someone else's.

Cheers,
MA

Bridge, Jannea FIN:EX

From: Achtemichuk, Melanie FIN:EX
Sent: Monday, February 15, 2016 10:00 AM
To: James, Harry FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX
Cc: Cole, Elizabeth FIN:EX; Chong, Frank FIN:EX
Subject: Ontario - Enabling Credit Unions and Caisses Populaires to Meet the Evolving Needs of their Members

<https://news.ontario.ca/mof/en/2016/02/enabling-credit-unions-and-caisses-populaires-to-meet-the-evolving-needs-of-their-members.html>

-MA

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Tuesday, February 2, 2016 6:56 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: Mtg about submission

Thanks Beth.

Melanie kindly noted my out-of-office dates, but please feel free to call me if there is anything urgent. I will be checking emails and voicemail periodically while I'm in Victoria.

Cheers
Frank

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, February 2, 2016 3:14 PM
To: Achtemichuk, Melanie FIN:EX; Chong, Frank FIN:EX
Cc: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX
Subject: RE: Mtg about submission

Hi – This is a conference call number we can use. Will likely be Brian and I. Thanks.
Dial-in:s.15

From: Achtemichuk, Melanie FIN:EX
Sent: Tuesday, February 2, 2016 1:31 PM
To: Cole, Elizabeth FIN:EX; Chong, Frank FIN:EX
Cc: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX
Subject: RE: Mtg about submission

Hi Beth – no problem on our end rescheduling the longer meeting. I'm away from Feb 4 – 12, and Frank is away from Feb 9 – 26.

Frank and I can have a call with you tomorrow 10:30am as scheduled to get your feedback on additional information that would be helpful. Can you forward a number we can reach you at?

Thanks,
MA

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, February 2, 2016 11:56 AM
To: Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX
Cc: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX
Subject: Mtg about submission

Hi Melanie and Frank,

s.22

have them involved, I think we'll need to postpone the call on the submission.

I'm hoping that we can just have a quick call tomorrow instead (15-20 minutes) as we have some ideas where additional information would be helpful (which I believed you were looking for) and then have the longer one when people are back/feeling better.

I know that both of you are going to be away/unavailable for a bit starting fairly soon.. Can you let me know when you are both back/available so we can try to find another time?

Thanks,

Beth
Thanks,
Beth

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, January 29, 2016 11:32 AM
To: Cole, Elizabeth FIN:EX
Subject: CUCC Paper on Basel III Treatment of Member Equity Shares
Attachments: SystemBrief_BaselIIIRegulatoryTreatment_Dec2015.pdf

Fyi.

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

Page 042 to/à Page 055

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Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Wednesday, January 20, 2016 2:57 PM
To: Hopkins, Jim FIN:EX
Cc: Henderson, Kim N PREM:EX; Wood, Heather FIN:EX; Cole, Elizabeth FIN:EX
Subject: Re: Scrap guarantees for savers' deposits to avoid banking crises, says think tank

Hi Jim,

The FIA review is proceeding nicely. Elizabeth, from Heather's team, is leading it and can provide any details you may want.

I'm back in the office next week and will have Kiah set up a call or coffee to touch base with you ahead of your rating meetings.

See you soon,
Carolyn

Sent from my iPad

On Jan 20, 2016, at 10:16 AM, Hopkins, Jim FIN:EX <Jim.Hopkins@gov.bc.ca> wrote:

Fyi..how is FIA review going..? It wld be good to connect...we meet with rating agencies March 4-7 .will there be any news before then?

Cheers Jim

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Frederic Buruiana
Sent: Wednesday, January 20, 2016 2:34 AM
To: Hopkins, Jim FIN:EX
Cc: Wingerter, Dean M FIN:EX; Rawluk, Jacqueline FIN:EX; Stephen McHarg CASGRAIN; Roger Casgrain; Pierre Casgrain CASGRAIN
Subject: Scrap guarantees for savers' deposits to avoid banking crises, says think tank

Good morning Jim,

I trust you are well.

Knowing of your interest for deposit insurance, we thought of sharing the following article from the Telegraph. The piece discusses a recent report published by a UK-based think tank suggesting that the removal of the guarantees would – eventually – lead to a more responsible and stable banking system. Needless to say, CPS (the think tank in question) is well known for its conservative economic mindset. We thought you would be interested in knowing about this report.

Cheers, on behalf of the team

Fred

Scrap guarantees for savers' deposits to avoid banking crises, says think tank

Abolishing £75,000 per person insurance scheme could strengthen the UK economy

By Peter Spence, Economics Correspondent

5:00AM GMT 15 Jan 2016

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Bridge, Jannea FIN:EX

From: Carter, Chris A FIN:EX
Sent: Friday, January 8, 2016 3:41 PM
To: Cole, Elizabeth FIN:EX
Subject: FIA and MBA reviews

Hi Beth

Following up on vm, can you advise your availability next week to chat about the Act reviews
s.22

My Monday's not good ^{s.22} but otherwise I'm around or most of the week

If I don't speak to you beforehand, have a great weekend !

Chris Carter
Deputy Superintendent, Real Estate and Deputy Registrar, Mortgage Brokers
Financial Institutions Commission
2800-555 West Hastings Street | Vancouver BC | V6B 4N6
Phone 604 660 3766 | Fax 604 660 3365
www.fic.gov.bc.ca

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Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Sunday, December 20, 2015 4:16 PM
To: Wood, Heather FIN:EX
Subject: RE:s.13,s.16

Hi Heather - sounds good. We are happy to help on the s.13,s.16
s.13,s.16

s.13,s.16,s.22

Carolyn

From: Wood, Heather FIN:EX
Sent: Friday, December 18, 2015 9:53 PM
To: Rogers, Carolyn FIN:EX
Subject: Re: s.13,s.16

s.13,s.16

Heather

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, December 15, 2015 10:49 AM
To: Wood, Heather FIN:EX
Subject: FW: s.13,s.16

Hi Heather – just thought I would pass this along in case a heads-up may be needed. s.13,s.16
s.13,s.16

From: Chong, Frank FIN:EX
Sent: Monday, December 14, 2015 5:21 PM
To: Achtemichuk, Melanie FIN:EX; Rastan, Mehrdad FIN:EX

Cc: Rogers, Carolyn FIN:EX
Subject: FW: s.13,s.16

From: Chong, Frank FIN:EX
Sent: Monday, December 14, 2015 4:36 PM
To: Toovey, Kari FIN:EX
Subject: RE: s.13,s.16

Absolutely Kari – I'll have Angel setup a meeting to discuss in January. We've undertaken some work here on the
s.13,s.16 s.13,s.16

with you.

We'd be pleased to discuss this further

Regards,
Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Toovey, Kari FIN:EX
Sent: Monday, December 14, 2015 1:48 PM
To: Chong, Frank FIN:EX
Subject: s.13,s.16

Hi Frank:
s.13,s.16

Kari

KARI TOOVEY | Senior Policy Advisor | Financial and Corporate Sector Policy Branch | Policy and Legislation Division | Ministry of Finance | Ph: 250-387-7534; Fx: 250-387-9093 | 617 Government Street, Victoria, BC V8V 1X4 | ♻️ Please consider the environment before printing this e-mail.

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, December 18, 2015 4:46 PM
To: Cole, Elizabeth FIN:EX
Cc: Rogers, Carolyn FIN:EX
Subject: Re: Posting of FIA/CUIA Review Submissions on BC Ministry of Finance Website

Thanks Beth - much appreciated.

Happy holidays! See you in the new year.

Frank

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Cole, Elizabeth FIN:EX
Sent: Friday, December 18, 2015 2:51 PM
To: Rogers, Carolyn FIN:EX; Chong, Frank FIN:EX
Subject: FW: Posting of FIA/CUIA Review Submissions on BC Ministry of Finance Website

FYI, I sent this out yesterday about posting the submissions. I'm going to forward to Helen too, although she already indicated that they would like theirs posted.

From: FIA Review FIN:EX
Sent: Thursday, December 17, 2015 3:12 PM
To: FIA Review FIN:EX
Subject: Posting of FIA/CUIA Review Submissions on BC Ministry of Finance Website

Hello,
Thank you again for your submission to the BC Ministry of Finance's *Financial Institutions Act (FIA)* and *Credit Union Incorporation Act (CUIA)* review.
The initial public consultation paper stated that a public report on the input received would be prepared and released after the submissions had been reviewed. Since that time, we have also received requests for copies of the submissions themselves.

As this is a public consultation process, and in the interests of transparency and fairness, we intend to publicly post the FIA/CUIA review submissions on the BC Ministry of Finance website at the time the high level report is released so that all those interested are able to have access to the submissions.

If you wish to request that your submission, or a portion of it, NOT be posted, please respond to this email no later than January 15, 2016.

However, please note that all submissions received are subject to the *Freedom of Information and Protection of Privacy Act* and, even where confidentiality is requested, this legislation may require the Ministry to make information available to those requesting such access.

Further public consultation will be undertaken in a later phase of the review. After analysis of the issues and input received during the initial consultation period, and development of proposed policy and legislative changes, the Ministry plans to prepare and release a second consultation paper which identifies the proposed policy and legislative changes and seeks further public input.

Thank you.

Policy & Legislation Division
Ministry of Finance

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Friday, December 18, 2015 3:51 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: Posting of FIA/CUIA Review Submissions on BC Ministry of Finance Website

Thanks Beth. Have a great holiday and safe travels. See you in January.

Sent from my iPhone

On Dec 18, 2015, at 2:51 PM, Cole, Elizabeth FIN:EX <Elizabeth.Cole@gov.bc.ca> wrote:

FYI, I sent this out yesterday about posting the submissions. I'm going to forward to Helen too, although she already indicated that they would like theirs posted.

From: FIA Review FIN:EX
Sent: Thursday, December 17, 2015 3:12 PM
To: FIA Review FIN:EX
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Thank you.

Policy & Legislation Division
Ministry of Finance

Bridge, Jannea FIN:EX

From: Helen del Val <hdelval@hrdv.com>
Sent: Friday, December 18, 2015 3:18 PM
To: Cole, Elizabeth FIN:EX
Cc: Rogers, Carolyn FIN:EX
Subject: RE: Posting of FIA/CUIA Review Submissions on BC Ministry of Finance Website

Thanks Bethe

From: Cole, Elizabeth FIN:EX [<mailto:Elizabeth.Cole@gov.bc.ca>]
Sent: December 18, 2015 3:02 PM
To: Helen del Val (hdelval@hrdv.com)
Cc: Rogers, Carolyn FIN:EX
Subject: FW: Posting of FIA/CUIA Review Submissions on BC Ministry of Finance Website

Hi Helen,

Please see the email below about the plan for making FIA/CUIA review submissions public.

It was clear in your FIA/CUIA review submission that it could be made public, so no need to respond, but thought I'd forward it as an FYI.

Thanks.

Bethe

From: FIA Review FIN:EX
Sent: Thursday, December 17, 2015 3:12 PM
To: FIA Review FIN:EX
Subject: Posting of FIA/CUIA Review Submissions on BC Ministry of Finance Website

Hello,

Thank you again for your submission to the BC Ministry of Finance's *Financial Institutions Act (FIA)* and *Credit Union Incorporation Act (CUIA)* review.

The initial public consultation paper stated that a public report on the input received would be prepared and released after the submissions had been reviewed. Since that time, we have also received requests for copies of the submissions themselves.

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However, please note that all submissions received are subject to the *Freedom of Information and Protection of Privacy Act* and, even where confidentiality is requested, this legislation may require the Ministry to make information available to those requesting such access.

Further public consultation will be undertaken in a later phase of the review. After analysis of the issues and input received during the initial consultation period, and development of proposed policy and legislative changes, the Ministry plans to prepare and release a second consultation paper which identifies the proposed policy and legislative changes and seeks further public input.

Thank you.

Policy & Legislation Division
Ministry of Finance

Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Tuesday, December 15, 2015 11:55 AM
To: Cole, Elizabeth FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX
Cc: Achtemichuk, Melanie FIN:EX; Stewart, Keith FIN:EX; Burns, Molly FIN:EX; Chong, Frank FIN:EX
Subject: Mortgage Capital

Here is an article from today's Globe & Mail that suggests OSFI intends to look at requiring additional capital to be held by lenders for mortgages they might ultimately be on the hook for.

<http://www.theglobeandmail.com/report-on-business/economy/housing/mortgage-fraud-poses-key-threat-in-canadian-housing-market-osfi/article27750486/>

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Bridge, Jannea FIN:EX

From: Helen del Val <hdelval@hrdv.com>
Sent: Monday, December 14, 2015 7:43 AM
To: Ashton, Dan A FIN:EX
Cc: Cole, Elizabeth FIN:EX
Subject: Consultation on the FIA/CUIA Review - Submissions from Financial Institutions Commission

Dear Mr. Dan Ashton, Parliamentary Secretary, Finance,

The Financial Institutions Commission has submitted its response to the consultation paper on the FIA/CUIA Review. Please do not hesitate to contact me if you have any questions or comments on the Commission's submissions. I will be pleased to meet with you if you wish.

Yours truly,

Helen del Val
Chair, Financial Institutions Commission

Bridge, Jannea FIN:EX

From: Helen del Val <hdelval@hrdv.com>
Sent: Monday, December 14, 2015 6:23 AM
To: Cole, Elizabeth FIN:EX
Subject: FIA submissions

Dear Elizabeth, it was nice to be able to chat with you briefly last week. As we discussed, I look forward to answering any questions and receiving any comments you have about the Commission's submissions for the FIA review. There is no rush (I can only imagine the mountain of submissions you have to review). Let me know whenever you are ready. In the meantime, have a great Christmas and all the best in the New Year. Helen

Yours truly,

Helen del Val
Chair, Financial Institutions Commission

Page 070 to/à Page 073

Withheld pursuant to/removed as

s.13

Bridge, Jannea FIN:EX

From: Achtemichuk, Melanie FIN:EX
Sent: Wednesday, November 25, 2015 5:32 PM
To: Cole, Elizabeth FIN:EX
Cc: Stringer, Ross FIN:EX; Chong, Frank FIN:EX
Subject: Public documents - FICOM supervisory processes

Hi Beth –

Here are the first of several documents that I hope to get to you over the coming days for your information. All these documents are available on the FICOM website and have been communicated to the credit unions in BC.

Supervisory Framework - <http://www.ficombc.ca/pdf/aboutus/FICOMSupervisoryFramework.pdf>
Guide to Intervention - <http://www.ficombc.ca/pdf/creditUnionsTrusts/GuideToIntervention.pdf>
Assessment Criteria - <http://www.ficombc.ca/pdf/creditUnionsTrusts/AssessmentCriteriaForCUs.pdf>

These documents and accompanying letters and FAQ are available at the following link on the FICOM website - <http://www.ficombc.ca/index.aspx?p=fid/supervisoryPractices#fi>

Additional resources available to the sectors (credit union, trusts, and insurance) are available online, including:
Information Bulletins and Notices - <http://www.ficombc.ca/index.aspx?p=fid/bulletins>
Guidelines - <http://www.ficombc.ca/index.aspx?p=fid/guidelines>
Industry Correspondence - <http://www.ficombc.ca/index.aspx?p=fid/industrycorrespondence>

-MA

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Friday, November 20, 2015 12:46 PM
To: Withnell, Kiah FIN:EX
Cc: Cole, Elizabeth FIN:EX; Chong, Frank FIN:EX
Subject: FW: Submissions

Hi Kiah,

Can you find a time that works for Beth, Frank and I to meet please, somewhere around the second week of December is likely the next available window. Let's aim for a 1.5 hour window and I think we can likely just use my office unless either Beth or Frank want to involve other staff in which case we may need a larger room. s.12,s.13

Thanks,
Carolyn

From: Cole, Elizabeth FIN:EX
Sent: Thursday, November 19, 2015 6:12 PM
To: Rogers, Carolyn FIN:EX
Cc: Chong, Frank FIN:EX
Subject: RE: Submissions

s.12,s.13

From: Rogers, Carolyn FIN:EX
Sent: Thursday, November 19, 2015 6:10 PM
To: Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX
Subject: Re: Submissions

Absolutely Beth. I will get Kiah to book us something s.12,s.13
s.12,s.13 We can arrange either or both for you.

Sent from my iPhone

On Nov 19, 2015, at 5:49 PM, Cole, Elizabeth FIN:EX <Elizabeth.Cole@gov.bc.ca> wrote:

Hi Frank and Carolyn,
s.12,s.13

Maybe sometime in December we can sit down and talk about some of them if you have some time that works.

Thanks,
Beth

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Thursday, November 19, 2015 6:48 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: Submissions

Absolutely Beth. I'm away next week, but I'm around in December to discuss further.

Frank

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Cole, Elizabeth FIN:EX
Sent: Thursday, November 19, 2015 6:11 PM
To: Rogers, Carolyn FIN:EX
Cc: Chong, Frank FIN:EX
Subject: RE: Submissions

s.12,s.13

From: Rogers, Carolyn FIN:EX
Sent: Thursday, November 19, 2015 6:10 PM
To: Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX
Subject: Re: Submissions

Absolutely Beth. I will get Kiah to book us something. And let us know if you'd like to discuss our submission at some point and/or the Commissions. We can arrange either or both for you.

Sent from my iPhone

On Nov 19, 2015, at 5:49 PM, Cole, Elizabeth FIN:EX <Elizabeth.Cole@gov.bc.ca> wrote:

Hi Frank and Carolyn,
s.12,s.13

Maybe sometime in December we can sit down and talk about some of them if you have some time that works.

Thanks,
Beth

Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Wednesday, November 18, 2015 2:48 PM
To: Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Cole, Elizabeth FIN:EX
Subject: Article from the Investment Executive
Attachments: Mortgage Life Insurance is the source of many complaints.pdf

This is the article Chris Carter had come across

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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s.21

Page 083 to/à Page 092

Withheld pursuant to/removed as

s.13

Page 093 to/à Page 114

Withheld pursuant to/removed as

s.21;s.17

Toovey, Kari FIN:EX

From: Achtemichuk, Melanie FIN:EX
Sent: Monday, November 16, 2015 12:09 PM
To: Cole, Elizabeth FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; s.22
Phil Moore
Cc: Chong, Frank FIN:EX; James, Harry FIN:EX
Subject: RE: Day at FICOM

Hello everyone –

Please find attached an agenda for Wednesday. Please note that we'll also be bringing in lunch.

Also – Beth/Brian/Kari – Phil Moore will be joining the day's sessions. Phil has joined FICOM on a part-time contract-basis to provide advisory services related to the FIA review and the development of supervisory practices. You may know Phil from his years as General Manager at Greater Vancouver Community Credit Union, serving on the board of Central 1 and his work on previous legislation reviews. Phil recently retired from GVCCU and we are pleased that he is able to join us here at FICOM.

Cheers,
MA



November 18_
Agenda.docx

-----Original Appointment-----

From: Achtemichuk, Melanie FIN:EX
Sent: Monday, November 2, 2015 11:19 AM
To: Achtemichuk, Melanie FIN:EX; Cole, Elizabeth FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; James, Harry FIN:EX
Cc: Chong, Frank FIN:EX; s.22 Phil Moore
Subject: Day at FICOM
When: Wednesday, November 18, 2015 9:00 AM-4:00 PM (UTC-08:00) Pacific Time (US & Canada).
Where: FICOM 2800- 555 West Hastings

I'll send out a plan for the day in the next couple of weeks.

Look forward to seeing you all,
-MA

FCSPB FICOM Visit Schedule

Wednesday, November 18

All meetings in the Executive Boardroom (27th Floor)

9:00 – 9:30	Role of Commission <i>Kyle Renton – Director, Corporate Planning and Communications</i>
9:30 – 10:30	Statutory Approvals Guidelines and Bulletins/Interpretations <i>Melanie Achtemichuk – Executive Director, Policy & Approvals</i> <i>Harry James – Director, Policy Initiatives</i>
10:30 – 10:45	Break
10:45 – 12:00	Supervision <i>Frank Chong - Deputy Superintendent, Regulation</i> <i>Ross Stringer – Executive Director, Supervision</i>
12:00 – 1:00	Lunch
1:00 – 2:30	Market Conduct <i>Chris Carter – Deputy Superintendent, Real Estate & Mortgage Brokers</i> <i>Lorena Dimma – Director, Conduct Supervision</i> <i>Peter Grimmett – Director, Real Estate</i>
2:30 – 2:45	Break
2:45 – 4:00	CUDIC <i>Carolyn Rogers – Superintendent</i> <i>Jeffrey Wu – Executive Director, Deposit Insurance</i>

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s.12;s.13

Toovey, Kari FIN:EX

From: Dillon, Brian FIN:EX
Sent: Thursday, November 5, 2015 1:42 PM
To: James, Harry FIN:EX; Toovey, Kari FIN:EX; Cole, Elizabeth FIN:EX
Subject: FW: British Columbia Financial Institutions Act consultation
Attachments: Joseph J. Annotti

s.12,s.13

Brian

From: Brian de Bloeme [<mailto:bdebloeme@afbs.ca>]
Sent: Thursday, November 5, 2015 12:15 PM
To: Dillon, Brian FIN:EX
Subject: RE: British Columbia Financial Institutions Act consultation

Hi Brian,

Here is Joe's contact information.

Regards,
Brian

From: Dillon, Brian FIN:EX [<mailto:Brian.Dillon@gov.bc.ca>]
Sent: Thursday, November 05, 2015 3:01 PM
To: Brian de Bloeme
Subject: British Columbia Financial Institutions Act consultation

Brian:

Thanks very much for discussing your submission with me.

As mentioned, if you could send me the contact information for the Canadian/American Fraternal Association, that would be helpful (I will ensure that the name is added to our contact list to receive subsequent materials from us).

Regards,

Brian

Brian Dillon
Financial and Corporate Sector Policy Branch
Ministry of Finance
Room 012
617 Government Street
Victoria BC V8V 1X4

Mailing address:

PO Box 9418 Stn Prov Govt
Victoria BC V8W 9V1

Ph: 250-356-0539
Fax: 250-387-9093

Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Friday, October 30, 2015 8:26 AM
To: Cole, Elizabeth FIN:EX
Cc: Achtemichuk, Melanie FIN:EX; Stewart, Keith FIN:EX; Burns, Molly FIN:EX; Toovey, Kari FIN:EX; Dillon, Brian FIN:EX; Chong, Frank FIN:EX
Subject: IBC - Consumer Expectations

Earlier this week, the Insurance Bureau of Canada (IBC) held its annual symposium. Here is an article about the opening remarks from the IBC President.

<http://m.canadianunderwriter.ca/news/understanding-consumer-view-key-to-meeting-expectations-forgeron/1003872140/>

The paper he refers to is this one.

<https://assets.kpmg.com/content/dam/kpmg/pdf/2015/06/evolving-insurance-regulation-2015-report-part-1-fs.pdf>

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Toovey, Kari FIN:EX

From: Achtemichuk, Melanie FIN:EX
Sent: Wednesday, October 28, 2015 5:59 PM
To: Toovey, Kari FIN:EX
Subject: Visit to FICOM

Hi Kari –

I wanted to touch base with you about coming to visit us at FICOM for the day. Beth has expressed interest in learning more about FICOM, how we do our business, our different groups, and I think it would be great if you could join her. I'd also like you to meet our policy team here and get to know them.

Is there a time in the next few weeks that works for you? We're happy to cover your travel costs.

Cheers,
Melanie

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s.13

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, October 9, 2015 4:52 PM
To: Cole, Elizabeth FIN:EX
Subject: FW: Quebec MoF Report - Distribution of Financial Products and Services

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Chong, Frank FIN:EX
Sent: Friday, October 9, 2015 9:14 AM
To: Achtemichuk, Melanie FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX
Cc: James, Harry FIN:EX; Chen, Angel FIN:EX
Subject: Quebec MoF Report - Distribution of Financial Products and Services

Note chapter 2 – good summary of CCIR recommendations regarding online distribution of insurance products. Will come in handy later in the FIA Review.

http://www.finances.gouv.qc.ca/Documents/Autres/en/AUTEN_loidistriprodsvfin.pdf

Angel – pls add this report to the file/Binder.

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Friday, October 9, 2015 3:23 PM
To: Wood, Heather FIN:EX; Henderson, Kim N PREM:EX
Cc: MacLean, Shelley FIN:EX
Subject: FW: Attention: B. Ralston - s.13
s.13
Attachments: s.13

Done and filed. ^{s.13} Will let you know when I hear about meeting dates.

Thanks for your help!

Carolyn

From: Rogers, Carolyn FIN:EX
Sent: Friday, October 9, 2015 3:20 PM
To: Ryan-Lloyd, Kate LASS:EX
Cc: Comptroller General, BC FIN:EX; Hatt, Laura OAG:EX
Subject: Attention: B. Ralston - s.13

Hello Kate,

Please find attached our ^{s.13} extension. Thank you again for the deadline

Carolyn

Carolyn Rogers
Chief Executive Officer & Superintendent
Financial Institutions Commission

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s.13

Page 133 to/à Page 134

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Page 138 to/à Page 139

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s.12;s.21;s.13

Page 140 to/à Page 143

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s.12;s.13

Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Thursday, October 1, 2015 6:26 PM
To: Henderson, Kim N PREM:EX; Wood, Heather FIN:EX
Subject: Public Accounts Update - Version Approved by Commission & Next Steps
Attachments: s.13

Hi Kim, Heather,
s.13

Let me know if that makes sense to you, or if you'd propose any further steps. I am in Victoria on Monday, Tuesday and Friday next week if you think we should meet, or available by phone anytime.

Thanks,
Carolyn

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Withheld pursuant to/removed as

s.13

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Tuesday, September 29, 2015 9:48 AM
To: Cole, Elizabeth FIN:EX
Subject: FW: Announcement: Phil Moore

FYI.

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Chong, Frank FIN:EX
Sent: Tuesday, September 29, 2015 9:45 AM
To: FIN FICOM FID
Cc: Carter, Chris A FIN:EX; Peters, Michael J FIN:EX; McDow, Ann FIN:EX; Stringer, Ross FIN:EX; Renton, Kyle FIN:EX; Wu, Jeffrey FIN:EX; Dickson, Greg FIN:EX
Subject: Announcement: Phil Moore

Good morning FID –

I'm pleased to announce that Phil Moore will be working with FICOM on a part-time contractual basis. Phil will provide advisory support on the FIA Review and other credit union regulatory matters. Phil will report directly to Melanie Achtemichuk.

Many of you will recognize Phil's name from the credit union system; he has over 40 years of experience with the BC credit union system in a variety of capacities, including over ten years as a Director and over 20 years as management. Most recently, Phil was General Manager of Greater Vancouver Community Credit Union until his retirement this summer. Phil was also a director with Central 1 Credit Union and served as a member of their Legislative Committee.

Phil will be advising and providing input to our Policy team as it prepares its work as part of the FIA review. Phil has experienced many legislative reviews during his career and he provides a unique historical perspective dating back to when the FIA and CUIA were first introduced as Acts, and a perspective of having managed a smaller credit union in the BC system. I think Phil's input into the formation of FICOM's policy positions through the FIA review period will help FICOM provide the appropriate advice to government on issues of importance to the credit union system. Additionally, Phil will assist in our continued efforts to ensure supervisory guidelines, and the application of the guidelines, are proportionate particularly to smaller institutions.

Phil will be working both in and out of the office. Melanie will be sure to bring Phil around to FID staff for introductions. You will also soon receive an optional invite to attend a presentation on the history of the BC credit union system. Phil is looking forward to meeting and talking with staff so I encourage you to engage him when he's in the office.

Please let Melanie know if you have any questions.

Regards,
Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Sunday, September 27, 2015 12:31 PM
To: Wood, Heather FIN:EX
Subject: s.16

Attachments: s.13

Hi Heather -s.16

s.13

s.12,s.13

See you tomorrow,
Carolyn

s.16

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s.16

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Withheld pursuant to/removed as

s.13

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Saturday, September 26, 2015 3:46 PM
To: Cole, Elizabeth FIN:EX
Cc: Wood, Heather FIN:EX; Chong, Frank FIN:EX; Withnell, Kiah FIN:EX
Subject: RE: Meeting with Central 1

Hi Beth,

s.12,s.13

At our end it would be Frank and I attending. Kiah can definitely assist Melissa, or could also lead the scheduling – whichever is easier.

Carolyn

From: Cole, Elizabeth FIN:EX
Sent: Friday, September 25, 2015 1:47 PM
To: Rogers, Carolyn FIN:EX
Cc: Wood, Heather FIN:EX
Subject: Meeting with Central 1

Hi Carolyn,

s.12,s.13

I think he was hoping for it to be relatively soon, so next few weeks. Heather indicated she would be able to come to Vancouver if that works. Heather, you were thinking of having a small number of staff too, correct?

If you're okay with it, I can put Melissa in touch with Kiah and Don's assistant to figure out timing etc.

Thanks,
Beth

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Page 180 to/à Page 181

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s.12;s.13

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Thursday, September 10, 2015 9:42 AM
To: Cole, Elizabeth FIN:EX
Subject: FIA Review Consultative Submission

Hi Beth:

I trust all is well.

Just a heads up - I spoke with the FICOM Policy Team last week and it looks like we'll have the staff submission before end of September. I've seen the first draft and we'll need another week or so to finalize with Carolyn. I hope this timing still works for you.

Talk soon,
Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Friday, September 4, 2015 11:42 AM
To: Wood, Heather FIN:EX; Cole, Elizabeth FIN:EX
Subject: RE: FIA Review - responses from FICOM, CUDIC & Commission

Yes...I did try to convince her that a personal call was likely unnecessary, and that Beth had indicated there was a measure of flexibility, but she feels strongly about it. So, let me not get in the way of what my Chair feels strongly about!

Thanks!
C

From: Wood, Heather FIN:EX
Sent: Friday, September 4, 2015 9:23 AM
To: Rogers, Carolyn FIN:EX; Cole, Elizabeth FIN:EX
Subject: RE: FIA Review - responses from FICOM, CUDIC & Commission

Hi Carolyn,

Thank you for the (very respectful) heads-up. While I am always happy to speak to Helen, you could also assure her that we understand the need for the short delay and will, of course, happily receive the submissions when they arrive.

Heather

From: Rogers, Carolyn FIN:EX
Sent: Thursday, September 3, 2015 3:07 PM
To: Wood, Heather FIN:EX; Cole, Elizabeth FIN:EX
Subject: FIA Review - responses from FICOM, CUDIC & Commission

Hi Heather, Beth,

Just a heads-up that you can expect a call from our Chair, likely next week, to let you know that the Commission will likely need an additional week or maybe two to finalize its submission on the first FIA consultation paper. She felt it was important and the "respectful" thing to do to speak to you personally. She had planned to call you both individually. I offered that Kiah could also coordinate a joint call if she preferred.

s.13

We are all aiming for as close to the deadline as possible but I think a realistic delivery is more like the end of the month. I hope that will not be too much of a problem.

Thanks,
Carolyn

Carolyn Rogers
Chief Executive Officer & Superintendent
Financial Institutions Commission

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s.14;s.13

Page 001 to/à Page 002

Withheld pursuant to/removed as

s.12;s.13

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Monday, August 24, 2015 11:46 AM
To: Cole, Elizabeth FIN:EX
Cc: Chen, Angel FIN:EX
Subject: Meeting with Brian Peterson (Community Western Trust co)

Hi Elizabeth: Just got off the phone with Brian Peterson from Community Western Trust. Brian wanted to setup a meeting with FICOM tomorrow (afternoon) or first thing Wednesday (Aug 26th morning) to touch base on the Consultative Paper. The trust cos are working on their written submission – I think Brian is coordinating the response. Brian wanted to get a sense of any issues from the regulator before he meets with the trust company group on Aug 26th.

By the way - I mentioned to Brian that you were leading the FIA Review and that any specific questions regarding the consultative process should be directed through you. I'm going to ask Angel to send you an invite to the meeting.

<http://www.communitywestern.com/>

I'm available today if you want to touch base on this.

Regards,
Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Rogers, Carolyn FIN:EX
Sent: Thursday, August 20, 2015 4:45 PM
To: Cole, Elizabeth FIN:EX
Cc: Wood, Heather FIN:EX
Subject: Re: Rural Advisory Council and Financial Institutions Act Review

Hi Beth - not sure why David thinks I am away but in any case I figure it's best to let you respond to him.

Sent from my iPhone

On Aug 20, 2015, at 1:58 PM, Borth, David FLNR:EX <David.Borth@gov.bc.ca> wrote:

Hi Heather,

I corresponded with Carolyn on this topic earlier this year, but she appears to be away. Further to the email string below, are you able to advise me on the status of the review of the FIA? Has the discussion paper referenced by Carolyn been released? Are there any amendments being considered? Also what is the latest status on the taxation changes for Credit Unions. At the last meeting of the Rural Advisory Council, the Council Chair – MLA Donna Barnett was particularly interested in this topic. The council meets again on Oct 1 and 2 so I am gathering information.

Feel free to call me at 250 371 3730 if that is helpful.

Thank you.

David Borth

*Executive Director, Rural Development
Ministry of Forests, Lands, and Natural Resource Development
441 Columbia Street
Kamloops, BC V2C 2T3
250 371 3730 (office)
250 319 4305 (cell)*

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, February 24, 2015 12:41 PM
To: Borth, David FLNR:EX
Cc: Wood, Heather FIN:EX; Cole, Elizabeth FIN:EX
Subject: RE: Rural Advisory Council

Hi David,

Just following up on our call...I have provided a link below to the website that Canadian Credit Union Central has set up to support local, community-based credit union lobbying efforts.

<http://mycumatters.ca/>

The primary focus, as I said, is on the taxation changes. As we discussed, if you want more information on the Province's position on this issue Heather is the person to talk to. In addition to Financial and Corporate Sector Policy Heather also maintains responsibility for Tax Policy.

Elizabeth is leading the Financial Institutions Act (FIA) review and when the discussion paper is released we will let you know as I expect that the local lobbying effort will likely expand to include other issues once that process heats up. As we discussed, one area that is likely to attract a lot of debate and discussion is unlimited deposit insurance. The Auditor General's report that I mentioned is available on

their website at <http://www.bcauditor.com/pubs/2014/report14/credit-union-supervision-british-columbia>.

If you have further questions or if we can be of any help as the Committee gets going, feel free to call anytime.

Thanks,

Carolyn
Carolyn Rogers
Chief Executive Officer & Superintendent
Financial Institutions Commission

From: Borth, David FLNR:EX
Sent: Monday, February 23, 2015 7:14 PM
To: Rogers, Carolyn FIN:EX
Subject: Re: Rural Advisory Council

Yes. I'll try then. Thanks.

Sent from my iPhone 250 319 4305

On Feb 23, 2015, at 7:12 PM, Rogers, Carolyn FIN:EX <Carolyn.Rogers@ficombc.ca> wrote:

I have some time tomorrow between noon and 1:30 David. Does that work for you?

Sent from my iPad

On Feb 23, 2015, at 4:17 PM, Borth, David FLNR:EX <David.Borth@gov.bc.ca> wrote:

Carolyn. I ran out of time. Are you in tomorrow?

Sent from my iPhone 250 319 4305

On Feb 23, 2015, at 12:11 PM, Rogers, Carolyn FIN:EX <Carolyn.Rogers@ficombc.ca> wrote:

Hi David - I'm based in Vancouver. I'm often in Victoria on Fridays though if you want to meet in person. I could meet by phone this afternoon though. Anytime after 3pm.

Sent from my iPhone

On Feb 23, 2015, at 12:08 PM, Borth, David FLNR:EX <David.Borth@gov.bc.ca> wrote:

This is very helpful Carolyn. I didn't have much to go on, but needed to follow up. I'm in Victoria with some free time this afternoon - I'd like to meet you to discuss if you could spare a moment.

Sent from my iPhone 250 319 4305

On Feb 23, 2015, at 10:04 AM, Rogers, Carolyn FIN:EX <Carolyn.Rogers@ficombc.ca> wrote:

Hi David,

Happy to help.

As Doug said though, without knowing a little more it's difficult to say whether the changes Secretary Barnett is speaking of are anticipated changes that may come from the review of the Financial Institutions Act (FIA) or whether this is about regulatory guidelines and expectations that have come from FICOM in recent years.

If it's the former, the FIA Review is in its very early stages and will be a very consultative process. In fact, credit unions have already been consulted. Minister deJong met with a group of credit union leaders in November to seek their input on key topics of discussion for the review. The next step will be the release of discussion paper.

If it's the latter – regulatory changes – I can likely offer more context or information and am happy to do so.

The third thing that I know credit union have been talking to their MLAs about is recent changes to federal tax policies and their attendant impact on provincial tax policy. Credit unions have connected these changes to their capital and ability to lend so this may also be what Secretary Barnett has been hearing about.

Perhaps the easiest thing to do is to talk by telephone so I can get a bit more info from you and then we can connect you either with our staff or with Heather and Elizabeth if that is more appropriate? You can reach me at 250-508-7972.

Carolyn

From: Borth, David FLNR:EX

Sent: Monday, February 23, 2015 9:24 AM

To: Cole, Elizabeth FIN:EX; Wood, Heather FIN:EX; Rogers, Carolyn FIN:EX

Subject: Re: Rural Advisory Council

Hello Elizabeth, Heather, and Carolyn.

I'm David Borth, with FLNR, working with Parliamentary Secretary Donna Barnett on Rural Development. Doug Foster kindly passed your name on to me. If you look past my mistaken send to Elisabeth and Heather before I could attach Carolyn, you will see I am looking for information regarding some credit union regulatory or legislative changes identified by Secretary Barnett. She mentioned these changes over a year ago and said they were to be implemented within three years. The changes would potentially affect how credit unions can advance capital relative to chartered banks. From the secretary's perspective this will be of concern for rural communities. And that's all I know. Are any of you able to advise me on this matter?

Thank you.

David Borth
Executive Director
Rural Development
FLNR

Sent from my iPhone 250 319 4305

On Feb 23, 2015, at 9:15 AM, Borth, David FLNR:EX <David.Borth@gov.bc.ca> wrote:

Sent from my iPhone 250 319 4305

Begin forwarded message:

From: "Foster, Doug FIN:EX" <Doug.Foster@gov.bc.ca>
Date: February 20, 2015 at 1:42:06 PM PST
To: "Borth, David FLNR:EX" <David.Borth@gov.bc.ca>
Subject: RE: Rural Advisory Council

There are two aspects that may potentially be at play here.

- 1) If this is in connection with anticipated results of the recent review of the Financial Institutions Act, then your contacts would be Elizabeth Cole or Heather Wood (business cards attached).
- 2) If this is in connection with policy guidelines (or changes to them) issued by the Financial Institutions Commission (FICOM) – they are the regulator of Credit Unions in BC – then your contact is Carolyn Rogers (business card attached).

Hope this assists you.

D.

From: Borth, David FLNR:EX
Sent: Friday, February 20, 2015 11:48 AM
To: Foster, Doug FIN:EX
Subject: Rural Advisory Council

Hi Doug,

As discussed, I am receiving information from Rural Development Parliamentary Secretary Barnett about some impending policy changes that are affecting the operations of Credit Unions in British Columbia. It is my understanding that these effects will take place within the next couple years and they will restrict some of the flexibility CUs have in lending/providing capital relative to chartered banks.

The Rural Advisory Council is in the process of being formed and I expect this topic may come up relatively soon in the conversations. I'd like some information and/or a contact that I could speak to that can give me some details – and I can strategize how this is handled relative to the Council.

I am in Victoria all next week. I wouldn't mind another half hour of your time to discuss some of your ideas on how this file goes forward – I've already used some of your ideas from the previous

conversation to do so. I'm fairly solidly booked but have some time on Monday and Friday morning at this point.

Thanks,

David

Page 009 to/à Page 010

Withheld pursuant to/removed as

s.12;s.13

From: Jennifer Hiebert
Sent: Thursday, February 12, 2015 8:58 AM
To: Wood, Heather FIN:EX
Cc: Minister, FIN FIN:EX; Rogers, Carolyn FIN:EX
Subject: Financial Institutions Act - Regulatory Amendments

Good morning,

Please see attached letter from Elmer Epp, Chairperson, Legislative Committee of Central 1 Credit Union.

Jennifer

Jennifer Hiebert

Executive Assistant, Corporate Relations

Central 1 Credit Union

1441 Creekside Dr.,

Vancouver, B.C. V6J 4S7

Telephone: 604.737.5053

Fax: 604.714.5862

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Toovey, Kari FIN:EX

From: Rastan, Mehrdad FIN:EX
Sent: Thursday, July 23, 2015 1:24 PM
To: Toovey, Kari FIN:EX
Subject: RE: deposit insurance numbers
Attachments: Cutoffs.pdf; 14-0849-Presentation.pdf

Hello Kari,

I have attached the Credit Union Deposit Composition slides.

Regards,

Mehrdad

Mehrdad Rastan, Executive Director, Risk Surveillance & Analytics
Financial Institutions Commission - Ministry of Finance
2800-555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.306.2714 | Fax 604.660.3365
www.fic.gov.bc.ca


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From: Toovey, Kari FIN:EX
Sent: Thursday, July 23, 2015 11:45 AM
To: Chong, Frank FIN:EX
Subject: deposit insurance numbers

Hi Frank:

You had mentioned that you had shared some deposit insurance numbers with Don Wright – is there any chance you can share those with us?

Thanks.

KARI TOOVEY | Senior Policy Advisor | Financial and Corporate Sector Policy Branch | Policy and Legislation Division | Ministry of Finance | Ph: 250-387-7534; Fx: 250-387-9093 | 617 Government Street, Victoria, BC V8V 1X4 |  Please consider the environment before printing this e-mail.

Page 013 to/à Page 030

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Page 032

Withheld pursuant to/removed as

s.22;s.13

Page 033 to/à Page 034

Withheld pursuant to/removed as

s.14;s.13

Bridge, Jannea FIN:EX

From: Rastan, Mehrdad FIN:EX
Sent: Wednesday, July 15, 2015 1:54 PM
To: Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX
Subject: s.13
Attachments:

Hi Elizabeth,

s.13

If you have any questions give me a call.

Regards,

Mehrdad

Mehrdad Rastan, Executive Director, Risk Surveillance & Analytics
Financial Institutions Commission - Ministry of Finance
2800-555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.306.2714 | Fax 604.660.3365
www.fic.gov.bc.ca

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Page 036 to/à Page 053

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s.13

Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Tuesday, July 14, 2015 10:21 AM
To: Achtemichuk, Melanie FIN:EX; Chong, Frank FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX
Cc: Cole, Elizabeth FIN:EX; Wilkinson, Sandra JAG:EX
Subject: FW: Legal Update: Government of Ontario Proposes Additional Regulation of Alternative Financial Services and Debt Collection

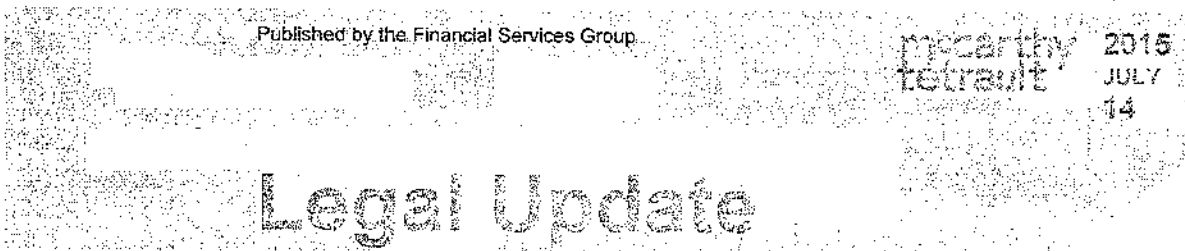
FYI,

Ontario has initiated a consultation on payday lending and other alternative financial services.

<http://www.ontariocanada.com/registry/view.do?postingId=18882>

From: McCarthy Tétrault LLP / S.E.N.C.R.L., s.r.l. [mailto:listmanager@mccarthy.ca]
Sent: Tuesday, July 14, 2015 10:07 AM
To: James, Harry FIN:EX
Subject: Legal Update: Government of Ontario Proposes Additional Regulation of Alternative Financial Services and Debt Collection

[click here to view it in a web browser.](#)



Government of Ontario Proposes Additional Regulation of Alternative Financial Services and Debt Collection

On June 15, 2015, the Ontario Ministry of Government and Consumer Services published a consultation paper entitled "Strengthening Consumer Financial Protection" (the "Paper"). The Paper makes proposals and asks for input with respect to what are referred to in the Paper as "alternative financial services" and with respect to certain issues respecting debt collection. The purpose of these proposals is to strengthen consumer protection measures for individuals who do not have access to the mainstream banking system and are considered vulnerable because of a lack of understanding or financial pressures.

→ [FULL STORY](#)


→ [Financial Services](#)


→ [View All](#)

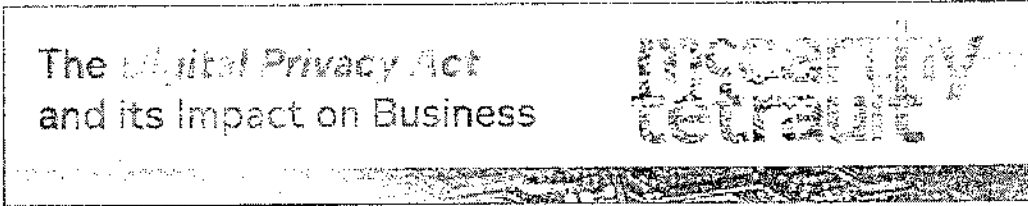
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Every effort has been made to ensure the accuracy and timeliness of this publication, but the comments are necessarily of a general nature. Clients are urged to seek specific advice on matters of concern and not to rely solely on the text of this publication.

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Withheld pursuant to/removed as

s.12;s.14;s.13

Dillon, Brian FIN:EX

From: James, Harry FIN:EX
Sent: Monday, June 29, 2015 7:54 AM
To: Dillon, Brian FIN:EX
Subject: CBC Story - Senior's Debt

Thought you might be interested.

<http://www.cbc.ca/news/business/seniors-going-bankrupt-in-soaring-numbers-1.3129176>

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Sunday, June 14, 2015 12:24 PM
To: Withnell, Kiah FIN:EX
Cc: Chong, Frank FIN:EX; Rastan, Mehrdad FIN:EX; Achtemichuk, Melanie FIN:EX; Chen, Angel FIN:EX; Cole, Elizabeth FIN:EX; Colter, Heather FIN:EX
Subject: Meeting between FCSP and FICOM

Hi Kiah – can you please work with Angel and with Heather’s EA (Melissa Morgan) to set up a briefing for Heather and her team (include Beth and whomever else Heather/Beth recommend).

s.12,s.13

We will likely need about two hours to ensure time for questions and discussion.

This is something I promised Heather I would set up for soon after she was back from her leave which I believe is next week. I understand from Beth that Heather will be in Vancouver on June 22 and 23 so there may be an opportunity to set this up for one of those dates if it works for our team and other members of Heather’s team. We can link others in by live meeting. If that is too soon, we can target the following week and figure out if Vancouver or Victoria makes the most sense.

Thanks

C

Carolyn Rogers
Chief Executive Officer & Superintendent
Financial Institutions Commission

Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Wednesday, June 10, 2015 10:14 PM
To: Cole, Elizabeth FIN:EX
Cc: Wood, Heather FIN:EX; Milburn, Peter R FIN:EX
Subject: Thank you & well done!

Beth,
I want to compliment you on how you handled the Commission meeting today. You did a great job walking the Commission through the FIA Review process, the respective roles of all involved and provided them with excellent advice on how to frame their recommendations. More importantly though I was very impressed by how you handled their questions. They asked tougher questions of you than I expected they would, given it was their first meeting with you but you handled them so calmly and competently. As a result I think you made them feel very comfortable so they just kept asking more questions! In the end I think you instilled them with a good deal of confidence in the process and with you personally, in the lead role. Thank you very much!

Carolyn

Carolyn Rogers
Chief Executive Officer & Superintendent
Financial Institutions Commission

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Wednesday, June 10, 2015 10:29 PM
To: Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX
Subject: RE: Commission Submission

Thanks Beth. I think we should definitely set up a meeting with Dan Ashton fairly soon. The Commission liked that suggestion very much. I will talk to you about the best way to do that.

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, June 10, 2015 1:26 PM
To: Rogers, Carolyn FIN:EX
Cc: Chong, Frank FIN:EX
Subject: Commission Submission
Importance: High

Hi Carolyn,

s.13

Thanks,
Beth

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Wednesday, June 10, 2015 10:20 PM
To: Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX
Subject: RE: Cooperative Articles and a question

Thanks Beth. I've read a couple of these but one is new to me. I think we do have a subscription to Filene – we will check and get back. In any case I believe I have a copy of the report listed below. I also think it was one of the items that is in the stack of reading material I keep meaning to give you. I will get to that tomorrow.

We'll circulate these to the Commission as a follow-up to your meeting with them.

Carolyn

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, June 10, 2015 4:16 PM
To: Rogers, Carolyn FIN:EX; Chong, Frank FIN:EX
Subject: Cooperative Articles and a question

Hi Carolyn and Frank,

Here are the things people suggested I read on cooperative values and governance.

I was only given the titles, so had to search for them. The first two papers were easy to find, but the 3rd was less so (think this is it), and the 4th I do not have full access to as I'm not a member (highlighted below). Do you guys have access? If so, could I get a copy please.

You may have things to supplement this. If you do suggest additional articles, could you please forward them to me as well as I'd like to read up.

Thanks,

Beth

Oliver Wyman - Cooperative Banking

http://www.oliverwyman.com/content/dam/oliver-wyman/global/en/files/insights/financial-services/2014/Mar/2014%20Oliver%20Wyman_Cooperative%20Banking_web.pdf

Oliver Wyman - Organizing for Effectiveness and Growth in Cooperative Financial Services

<http://www.oliverwyman.com/content/dam/oliver-wyman/global/en/2014/nov/Organizing+for+Effectiveness+and+Growth+in+Cooperative+Financial+Services+-+A+Focus+on+the+Americas%20Final.pdf>

St. Mary's University Sobey School of Business -Measuring the Co-operative Difference

<http://www.smu.ca/webfiles/ToolsConferenceReport-FINAL.pdf>

(Websites with some additional info, including some additional papers on the second one):

<http://www.cooperativedifference.coop/> and <http://www.smu.ca/academics/sobey/cearc-published-papers.html#d.en.69389>

Filene Institute - Only Up: Regulatory Burden and Its Effects on Credit Unions

<https://filene.org/research/report/only-up-regulatory-burden-and-its-effects-on-credit-unions>

Note – I'm not a member so don't have access to the full paper, do you have access?

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Wednesday, June 10, 2015 5:09 PM
To: Cole, Elizabeth FIN:EX
Subject: RE: Cooperative Articles and a question

Thanks Beth. This is helpful – we'll have a look. Unfortunately, we don't have member access to Filene...

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, June 10, 2015 4:16 PM
To: Rogers, Carolyn FIN:EX; Chong, Frank FIN:EX
Subject: Cooperative Articles and a question

Hi Carolyn and Frank,

Here are the things people suggested I read on cooperative values and governance.

I was only given the titles, so had to search for them. The first two papers were easy to find, but the 3rd was less so (think this is it), and the 4th I do not have full access to as I'm not a member (highlighted below). Do you guys have access? If so, could I get a copy please.

You may have things to supplement this. If you do suggest additional articles, could you please forward them to me as well as I'd like to read up.

Thanks,

Beth

Oliver Wyman - Cooperative Banking

<http://www.oliverwyman.com/content/dam/oliver-wyman/global/en/files/insights/financial-services/2014/Mar/2014%20Oliver%20Wyman%20Cooperative%20Banking%20web.pdf>

Oliver Wyman - Organizing for Effectiveness and Growth in Cooperative Financial Services

<http://www.oliverwyman.com/content/dam/oliver-wyman/global/en/2014/nov/Organizing+for+Effectiveness+and+Growth+in+Cooperative+Financial+Services+-+A+Focus+on+the+Americas%20Final.pdf>

St. Mary's University Sobey School of Business -Measuring the Co-operative Difference

<http://www.smu.ca/webfiles/ToolsConferenceReport-FINAL.pdf>

(Websites with some additional info, including some additional papers on the second one):

<http://www.cooperativedifference.coop/> and <http://www.smu.ca/academics/sobey/cearc-published-papers.html#d.en.69389>

Filene Institute - Only Up: Regulatory Burden and Its Effects on Credit Unions

<https://filene.org/research/report/only-up-regulatory-burden-and-its-effects-on-credit-unions>

Note – I'm not a member so don't have access to the full paper, do you have access?

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s.12;s.13

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Thursday, June 4, 2015 12:56 PM
To: 'Katie Rochefort'
Cc: Cole, Elizabeth FIN:EX
Subject: RE: Financial Institutions Act: Regulatory Amendments

Hello Katie,

Thank you for copying me on this correspondence. Heather Wood is away on leave right now. She is expected back later this month. I have taken the liberty of forwarding your letter on to Elizabeth Cole, Executive Director of Policy and Legislation. Elizabeth is leading the FIA and CUIA Review for the Ministry of Finance and I would therefore suggest you use her as your primary contact for this issue and for future correspondence related to proposed FIA and CUIA changes.

Best Regards,

Carolyn

From: Katie Rochefort [<mailto:krochefort@central1.com>]
Sent: Thursday, June 4, 2015 12:17 PM
To: Wood, Heather FIN:EX
Cc: Minister, FIN FIN:EX; Rogers, Carolyn FIN:EX
Subject: Financial Institutions Act: Regulatory Amendments

Good afternoon,

Please see the attached letter from Elmer Epp, Chairperson, Legislative Committee of Central 1 Credit Union.

Regards,

Katie Rochefort

Assistant, Government Relations



krochefort@central1.com
1.800.661.6813 ext 8437

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Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Thursday, June 4, 2015 12:52 PM
To: Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX
Subject: FW: Financial Institutions Act: Regulatory Amendments
Attachments: Financial Institutions Act-Regulatory Amendments- C1 Letter to Ms. Heather Wood.pdf

Hi Beth,
Received this by copy and thought you should have it.

C

From: Katie Rochefort [<mailto:krochefort@central1.com>]
Sent: Thursday, June 4, 2015 12:17 PM
To: Wood, Heather FIN:EX
Cc: Minister, FIN FIN:EX; Rogers, Carolyn FIN:EX
Subject: Financial Institutions Act: Regulatory Amendments

Good afternoon,

Please see the attached letter from Elmer Epp, Chairperson, Legislative Committee of Central 1 Credit Union.
Regards,

Katie Rochefort
Assistant, Government Relations



krochefort@central1.com
1.800.661.6813 ext 8437

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s.21

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Wednesday, June 3, 2015 8:55 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: Commission Committee meeting next week

Ok, sounds good. Happy to leave it with you. Just let me know if/when you need anything from me.

Sent from my iPhone

On Jun 3, 2015, at 8:37 PM, Cole, Elizabeth FIN:EX <Elizabeth.Cole@gov.bc.ca> wrote:

I'd like to check with him first when he's next going to be in town and propose a few meetings. Once he agrees I can let you and Kiah know and provide her with his assistant's contact info to arrange (I'm not sure yet whether it's the leg one I've dealt with or his constituency one who will be handling things over the summer months).

I'm in the process of drafting an info email to him about a number of things and will cover that.

From: Rogers, Carolyn FIN:EX
Sent: Wednesday, June 3, 2015 8:32 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: Commission Committee meeting next week

Absolutely. Do you want me to have Kiah try to arrange a meeting for the three of us or do you prefer to coordinate? Following that we can set something up with the Commission.

Sent from my iPad

On Jun 3, 2015, at 8:08 PM, Cole, Elizabeth FIN:EX <Elizabeth.Cole@gov.bc.ca> wrote:

I have a somewhat different sense of Dan's role now after a meeting I had this afternoon. It will be larger (with respect to consultations) than I thought. Basically I think I underestimated how many people will be wanting to meet with him - I now expect a lot of interest and meetings. I definitely think it would be a good idea for the commission to meet with him and also thinking that next time he's in town maybe you and I want to meet with him (he's on treasury board so comes fairly often)?

----- Original message -----

From: "Rogers, Carolyn FIN:EX"
Date: 06-03-2015 6:15 PM (GMT-08:00)
To: "Cole, Elizabeth FIN:EX"
Cc: "Renton, Kyle FIN:EX" , "Withnell, Kiah FIN:EX" , "Chong, Frank FIN:EX"
Subject: RE: Commission Committee meeting next week

OK, thanks Beth, that's great. The schedule for the meeting is not particularly tight so it will be no problem at all if you are either finished early or, alternatively, take more than a half hour.

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, June 3, 2015 4:11 PM
To: Rogers, Carolyn FIN:EX
Subject: Re: Commission Committee meeting next week

Hi Carolyn,

That sounds good. I have something in the morning but should be back by 11 latest.

I think a half hour would be fine. Not sure if I have a half hour of interesting things but with intros and questions that should be a good amount of time.

I'll be prepared to talk about the things below and try to think of anything else that might be of interest.

Thanks,

Beth

----- Original message -----

From: "Rogers, Carolyn FIN:EX"

Date:06-03-2015 3:38 PM (GMT-08:00)

To: "Cole, Elizabeth FIN:EX"

Cc: "Chong, Frank FIN:EX"

Subject: Commission Committee meeting next week

Hi Beth,

The Commission's Committee meeting next week is on Wednesday afternoon from 12 to 4pm. Helen is planning to start the meeting with a half hour in camera session and then staff will join at 12:30. I thought it would be ideal to have you join at the start of the meeting – so 12:30. Can you confirm that 12:30 on Wednesday works for you and whether you think that a half hour would be an appropriate amount of time. As we discussed I will let the Commission know that the purpose is to make introductions followed by an informal discussion around the process and next steps as you see them playing out, the role of MLA Ashton and any ideas you may have about how the Commission can participate.

Does that work for you? Feel free to offer any suggestions.

Carolyn

Carolyn Rogers

Chief Executive Officer & Superintendent

Financial Institutions Commission

Toovey, Kari FIN:EX

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, May 20, 2015 1:53 PM
To: Dillon, Brian FIN:EX; Toovey, Kari FIN:EX
Subject: FW: FIA Review Materials

Sorry for the delay, computer issues...)

From: James, Harry FIN:EX <Harry.James@ficombc.ca>
Sent: Tuesday, May 19, 2015 12:15 PM
To: Chong, Frank FIN:EX
Subject: RE: FIA Review Materials

Some last minute potential edits.

s.13

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Withheld pursuant to/removed as

s.13

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Friday, May 8, 2015 2:19 PM
To: Cole, Elizabeth FIN:EX
Subject: RE: FIA Review Paper

Excellent!! Thanks very much Beth.

Remind me next week that I have collected a pile of reading material that may be of interest to you.

Carolyn

From: Cole, Elizabeth FIN:EX
Sent: Thursday, May 7, 2015 6:56 PM
To: Rogers, Carolyn FIN:EX
Subject: Fwd: FIA Review Paper

Fyi. Hopefully will be released within the next week or two.

----- Original message -----

From: "Cole, Elizabeth FIN:EX"
Date: 05-07-2015 6:20 PM (GMT-08:00)
To: "Toovey, Kari FIN:EX" , "Dillon, Brian FIN:EX" , "Chong, Frank FIN:EX"
Subject: FIA Review Paper

The current paper and draft DM letter.

Brian/Kari, these are also saved.

I'm back Tuesday. Thanks.

Beth

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Thursday, April 30, 2015 7:40 PM
To: Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX
Subject: Re: FYI

progress!!

thanks Beth.

Sent from my iPad

On Apr 30, 2015, at 6:48 PM, Cole, Elizabeth FIN:EX <Elizabeth.Cole@gov.bc.ca> wrote:

Paper is now being sent out to roundtable.

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Thursday, April 30, 2015 4:48 PM
To: Cole, Elizabeth FIN:EX; Rogers, Carolyn FIN:EX
Subject: RE: FYI

Thanks for the heads up Beth.

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Cole, Elizabeth FIN:EX
Sent: Thursday, April 30, 2015 3:48 PM
To: Rogers, Carolyn FIN:EX; Chong, Frank FIN:EX
Subject: FYI

Paper is now being sent out to roundtable.

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Tuesday, April 28, 2015 9:40 PM
To: Cole, Elizabeth FIN:EX
Subject: Fwd: Canadian Underwriter

FYI.

Sent from my iPad

Begin forwarded message:

From: <Frank.Chong@ficombc.ca>
Date: April 28, 2015 at 9:36:41 PM PDT
To: "Harry FIN:EX James" <Harry.James@ficombc.ca>
Cc: "Chris A FIN:EX Carter" <Chris.Carter@ficombc.ca>
Subject: Canadian Underwriter

<http://www.canadianunderwriter.ca/news/in-the-works/1003578801/?&er=NA>

Harry: Not sure if you saw this - refer to section on MGAs and TPAs.

Frank

Sent from my iPad

Page 083 to/à Page 084

Withheld pursuant to/removed as

s.12;s.13

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Saturday, April 25, 2015 11:11 AM
To: Cole, Elizabeth FIN:EX; Wood, Heather FIN:EX
Subject: RE: Draft FIA Review Paper with industry input

Thanks Beth – you’ve done a great job incorporating all the random bits of feedback while keeping the paper coherent and reading smoothly. Fingers crossed not that we can move it through the next phase quickly and get it released!

Thanks,
Carolyn

From: Cole, Elizabeth FIN:EX
Sent: Thursday, April 23, 2015 11:22 PM
To: Wood, Heather FIN:EX; Rogers, Carolyn FIN:EX
Subject: FW: Draft FIA Review Paper with industry input

In case you haven’t yet read, best to use this version.

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, April 24, 2015 11:21 AM
To: Cole, Elizabeth FIN:EX
Subject: RE: Draft FIA Review Paper with industry input

From your recent edits? We couldn't find any.

s.13

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Cole, Elizabeth FIN:EX
Sent: Friday, April 24, 2015 11:13 AM
To: Chong, Frank FIN:EX
Subject: Re: Draft FIA Review Paper with industry input

Hi. Are there minor errors? (As opposed to just preferences?) Thx.

----- Original message -----

From: "Chong, Frank FIN:EX"
Date: 04-24-2015 10:58 AM (GMT-08:00)
To: "Cole, Elizabeth FIN:EX" , "Toovey, Kari FIN:EX"
Cc: "Achemichuk, Melanie FIN:EX" , "Burns, Molly FIN:EX"
Subject: RE: Draft FIA Review Paper with industry input

Hi Beth: The FICOM team is supportive of the proposed edits – we don't see any major errors either.

s.13

Cheers,
Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Cole, Elizabeth FIN:EX
Sent: Thursday, April 23, 2015 11:21 PM
To: Toovey, Kari FIN:EX; Chong, Frank FIN:EX
Subject: RE: Draft FIA Review Paper with industry input

s.13

I wanted to do now so I don't forget and those who get in early have this version.

Thanks

From: Cole, Elizabeth FIN:EX
Sent: Thursday, April 23, 2015 5:49 PM
To: Toovey, Kari FIN:EX; Chong, Frank FIN:EX
Subject: Draft FIA Review Paper with industry input

Hi,

This is the revised version of the paper with industry input. There are have been a couple of updates where #s have been updated since the paper was drafted in December.

I've tracked everything, although it looks like a bit more than it is because when you move things it can look like it's new.

Please let me know by tomorrow morning (say 11) whether there are any issues.

You've both seen everything here before I'm pretty sure, other than the new section and one sentence added in financial literacy.

Thanks.
Beth

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, April 24, 2015 11:11 AM
To: Cole, Elizabeth FIN:EX
Subject: RE: Draft FIA Review Paper with industry input

s.13

Frank

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Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Chong, Frank FIN:EX
Sent: Friday, April 24, 2015 10:58 AM
To: Cole, Elizabeth FIN:EX; Toovey, Kari FIN:EX
Cc: Achtemichuk, Melanie FIN:EX; Burns, Molly FIN:EX
Subject: RE: Draft FIA Review Paper with industry input

Hi Beth: The FICOM team is supportive of the proposed edits – we don't see any major errors either.

s.13

Cheers,
Frank

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From: Cole, Elizabeth FIN:EX
Sent: Thursday, April 23, 2015 11:21 PM
To: Toovey, Kari FIN:EX; Chong, Frank FIN:EX
Subject: RE: Draft FIA Review Paper with industry input

s.13

I wanted to do now so I don't forget and those who get in early have this version.

Thanks

From: Cole, Elizabeth FIN:EX
Sent: Thursday, April 23, 2015 5:49 PM
To: Toovey, Kari FIN:EX; Chong, Frank FIN:EX
Subject: Draft FIA Review Paper with industry input

Hi,

This is the revised version of the paper with industry input. There are have been a couple of updates where #s have been updated since the paper was drafted in December.

I've tracked everything, although it looks like a bit more than it is because when you move things it can look like it's new.

Please let me know by tomorrow morning (say 11) whether there are any issues.

You've both seen everything here before I'm pretty sure, other than the new section and one sentence added in financial literacy.

Thanks.
Beth

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Thursday, April 23, 2015 4:49 PM
To: Cole, Elizabeth FIN:EX
Subject: FW: Revised- My attempt at new issue

Importance: High

Fyi, see below. I'll let you know if there are any further comments tomorrow morning.

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Chong, Frank FIN:EX
Sent: Thursday, April 23, 2015 4:48 PM
To: Achtemichuk, Melanie FIN:EX; Burns, Molly FIN:EX
Cc: James, Harry FIN:EX
Subject: FW: Revised- My attempt at new issue
Importance: High

Hi Melanie, Molly: Can you have a look at the section below and let me know if there are any concerns?

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Cole, Elizabeth FIN:EX
Sent: Thursday, April 23, 2015 4:46 PM
To: Chong, Frank FIN:EX; Toovey, Kari FIN:EX
Subject: Revised- My attempt at new issue
Importance: High

s.13

Page 091 to/à Page 092

Withheld pursuant to/removed as

s.13

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Thursday, April 23, 2015 1:49 PM
To: Chen, Angel FIN:EX
Cc: Cole, Elizabeth FIN:EX
Subject: NCUA sets up Field of Membership (Common Bond) Working Group

Angel – can you forward this NCUA announcement to the Policy and Approvals teams?

Metsger: Field-of-Membership Regulation the Top Issue for Credit Unions

<http://www.ncua.gov/DataApps/Pages/field-of-membership-working-group.aspx>

[Home](#) > [News, Media and Events](#) > [Metsger: Field-of-Membership Regulation the Top Issue for Credit Unions](#)

Page Content

Email Address Set Up for Comment, Internal Working Group Considers Changes

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Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Thursday, April 23, 2015 1:24 PM
To: Cole, Elizabeth FIN:EX
Subject: FW: Confirming info still correct

As discussed - Note the yellow highlight below.

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: James, Harry FIN:EX
Sent: Thursday, April 23, 2015 9:12 AM
To: Chong, Frank FIN:EX; Burns, Molly FIN:EX
Cc: Achtemichuk, Melanie FIN:EX
Subject: RE: Confirming info still correct

s.13

From: Chong, Frank FIN:EX
Sent: Thursday, April 23, 2015 8:59 AM
To: James, Harry FIN:EX; Burns, Molly FIN:EX
Cc: Achtemichuk, Melanie FIN:EX
Subject: Re: Confirming info still correct

Thanks.

s.13

Frank

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: James, Harry FIN:EX
Sent: Thursday, April 23, 2015 8:36 AM
To: Burns, Molly FIN:EX; Chong, Frank FIN:EX
Cc: Achtemichuk, Melanie FIN:EX
Subject: RE: Confirming info still correct

Hi Frank/Molly,

From: Burns, Molly FIN:EX
Sent: Thursday, April 23, 2015 8:28 AM
To: Chong, Frank FIN:EX; James, Harry FIN:EX
Cc: Achtemichuk, Melanie FIN:EX
Subject: RE: Confirming info still correct

Hi Frank – I don't know off the top of my head, but I can do some snooping around. I have a few other files that I'm working on that need my attention over the next few days. Do you know when Beth needs this info by?

From: Chong, Frank FIN:EX
Sent: Wednesday, April 22, 2015 10:17 PM
To: James, Harry FIN:EX; Burns, Molly FIN:EX
Cc: Achtemichuk, Melanie FIN:EX
Subject: Re: Confirming info still correct

s.13

Frank

Sent from my iPad

On Apr 22, 2015, at 5:30 PM, "Cole, Elizabeth FIN:EX" <Elizabeth.Cole@gov.bc.ca> wrote:

s.13

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, April 22, 2015 5:14 PM
To: Chong, Frank FIN:EX
Subject: Confirming info still correct

Hi,

Given the length of time since we initially wrote this, can you have someone quickly confirm tomorrow morning that the following info (mostly #s) in the FIA review paper is still correct?

s.13

Bridge, Jannea FIN:EX

From: Chang, Stanley S FIN:EX
Sent: Thursday, April 23, 2015 1:20 PM
To: Chong, Frank FIN:EX; Cole, Elizabeth FIN:EX
Subject: RE: Confirming info still correct

Hi Beth,

Frank is correct that we don't usually get a lot of new entrants or exits in BC.

The 4 voluntary revocations, since we last pulled the number, were related to the restructuring of organizations within the same companies group.

Stanley

From: Chong, Frank FIN:EX
Sent: Thursday, April 23, 2015 12:26 PM
To: Cole, Elizabeth FIN:EX; Chang, Stanley S FIN:EX
Subject: Re: Confirming info still correct

Thanks Stanley.

Beth - we don't get a lot of new entrants or exits. The numbers don't really fluctuate too much year to year.

Frank

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Cole, Elizabeth FIN:EX
Sent: Thursday, April 23, 2015 11:55 AM
To: Chang, Stanley S FIN:EX
Cc: Chong, Frank FIN:EX
Subject: Re: Confirming info still correct

Thanks Stanley.

Just curious - do the numbers change a lot for insurance companies (e.g., companies leaving/no longer doing business or starting up?)

----- Original message -----

From: "Chang, Stanley S FIN:EX"
Date: 04-23-2015 11:49 AM (GMT-08:00)
To: "Cole, Elizabeth FIN:EX"
Cc: "Chong, Frank FIN:EX"
Subject: RE: Confirming info still correct

Hi Elizabeth,

I confirm the Trust Companies #s below are correct.
s.13

Please do not hesitate to let me know if you need anything else.

Regards,
Stanley

From: Chong, Frank FIN:EX
Sent: Wednesday, April 22, 2015 10:12 PM
To: Chang, Stanley S FIN:EX
Cc: Cole, Elizabeth FIN:EX
Subject: Fwd: Confirming info still correct

Hi Stanley: Can you have one of your clerks confirm these numbers. Please respond back directly to Beth. I will be in/out of the office tomorrow.

Frank

Sent from my iPad

Begin forwarded message:

From: "Cole, Elizabeth FIN:EX" <Elizabeth.Cole@gov.bc.ca>
Date: April 22, 2015 at 5:14:09 PM PDT
To: "Chong, Frank FIN:EX" <Frank.Chong@ficombc.ca>
Subject: Confirming info still correct

Hi,

Given the length of time since we initially wrote this, can you have someone quickly confirm tomorrow morning that the following info (mostly #s) in the FIA review paper is still correct?

s.13

Page 101 to/à Page 103

Withheld pursuant to/removed as

s.13

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Wednesday, April 22, 2015 10:38 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: Confirming info still correct

s.13

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, April 22, 2015 10:34 PM
To: Chong, Frank FIN:EX
Subject: RE: Confirming info still correct

I was asking you - are they?

From: Chong, Frank FIN:EX
Sent: Wednesday, April 22, 2015 10:32 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: Confirming info still correct

Sounds good.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, April 22, 2015 10:31 PM
To: Chong, Frank FIN:EX
Subject: RE: Confirming info still correct

s.13

Thanks.

From: Chong, Frank FIN:EX
Sent: Wednesday, April 22, 2015 10:24 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: Confirming info still correct

s.13

Sent from my iPad

On Apr 22, 2015, at 6:02 PM, "Cole, Elizabeth FIN:EX" <Elizabeth.Cole@gov.bc.ca> wrote:

s.13

s.13

Thanks.

From: Cole, Elizabeth FIN:EX

Sent: Wednesday, April 22, 2015 5:31 PM

To: Chong, Frank FIN:EX

Subject: RE: Confirming info still correct

s.13

From: Cole, Elizabeth FIN:EX

Sent: Wednesday, April 22, 2015 5:14 PM

To: Chong, Frank FIN:EX

Subject: Confirming info still correct

Hi,

Given the length of time since we initially wrote this, can you have someone quickly confirm tomorrow morning that the following info (mostly #s) in the FIA review paper is still correct?

s.13

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Wednesday, April 22, 2015 10:18 PM
To: Cole, Elizabeth FIN:EX
Subject: Fwd: Confirming info still correct

Sent from my iPad

Begin forwarded message:

From: "Chong, Frank FIN:EX" <Frank.Chong@ficombc.ca>
Date: April 22, 2015 at 10:17:21 PM PDT
To: "James, Harry FIN:EX" <Harry.James@ficombc.ca>, "Burns, Molly FIN:EX" <Molly.Burns@ficombc.ca>
Cc: "Achtemichuk, Melanie FIN:EX" <Melanie.Achtemichuk@ficombc.ca>
Subject: Re: Confirming info still correct

s.13

Frank

Sent from my iPad

On Apr 22, 2015, at 5:30 PM, "Cole, Elizabeth FIN:EX" <Elizabeth.Cole@gov.bc.ca> wrote:

s.13

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, April 22, 2015 5:14 PM
To: Chong, Frank FIN:EX
Subject: Confirming info still correct
HI,

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Tuesday, April 21, 2015 5:32 PM
To: Cole, Elizabeth FIN:EX
Subject: FW: 2015 Federal Budget - Misc Items

FYI.

From: Chong, Frank FIN:EX
Sent: Tuesday, April 21, 2015 2:46 PM
To: Dickson, Greg FIN:EX; Achtemichuk, Melanie FIN:EX; James, Harry FIN:EX
Cc: Rogers, Carolyn FIN:EX
Subject: 2015 Federal Budget - Misc Items

A couple items that might be of interest to you...

Link: <http://www.budget.gc.ca/2015/docs/plan/budget2015-eng.pdf>

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Page 109

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needs of consumers.

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Tuesday, April 21, 2015 5:29 PM
To: Cole, Elizabeth FIN:EX
Subject: RE: Paper

Besides a meeting between 11am-1pm, my day tomorrow is pretty open.

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Chong, Frank FIN:EX
Sent: Tuesday, April 21, 2015 5:28 PM
To: Cole, Elizabeth FIN:EX
Subject: RE: Paper

Thanks. I've read through all the comments and have some thoughts on a couple items. Generally, no big concerns.

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, April 21, 2015 5:12 PM
To: Chong, Frank FIN:EX
Subject: Paper

Hi Frank,

Please don't distribute further at this point, but can you let me know if any concerns with the track changes so far (more will be coming)?

I'm around tomorrow if you want to discuss.

Thanks,
Beth

Bridge, Jannea FIN:EX

From: Helen del Val <hdelval@hrdv.com>
Sent: Tuesday, April 21, 2015 11:26 AM
To: Rogers, Carolyn FIN:EX; 'Joel Whittmore'; 'Len Boggio'; 'Bob Garnett'; 'Shannon Salter'; 'Stanley Hamilton'; Wenezeki-Yolland, Cheryl FIN:EX
Cc: Wood, Heather FIN:EX; Cole, Elizabeth FIN:EX; Chong, Frank FIN:EX; Renton, Kyle FIN:EX
Subject: RE: Confidential: Draft FIA Review Discussion Paper

Thank you for this opportunity to review the paper before its release. First of all, "good job" to all those who contributed to this paper: it is well written, the questions are clearly articulated and posed in a neutral tone. It serves well its purpose as a conversation starter. The Commission does not have any concerns at this point that should delay the issuance of the paper and believe that it is important to start the conversation as soon as possible. We look forward to the earliest release of this paper to the public and will share our experience and views in response to the paper once it is issued. Once again, thank you, Helen

From: Rogers, Carolyn FIN:EX [<mailto:Carolyn.Rogers@ficombc.ca>]
Sent: April 15, 2015 3:16 PM
To: Helen del Val; Joel Whittmore; Len Boggio ; Bob Garnett; Shannon Salter; Stanley Hamilton (Stanley.Hamilton@sauder.ubc.ca)
Cc: Wood, Heather FIN:EX; Cole, Elizabeth FIN:EX; Chong, Frank FIN:EX; Renton, Kyle FIN:EX
Subject: Confidential: Draft FIA Review Discussion Paper
Importance: High

Dear Commission members,

It's my pleasure to pass along the message below and the attached draft document on behalf of Elizabeth Cole, Executive Director of Strategic Projects for the Ministry's Policy and Legislation Division. You will recall we have mentioned Elizabeth in previous meetings, as she is leading the FIA review project. The attached document is the draft FIA Review Discussion Paper.

The intention is for the Discussion Paper to be released publicly in the coming weeks. You are being provided an advance copy and the opportunity to comment if you have any significant concerns with the draft. Just a reminder that at this stage the objective of the document is simply to generate an initial inventory of policy issues that the government is seeking stakeholder comments on. Think of this as the "conversation starter" document. As Elizabeth points out in her email subsequent opportunities to raise issues, and likely more documents, will follow this first phase of the review.

We plan to have Elizabeth and Heather Wood, the Assistant Deputy Minister of Financial and Corporate Sector Policy attend an upcoming Commission meeting and that will be a good opportunity for you to have a fulsome discussion about the process and discuss options for the Commission to provide their input. We will keep you posted on that.

To assist Elizabeth in gathering your input efficiently, can I ask you please to provide any comments you may have directly to Kyle by April 20th and we will then summarize them and send them to Elizabeth prior to her April 22nd deadline.

Thanks everyone,

Carolyn

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, April 15, 2015 1:36 PM
To: Rogers, Carolyn FIN:EX
Cc: Wood, Heather FIN:EX
Subject: FIA Review

Hi Carolyn,

I've attached a confidential draft of the FIA/CUIA review initial consultation paper for you to share with the Financial Institutions Commission.

Please ask the Commission members to treat it as confidential and not distribute further.

We believe that the paper raises the key issues of importance for the financial services sector and is generally comprehensive. However, if the members feel there are any significant omissions or other concerns, please ask them to convey those through you or to contact me directly at Elizabeth.Cole@gov.bc.ca or (604) 660-2971. I'm hoping to have any comments by April 22nd at the latest.

Please also note that there will be a full opportunity for the Commission to provide input on the issues themselves, and on any other concerns they may have with the regulatory framework, after the consultation paper is released publicly.

Thanks,
Beth

Elizabeth Cole

Executive Director
Strategic Projects
Policy & Legislation Division
B.C. Ministry of Finance
(604) 660 2971

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Wednesday, April 15, 2015 5:34 PM
To: Wood, Heather FIN:EX
Cc: Cole, Elizabeth FIN:EX; Gill, Marcus A FIN:EX
Subject: Re: 342996Meeting with Tamara Vrooman (CEO, Vancity) and Gene Blishen (CEO, Mt Lehman credit union)

Hi Heather - just confirming our earlier conversation. I'm told the meeting will focus on the same issues outlined in the Vancity paper sent recently. s.13 s.17
s.13,s.17

Sent from my iPhone

On Apr 14, 2015, at 5:02 PM, Wood, Heather FIN:EX <Heather.Wood@gov.bc.ca> wrote:

Thanks, Carolyn. I wasn't aware of the Advocacy Day, but others may have been aware. I would appreciate knowing what you think Tamara and Gene will want to talk about at the meeting -s.17
s.17

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, April 14, 2015 12:57 PM
To: Wood, Heather FIN:EX; Cole, Elizabeth FIN:EX; Gill, Marcus A FIN:EX
Subject: RE: 342996Meeting with Tamara Vrooman (CEO, Vancity) and Gene Blishen (CEO, Mt Lehman credit union)
Let us know if you want any assistance on briefing materials.

s.13,s.17

From: Wood, Heather FIN:EX
Sent: Tuesday, April 14, 2015 10:59 AM
To: Rogers, Carolyn FIN:EX; Cole, Elizabeth FIN:EX; Gill, Marcus A FIN:EX
Subject: FW: 342996Meeting with Tamara Vrooman (CEO, Vancity) and Gene Blishen (CEO, Mt Lehman credit union)
fyi

From: Morgan, Melissa FIN:EX
Sent: Tuesday, April 14, 2015 10:47 AM
To: Wood, Heather FIN:EX
Subject: RE: 342996Meeting with Tamara Vrooman (CEO, Vancity) and Gene Blishen (CEO, Mt Lehman credit union)

Yes, it is....

Melissa Morgan

Executive Administrative Assistant |Office of the Assistant Deputy Minister
Policy and Legislation |Ministry of Finance
Tel: 250 356-9911 | Fax: 250 387-9061

From: Wood, Heather FIN:EX
Sent: Tuesday, April 14, 2015 10:44 AM
To: Morgan, Melissa FIN:EX
Subject: RE: 342996Meeting with Tamara Vrooman (CEO, Vancity) and Gene Blishen (CEO, Mt Lehman credit union)
Melissa, is this a meeting with the Minister?

From: Morgan, Melissa FIN:EX
Sent: Tuesday, April 14, 2015 10:40 AM
To: Wood, Heather FIN:EX
Subject: FW: 342996Meeting with Tamara Vrooman (CEO, Vancity) and Gene Blishen (CEO, Mt Lehman credit union)

Hi Heather – FYI & would this go to Beth to prepare the one pager outline?

Melissa Morgan

Executive Administrative Assistant |Office of the Assistant Deputy Minister
Policy and Legislation |Ministry of Finance
Tel: 250 356-9911 | Fax: 250 387-9061

From: Prisiak, Lisa FIN:EX
Sent: Monday, April 13, 2015 9:51 AM
To: Morgan, Melissa FIN:EX
Subject: 342996Meeting with Tamara Vrooman (CEO, Vancity) and Gene Blishen (CEO, Mt Lehman credit union)

Hello,

There is a meeting on May 20th with Tamara Vrooman and Gene Blishen as a follow-up meeting to his recent discussions with financial sector leaders regarding the FIA. Peter would like Heather to attend please.

Please prepare a one pager outline

Cliffed as 342996

DUE to the DMO: *Noon on Thursday, May 14th*

Cheers

Lisa Prisiak

Office of the Deputy Minister, Ministry of Finance

T: 250.387.3184

From: O'Connor-Dixon, Lara FIN:EX
Sent: Thursday, April 9, 2015 3:20 PM
To: Prisiak, Lisa FIN:EX
Subject: FW: Meeting with Tamara Vrooman (CEO, Vancity) and Gene Blishen (CEO, Mt Lehman credit union)

Lisa,

I have just arranged the below meeting for

May 20th, 4:00pm at PVO.

I also put a pre-brief in at 3:30pm

Please let me know what staff are available.

Thanks Lara

From: Lauren Dobell [mailto:Lauren_Dobell@vancity.com]

Sent: Monday, January 26, 2015 10:17 AM

To: Minister, FIN FIN:EX; lara.occonor.dixon@gov.bc.ca

Subject: Meeting with Tamara Vrooman (CEO, Vancity) and Gene Blishen (CEO, Mt Lehman credit union)

Hi Lara,

Just following up on Minister de Jong's proposal to Tamara Vrooman for a follow-up meeting to his recent discussions with financial sector leaders regarding the FIA.

Tamara would plan to have Gene Blishen, long-serving CEO of Mt Lehman credit union, accompany her. As discussed, the last week of February or March 1-12 work well as general parameters for both, but they would certainly be flexible if the Minister had envisaged a meeting prior to the Budget. A Vancouver venue is probably easiest to arrange for all parties, but if it's best for the Minister to meet in Victoria while the Legislature is in session, all efforts would be made to accommodate.

Aoife Dowling, Tamara's executive assistant, can be reached directly at aoife_dowling@vancity.com for scheduling arrangements.

Best regards,

Lauren

Lauren Dobell

Director of Partnerships

Vancity Community Investment

183 Terminal Avenue

Vancouver, BC V6A 4G2

Mobile: 604-787-4318

Lauren_Dobell@vancity.com

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image7e0989.PNG	(1.3KB)
image57a7f9.PNG	(17.9KB)
imagecbd427.PNG	(15.0KB)
imagea140db.PNG	(16.6KB)

(82.1KB)

>>

Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Wednesday, April 15, 2015 3:16 PM
To: Helen del Val; Joel Whittmore; Len Boggio ; Bob Garnett; Shannon Salter; Stanley Hamilton (Stanley.Hamilton@sauder.ubc.ca)
Cc: Wood, Heather FIN:EX; Cole, Elizabeth FIN:EX; Chong, Frank FIN:EX; Renton, Kyle FIN:EX
Subject: Confidential: Draft FIA Review Discussion Paper
Attachments: Draft FIA Review Paper.docx

Importance: High

Dear Commission members,

It's my pleasure to pass along the message below and the attached draft document on behalf of Elizabeth Cole, Executive Director of Strategic Projects for the Ministry's Policy and Legislation Division. You will recall we have mentioned Elizabeth in previous meetings, as she is leading the FIA review project. The attached document is the draft FIA Review Discussion Paper.

The intention is for the Discussion Paper to be released publicly in the coming weeks. You are being provided an advance copy and the opportunity to comment if you have any significant concerns with the draft. Just a reminder that at this stage the objective of the document is simply to generate an initial inventory of policy issues that the government is seeking stakeholder comments on. Think of this as the "conversation starter" document. As Elizabeth points out in her email subsequent opportunities to raise issues, and likely more documents, will follow this first phase of the review.

We plan to have Elizabeth and Heather Wood, the Assistant Deputy Minister of Financial and Corporate Sector Policy attend an upcoming Commission meeting and that will be a good opportunity for you to have a fulsome discussion about the process and discuss options for the Commission to provide their input. We will keep you posted on that.

To assist Elizabeth in gathering your input efficiently, can I ask you please to provide any comments you may have directly to Kyle by April 20th and we will then summarize them and send them to Elizabeth prior to her April 22nd deadline.

Thanks everyone,

Carolyn

From: Cole, Elizabeth FIN:EX
Sent: Wednesday, April 15, 2015 1:36 PM
To: Rogers, Carolyn FIN:EX
Cc: Wood, Heather FIN:EX
Subject: FIA Review

Hi Carolyn,

I've attached a confidential draft of the FIA/CUIA review initial consultation paper for you to share with the Financial Institutions Commission.

Please ask the Commission members to treat it as confidential and not distribute further.

We believe that the paper raises the key issues of importance for the financial services sector and is generally comprehensive. However, if the members feel there are any significant omissions or other concerns, please ask them to convey those through you or to contact me directly at Elizabeth.Cole@gov.bc.ca or (604) 660-2971. I'm hoping to have any comments by April 22nd at the latest.

Please also note that there will be a full opportunity for the Commission to provide input on the issues themselves, and on any other concerns they may have with the regulatory framework, after the consultation paper is released publicly.

Thanks,
Beth

Elizabeth Cole

Executive Director
Strategic Projects
Policy & Legislation Division
B.C. Ministry of Finance
(604) 660 2971

Page 119 to/à Page 160

Withheld pursuant to/removed as

s.13

Dillon, Brian FIN:EX

From: James, Harry FIN:EX
Sent: Wednesday, April 15, 2015 11:12 AM
To: Chong, Frank FIN:EX; Dillon, Brian FIN:EX; Achtemichuk, Melanie FIN:EX
Subject: KPMG Reports - Banking Regulation

In case you have not seen these reports before, they are an excellent summary of trends in banking regulation.

<https://www.kpmg.com/global/en/issuesandinsights/articlespublications/evolving-banking-regulation/pages/default.aspx>

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, April 14, 2015 4:37 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: review

Thanks!

Sent from my iPhone

On Apr 14, 2015, at 4:34 PM, Cole, Elizabeth FIN:EX <Elizabeth.Cole@gov.bc.ca> wrote:

s.13

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, April 14, 2015 4:33 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: review
Sounds good. What's the add?

Sent from my iPhone

On Apr 14, 2015, at 4:19 PM, Cole, Elizabeth FIN:EX <Elizabeth.Cole@gov.bc.ca> wrote:

FYI, we've been asked to add something to the paper so there is a bit of a delay. So will be tomorrow before I send it along.
Thanks,
Beth

Page 163 to/à Page 164

Withheld pursuant to/removed as

s.12;s.13

Page 165 to/à Page 186

Withheld pursuant to/removed as

s.13

Dillon, Brian FIN:EX

From: James, Harry FIN:EX
Sent: Monday, March 30, 2015 2:29 PM
To: Dillon, Brian FIN:EX; Toovey, Kari FIN:EX
Cc: Chong, Frank FIN:EX; Wright, Kristine M FIN:EX
Subject: FCA Paper on Consumer Vulnerability

FYI,

Last month the FCA in the U.K. released a paper on consumer vulnerability. <http://www.fca.org.uk/your-fca/documents/occasional-papers/occasional-paper-8>

This paper got some mention during regulators week and for Brian/Kari, you might want to circulate it to those looking at elder abuse as this paper touches on the same subject matter only broader including other vulnerable people.

Kristine, I draw your attention to chapter 8. It has some interesting thoughts about the regulator.

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Morgan, Melissa FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, March 20, 2015 3:42 PM
To: Wood, Heather FIN:EX
Cc: Cole, Elizabeth FIN:EX; Gill, Marcus A FIN:EX; Rogers, Carolyn FIN:EX
Subject: FW: INVITATION: FICOM Annual Credit Union Industry Conference - June 18, 2015

Hi Heather:

I trust all is well. FICOM's Annual Credit Union Industry Conference is scheduled for June 18th at the Sheraton (Vancouver) Wall Centre. We would be pleased to have you and your team attend this year's conference. We've reserved up to five seats for your group - RSVP details are noted below.

We're hoping to send out the conference agenda, including speakers and presentations, in the coming weeks. More details to come.

Have a great weekend,
Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

From: Chen, Angel FIN:EX
Sent: Friday, March 13, 2015 11:46 AM
Cc: Rogers, Carolyn FIN:EX; Withnell, Kiah FIN:EX; Chong, Frank FIN:EX
Subject: INVITATION: FICOM Annual Credit Union Industry Conference - June 18, 2015

Sent on Behalf of Carolyn Rogers, CEO & Superintendent, Financial Institutions Commission

On Thursday, June 18, 2015, FICOM will host its 4th Annual Credit Union Industry Conference for credit union CEOs and Board members. Please save the date on your calendar; a detailed agenda will be sent out in the coming weeks.

The conference will be held in downtown Vancouver at the Sheraton Wall Centre Hotel. We are reserving three spots for each BC credit union for its CEO/General Manager, Board Chair, and one director from the board. If the CEO/GM and/or Chair is not available to attend, you are invited to send an alternate member of your executive team or board.

Please RSVP, including the names, titles, and email addresses of your attendees, to Angel Chen at Angel.Chen@ficombc.ca no later than May 31, 2015.

For those coming from out of town, we have blocked off hotel rooms on the evening prior to the conference, June 17, 2015, at the Sheraton Wall Centre Hotel at a reduced rate. You may click [here](#) to reserve your hotel room online, or call 604-331-1000 or 1-800-663-9255 and identify yourself as part of the Financial Institutions Commission group. It is advised to make your reservation as soon as possible, as Vancouver hotels fill up quickly in June. Please note that attendees are responsible for the reservation and payment of hotel rooms and any related expenses.

Please direct any questions or concerns to Angel Chen at Angel.Chen@ficombc.ca.

We look forward to seeing you in June.

Carolyn Rogers

Angel Chen
Senior Administrative Assistant to
Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604 660-3008 | Fax 604 660-3365
www.fic.gov.bc.ca

Toovey, Kari FIN:EX

From: Burns, Molly FIN:EX
Sent: Friday, March 13, 2015 3:43 PM
To: Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX; James, Harry FIN:EX; Achtemichuk, Melanie FIN:EX; Stewart, Keith FIN:EX; Chen, Angel FIN:EX
Subject: Mailout List - FIA Consultation Paper
Attachments: Copy of Copy of 2015 FIA consultation List of Stakeholders - March 13.xls

Hello,

We have added three trust company contacts to the FIA consultation paper mail-out list. They are highlighted in blue at the end of the attached spreadsheet.

Also, we are working on getting a mailing list together of all the CEOs and Chairs of BC authorized FIs (not just the ones who attended the stakeholder meetings). We will hopefully be able to get this over to you early next week.

Have a great weekend,
Molly

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Friday, March 13, 2015 3:26 PM
To: Wood, Heather FIN:EX
Cc: Cole, Elizabeth FIN:EX
Subject: Re: Formatted / most recent version of the FIA review initial consultation paper

s.13

Have a good weekend!

Sent from my iPhone

On Mar 13, 2015, at 3:10 PM, Wood, Heather FIN:EX <Heather.Wood@gov.bc.ca> wrote:

s.13

From: Cole, Elizabeth FIN:EX
Sent: Friday, March 13, 2015 2:53 PM
To: Rogers, Carolyn FIN:EX
Cc: Wood, Heather FIN:EX
Subject: RE: Formatted / most recent version of the FIA review initial consultation paper
s.13

From: Rogers, Carolyn FIN:EX
Sent: Friday, March 13, 2015 2:52 PM
To: Cole, Elizabeth FIN:EX
Cc: Wood, Heather FIN:EX
Subject: Re: Formatted / most recent version of the FIA review initial consultation paper
Thanks Beth. s.13

Sent from my iPhone

On Mar 13, 2015, at 2:33 PM, Cole, Elizabeth FIN:EX <Elizabeth.Cole@gov.bc.ca> wrote:

Hi Carolyn,
I'm pretty sure I've sent this around a while ago, but just ensuring you have the most recent version (this one is the formatted version with table of contents added, etc.)
Thanks,
Beth

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, March 13, 2015 2:59 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: FIA paper

Yes, I think we have. I'll double check with my team.

Have a good weekend,
Frank

Sent from my iPad

On Mar 13, 2015, at 2:54 PM, "Cole, Elizabeth FIN:EX" <Elizabeth.Cole@gov.bc.ca> wrote:

Thanks – I think you guys were going to add all the CEOs and Chairs of the various credit unions too?

From: Chong, Frank FIN:EX
Sent: Friday, March 13, 2015 2:42 PM
To: Cole, Elizabeth FIN:EX
Subject: Re: FIA paper

Thanks Beth - appreciated. We sent up our updates on the stakeholder list to FCSPB. Since we have more time, we're doing a double take to check if we've missed anyone from the list.
Frank

Sent from my iPad

On Mar 13, 2015, at 2:34 PM, "Cole, Elizabeth FIN:EX" <Elizabeth.Cole@gov.bc.ca> wrote:

Hi Frank,
I'm almost certain I sent this before (would have been a good month or so ago as nothing has changed since then as we're still waiting).
However, just in case this is the formatted version with table of contents added, etc.
Thanks,
Beth

Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Monday, March 9, 2015 3:59 PM
To: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX
Cc: Burns, Molly FIN:EX
Subject: SOme Corrections Stakeholder list
Attachments: Copy of 2015 FIA consultation List of Stakeholders February 10.xls

Kari/Brian

I have made some corrections and added a few new contacts to the insurance part of the stakeholders list. Corrections in the main body and additions at the end. All highlighted and explained.

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Thursday, February 26, 2015 5:29 PM
To: Chong, Frank FIN:EX; Cole, Elizabeth FIN:EX
Subject: FW: CBA paper
Attachments: sub-20150205-ontario-credit-union-review-en.pdf

You may already have this, but just in case...

From: Tim Wiles [<mailto:twiles@ cudgc.ab.ca>]
Sent: Thursday, February 26, 2015 2:42 PM
To: Burns, Molly FIN:EX; 'ryanp@nscudic.org'; Rogers, Carolyn FIN:EX; 'Garth.Melle@cudgc.sk.ca'; 'v.macneill@dgcm.ca'; 'apoprawa@dico.com'; 'Patrick.Dery@lautorite.qc.ca'; 'Mark.Flewelling@rm.ca'; 'rolland.lebouthillier@acadie.com'; 'rkenny@peicudic.com'; 'billlangthorne@gov.nl.ca'; 'Sobotkiewicz, Roger FCAA (Roger.Sobotkiewicz@gov.sk.ca)'; 'Peters, Cory FCAA (Cory.Peters@gov.sk.ca)'; 'murphydh@gov.ns.ca' (murphydh@gov.ns.ca); 'Mark Prefontaine (mark.prefontaine@gov.ab.ca)' (mark.prefontaine@gov.ab.ca); 'peter.baba@gov.ab.ca'; 'Ken Lofgren (Ken.Lofgren@gov.mb.ca)' (Ken.Lofgren@gov.mb.ca)'
Cc: Withnell, Kiah FIN:EX; Elaine Hall; 'lynda.scheske@cudgc.sk.ca'; 'Heather Shaw'; 'Allison Funk (a.funk@dgcm.ca)'; 'Yasmin Khoja'; 'Demers Julie'; 'Sharon Gaudet'; 'Bev Geddes'; 'Lisa Driscoll'; 'Louise Désilets'; 'karen.steele@novascotia.ca'; 'sylvia.parsons@gov.ab.ca'; Achtemichuk, Melanie FIN:EX; Chen, Angel FIN:EX
Subject: CBA paper

s.16

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Copyright

Dillon, Brian FIN:EX

From: James, Harry FIN:EX
Sent: Monday, February 23, 2015 7:59 AM
To: Dillon, Brian FIN:EX
Cc: Chong, Frank FIN:EX
Subject: Elder Abuse

Hi Brian,

A story from CBC news that puts a slightly different spin on the elder abuse situation – dementia – where instead of the person being taken advantage of, because of dementia, they themselves actually cause harm by there decisions. The end result is the same – better diligence by the financial institutions when a transaction looks out of the ordinary.

<http://www.cbc.ca/news/canada/british-columbia/dementia-patients-wives-battle-sun-life-bmo-over-costly-missteps-1.2965408>

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Thursday, February 19, 2015 9:55 AM
To: Wood, Heather FIN:EX
Subject: Commission Materials
Attachments: 02 18 2015 Commission Meeting Package.pdf

s.13

Carolyn

From: Withnell, Kiah FIN:EX
Sent: Wednesday, February 18, 2015 9:10 AM
To: Rogers, Carolyn FIN:EX
Subject: Commission/CUDIC Board Materials

Hi Carolyn,

Commission and CUDIC Board packages as promised!

Kiah Withnell, Executive Assistant
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604 660-3532
www.fic.gov.bc.ca

**Financial Institutions Commission
Commission Meeting**

FICOM Boardroom, 28th floor, 555 West Hastings Street, Vancouver, B.C.

February 18, 2015

12:15 p.m. to 2:30 p.m.

s.13,s.14,s.17

Date and Time of Next Meeting	April 8, 2015 @ 12:00 p.m.
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Page 211 to/à Page 214

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Page 215

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s.13;s.17

Page 216 to/à Page 237

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Non-Compliant Filings Administrative Penalty Guideline

BC AUTHORIZED FINANCIAL INSTITUTIONS

FEBRUARY 2015



Financial
Institutions
Commission

INTRODUCTION

This guideline sets out the structure the Financial Institutions Commission (the Commission) uses when considering whether to administer penalties for late or non-compliant statutory filings or returns – the Non-Compliant Filings Administrative Penalty (NFAP) Guideline.

The NFAP guideline was developed to administer penalties ordered for contraventions of provisions that require a financial institution (FI¹) and/or its directors, officers, auditors or owners to file a statutory filings or return. The Commission is not bound to follow the guideline when making decisions on penalties. However, it does provide an approach to what would, in the normal course, influence the decision to order a penalty.

BACKGROUND

Section 253.1 of the *Financial Institutions Act* (FIA) permits the Commission² to order an administrative penalty for contraventions of prescribed provisions of the legislation. The Administrative Penalties Regulation (APR) sets out which provisions are subject to penalty, who can be liable for a penalty³, and the maximum amount that can be ordered⁴.

A list of legislative provisions subject to NFAP is set out in Appendix 1.

Updated lists of submissions required from different types of institutions are published on the Financial Institutions Commission's (FICOM) website. For more information about the statutory filings or returns required to be filed and related filing instructions, please go to the [FICOM](#) website.

EXPECTATIONS AND COMPLIANCE

FICOM expects regulated FIs to have appropriate processes in place to ensure that any statutory filing or return is submitted:

- in the form and manner prescribed in the relevant filing instructions;
- complete;
- error free; and
- by the required due date.

FICOM uses a risk-based supervisory framework to ensure sound business practices at FIs and if necessary to determine whether intervention is necessary. As part of its regulatory oversight and supervisory work, FICOM uses information contained in statutory filings and returns to make its regulatory decisions. Therefore, FICOM expects these filings and returns to not only be

¹ FI does not include captive insurance companies.

² The Commission has delegated its authority to the Superintendent of Financial Institutions to order penalties where the amount for a penalty sought is, in the case of an individual \$10,000 or less and in the case of a corporation \$25,000 or less. It is anticipated that most NFAP penalties will fall within that delegated authority.

³ Corporations and/or individuals can be liable for a penalty.

⁴ The amounts set out in the APR are maximum amounts. The actual amount of penalty ordered will depend on the scope, nature and severity of the contravention.

submitted on time, but also to be complete and error free. Ordering an administrative penalty⁵ is one way for the Commission to promote compliance with the filing requirements.

NFAP GUIDELINES

The purpose of this guideline is to encourage timely filing compliance and provision of accurate information. Penalties may be incurred on the basis of per diem, base rate or both. The following table outlines the penalty amounts for contraventions. The amounts are scaled based on the asset size of FIs.

Financial Institution Total Assets	Per Diem Penalty	Base Rate Penalty
Greater than \$1 billion	\$250	\$1,000
Greater than \$300 million but less than or equal to \$1 billion	\$150	\$600
Less than or equal to \$300 million	\$100	\$400
Individuals (no scaling)	\$50	\$75

For a first contravention, an advisory notice will be given and no penalty be assessed⁶. This warning reflects the non-punitive intent and provides FIs an opportunity to update non-compliant procedures. For subsequent contraventions, a penalty will be assessed to incentivize compliance. The initial penalty depends upon the scenario of non-compliant filing and is considered a “base amount” if non-compliance persists.

Scenarios ⁷	Year 1	Year 2 (base amount)	Year 3 (base amount * escalation factor)
Late	Warning – no penalty	Per diem + base rate	Subsequent offence
Late + Incomplete	Warning – no penalty	Per diem + base rate	Subsequent offence
Incomplete	Warning – no penalty	Per diem	Subsequent offence

The base amount of the penalty is determined by the scenario of the non-compliant filings. “Incomplete” filing penalties will be decided based on the number of days it takes to remediate the non-compliance. Using a “per diem” is meant to encourage swift rectification of late or incomplete filings. Filings that are received “late” or “incomplete” have a per diem charge plus a “base rate”. The base rate is intended to encourage filings to be made by the deadline date.

⁵ Any funds collected from administrative penalties will go to the British Columbia government consolidated revenue fund and are not retained by FICOM.

⁶ The Commission is not bound by staff recommendations. See “Administrative Penalties” section.

⁷ See Appendix 2 for definitions.

Penalties will be assessed using two potential components – the base amount and an “escalation factor” that is used for subsequent non-compliance. Escalating penalties will be imposed in circumstances of subsequent contraventions. In calculating the penalty, an escalation factor correspondent to the number of cumulative incidents of non-compliance is multiplied by the base amount in determining the final penalty amount. Please see Appendix 2 for further details and examples on the penalty structure.

After three years of continuous clean filings, the penalty structure set out above will be reset to zero. This would mean that the next contravention would result in a recommendation that a warning be issued.

ADMINISTRATIVE PENALTIES

If, in the opinion of the Commission⁸, a contravention has occurred, the Commission will then decide whether to order an administrative penalty. Assuming the result if the choice to order an administrative penalty, the amount of the penalty to be applied is at the discretion of the Commission.

In applying discretion, the Commission may consider the following factors: a review of previous enforcement actions for contraventions of a similar nature by FIs and/or individual; the gravity and magnitude of the contravention; the extend of the harm to others resulting from the contravention; whether the contravention was repeated or continuous; whether the contravention was preventable; and the extent to which the FI and/or individual attempts to correct the cause of contravention.

There may be extenuating circumstances which do not allow for timely filing. FICOM is willing to forego assessing penalties where there are extenuating circumstances. Notification should be made as soon as possible in advance of the deadline. FIs should contact FICOM directly with requests.

Advisory Notice

When staff identifies that a filing or return is late or incomplete, staff will provide the FI or filer with an advisory notice. The advisory notice is not a notice of penalty. Administrative penalties can be ordered up to two years after the date⁹ that the infraction first comes to the attention of the Commission. The purpose of this advisory is to bring the matter to the attention of the filer so that appropriate remediation action can be taken. Typically the decision on whether to order an administrative penalty will be made after a complete filing is received.

Notice of Penalty

If an administrative penalty is to be ordered, the party subject to the penalty will receive a written

⁸ See footnote 2.

⁹ The time limit of 2 years is set out in the legislation. Under FIA s 253.1(15), “The time limit for serving an administrative penalty notice under subsection (1) is 2 years after the date that the Superintendent or the Commission first had knowledge of the facts on which the notice of contravention is based, whichever is earlier”.

notice setting out:

- the contravention and any evidence supporting the finding of the contravention;
- the amount of the penalty;
- the date by which the party must pay the penalty; and
- the process and deadlines for the party to dispute the penalty and/or amount of penalty.

If a penalty is ordered against a FI, the Commission may also impose an administrative penalty on any officer, director or agent of the FI who authorized, permitted or acquiesced in the contravention.

Upon receipt of a Notice of Penalty, the party receiving the notice has 14 days to either pay the penalty or deliver a written notice to the Commission stating that they are disputing the penalty and/or the amount of penalty.

DISPUTE PROCESS

Every party subject to an administrative penalty has the right to dispute the penalty and/or amount.

For penalties below a certain amount, (in the case of an FI, less than \$5,000, and in the case of an individual, less than \$2,500), the dispute must be through a written submission. If the penalty is above those amounts, (\$5,000 or more for an FI, or \$2,500 or more for an individual), the party subject to the penalty has the option of disputing the penalty by written submission or by an oral hearing. The Notice of Penalty will clearly state the dispute process available.

If a party wishes to dispute, they must provide the Commission with a written notice of intention within 14 days of receipt of the Notice of Penalty. This notice of intention needs to stipulate:

- what is being disputed (i.e., the penalty, the amount, or both); and
- the method of dispute (written or oral, if an oral hearing is an option).

The notice of intention does not need to articulate the dispute – such information can be provided through a later submission. However, if a party wishes to include a written submission with the notice they can do so.

Written Dispute

If a party is disputing by written submission, the complete submission must be received by the Commission no later than 30 days after receipt of the Notice of Penalty. The written submission must clearly articulate the reason for the dispute and the facts that the Commission should take into consideration as part of its review of the decision including any extenuating circumstances that prevented compliance from occurring.

The submission must be made by the individual named or their legal counsel, or in the case of a

corporation, by its authorized representative.¹⁰

Requests received after the 30 days deadline will normally not be considered. Before the submission is considered, staff may seek clarification from the affected party on any points raised in the submission. Parties may provide evidence for consideration of the Commission and it may be in the form of a statutory declaration.

Oral Dispute

If a party wishes to proceed by oral hearing (where such an option is available), the Commission will acknowledge receipt of the request and will schedule a hearing. Hearings will be held within a reasonable time.

Decision on Dispute

All disputes (written or oral) are considered by the original decision maker – the Commission¹¹. If the Commission confirms that a contravention has occurred, then the Commission may under section 253.1(8) of the FIA:

- by Order confirm the penalty specified in the Notice of Penalty;
- order a lesser penalty; or
- order no penalty.

If an Order is issued under section 253.1(8), the Order will set out the:

- contravention;
- amount of the administrative penalty (if applicable);
- payment due date (if there is an amount to be paid); and
- right to appeal.

If the Commission determines that a contravention has not occurred, then written confirmation will be provided that no penalty is ordered.

If any Order is issued then the party must, within 30 days after receiving the Order:

- pay the penalty; or
- file a Notice of Appeal.

If an Order is issued, that Order may be published by the Commission.

Penalties cannot be increased over the amount originally specified in the Notice of Penalty.

¹⁰ Acceptable representatives for corporations include a senior officer such as the Chief Executive Officer, the Chief Financial Officer, the Corporate Secretary, the Chief Compliance Officer, the Chief Agent (branches of foreign companies), or legal counsel.

¹¹ Or delegate, see footnote 2.

APPEAL PROCESS

If, after considering a dispute regarding an administrative penalty, the Commission confirms the contravention and issues an Order under section 253.1(8) of the FIA, then the party subject to the Order can appeal the penalty. Appeals can only be initiated after the penalty is disputed and an Order has been issued. The appeal process depends on who issues the Order. Any appeal of an Order stays that Order until disposition of the appeal.

Commission Orders

If the Order is made by the Commission, any appeal must be made to the Supreme Court. Any such appeal is an appeal on the record which is:

- the record of oral evidence, if any, before the Commission;
- copies or originals of documentary evidence before the Commission;
- other things received as evidence by the Commission;
- the Commission's decision;
- the written reasons for the decision, if any.

Superintendent Orders

If the Order is made by the Superintendent, any appeal must be made to the Financial Services Tribunal (FST).

Any such appeal is an appeal on the record and must be based on written submissions. The record consists of:

- the record of oral evidence, if any, before the Superintendent;
- copies or originals of documentary evidence before the Superintendent;
- other things received as evidence by the Superintendent; and
- the decision and written reasons for it, if any, given by the Superintendent.

The FST may also consider oral submissions. For further information about appealing a decision to the FST, refer to the FIA¹² and the FST website.

¹² Refer to section 242.2 of the FIA.



Financial
Institutions
Commission

Financial Institutions Commission

2800 - 555 West Hastings Street
Vancouver, BC V6B 4N6
www.fic.gov.bc.ca

Reception: 604 660 3555
Toll Free: 866 206 3030
Fax: 604 660 3365
General email: FICOM@ficombc.ca

APPENDIX 1

Provisions Related to Non-Financial Filings and Financial Returns subject to NFAP¹

Column 1 Prescribed provision of Act or regulation	Column 2 Contravention	Column 3		Column 4	
		Target	Corporation	Individual	
Section 105	Directors or senior officers of BC FI's must submit a Personal Information Return before commencing duties	Directors or Senior Officers of BC FI's		\$1,000	
Section 127 (1)	BC incorporated trust companies and Credit Unions are required to file an annual financial return in a form specified by the Superintendent within 90 days of its financial year end	BC Trust Companies and Credit Unions	\$10,000		
Section 127 (1.1)	BC incorporated insurers and societies are required to file an annual financial return in a form specified by the Superintendent within 60 days of its financial year end	BC Insurers	\$10,000		
Section 127 (2)	BC FI's are required to file any statement it files with a securities regulator, with its members or amendments to its Investment and Lending Policy within 5 days after making or distributing that filing	BC FI's	\$10,000		
Section 127 (3)	BC FI's are required to file periodic filings at intervals and in a form specified by the Superintendent	BC FI's	\$10,000		
Section 163	Extra-provincial FI's are required to file an annual financial return in a form specified by the Superintendent; within 90 days of its financial year end for an extra-provincial trust; within 60 days of its financial year end for an extra-provincial insurer	Extra-provincial FI's	\$10,000		
Section 195 (1)	Authorized insurance societies must file the results of the valuation of its contracts with their annual reports	Insurance Societies	\$50,000		

¹ All items must be filed directly with Information Management, Financial Institutions Division Suite 2800 - 555 West Hastings Street, Vancouver, BC V6B 4N6

APPENDIX 2

NON-COMPLIANT FILINGS ADMINISTRATIVE PENALTY (NFAP) CRITERIA

This appendix sets out the criteria that staff of the Financial Institutions Commission (FICOM) intends to use in determining whether to recommend an administrative penalty for any statutory filing, return or notice that is filed late or incomplete.

For more information on which provisions of the FIA are subject to NFAP, see Appendix 1. For more information about the actual filings required, see FICOM's [website](#).

Criteria

Late

Staff will consider a filing or return to be "late" if it is not received in FICOM's office in a complete form prior to 4:31pm Pacific time (daylight or standard) on the due date (unless a request for forbearance has been granted by FICOM).

The due dates for most filings and returns are prescribed by statute. However, some are set out in instructions or notices. They can take two forms: a date specific form such as December 31, or a set number of days (e.g. 90 days after fiscal year end, or 30 days before the transaction occurs).

The following will be used by staff for the purpose of calculating whether a filing is late:

- Unless instructions are provided to the contrary, any reference to days means calendar days, not business days. All due dates are calculated in accordance with s.25 of the *Interpretation Act*.
- Where the prescribed due date for any filing or return falls on a Saturday, Sunday or statutory holiday, the due date (for NFAP purposes) is 4:30 pm Pacific time on the first following business day.
- Any filing or return that is provided through an electronic transmission must be received by FICOM by the due date.
- Any filing or return sent by post must be received by FICOM by the due date (or have a post mark of no less than five calendar days prior to the due date).
- Any filing or return delivered by courier must be received by FICOM by the due date.

Upon receipt of a filing or return, staff will compare the received date to the due date. If the date received exceeds the due date and no prior forbearance has been granted, staff will consider the

filing to be late and will recommend an administrative penalty be applied. If a per diem based penalty is under consideration, staff will recommend it apply for each overdue day.

Some filings may have different due dates for different documents within the filing. These are treated as one filing. For example, part of the annual filing for foreign branch insurers is due within 60 days after the calendar year end and part is due May 31st. This filing will be deemed to be late if either deadline is not met, but the filing will only attract one assessment of penalty.

Incomplete

Staff will consider a filing or return to be “incomplete”, and therefore not filed in compliance, if:

- It is not made in the form and manner prescribed in the relevant filing instructions or fails to satisfy all of the applicable validation rules; or
- It does not include all the required pages, schedules or documents.

Late penalties will apply to any filing considered to be “incomplete”.

“Late and Incomplete”

Staff will consider a filing or return to be “late and incomplete” if the criteria for “late” and “incomplete” are both met.

Penalty Structure

Staff will recommend penalties that are designed to encourage timely and accurate submissions. Penalties are made of two components – the base rate¹, which is determined by the scenario of contravention, and the escalation factor, which is based on the number of previous contraventions. The escalation factor is used as a multiplier in setting the final penalty amount.

Two examples are provided below to demonstrate penalization guidelines.

EXAMPLE ONE

Recommendations for a FI with assets of less than or equal to \$300 million:

** Please see next page*

¹ See NFAP Guidelines

	Year 1	Year 2	Year 3	Year 4	Year 5
Contravention Scenario	Late	Late	Late	Late & Incomplete	Incomplete
Base Amount	\$100 per diem + \$400 base rate	\$100 per diem + \$400 base rate	\$100 per diem + \$400 base rate	\$100 per diem + \$400 base rate	\$100 per diem
Escalation Factor	0	1	2	3	4
Recommended Penalty	Warning	\$100 per diem + \$400 base rate	\$200 per diem + \$800 base rate	\$300 per diem + \$1,200 base rate	\$400 per diem

On first identified contravention, the FI is issued a warning. Penalties for subsequent contraventions are recommended at the appropriate base amount multiplied by the escalation factor. As indicated, any scenario of contravention will increase the escalation factor.

EXAMPLE TWO

Recommendations for a FI with assets of greater than or equal to \$300 million but less than \$1 billion:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Contravention Scenario	Late & Incomplete	Incomplete	On time & Complete	On time & Complete	On time & Complete	Late
Base Amount	\$150 per diem + \$600 base rate	\$150 per diem	No penalty	No penalty	No penalty	\$150 per diem + \$600 base rate
Escalation Factor	0	1	1	1	1	0
Recommended Penalty	Warning	\$150 per diem	No penalty	No penalty	No penalty, reset to zero	Warning

FICOM staff will recommend the reset of the escalation factor to zero after three continuous years of clean record. This reset includes the reinstatement of a warning.

Please note the examples are considered on an annual basis whereas an FI has numerous intra-year filings that are subject to NFAP Guidelines.

Filers are reminded that FICOM is willing to forego penalties for valid reasons and that requests should be made to Information Management as soon as possible before the deadline.

Validation & Staff Review

FICOM staff uses two processes to determine if there is non-compliance: validation and staff review.

Validation is the application of mathematical rules that test the data for internal consistency. There are two validation processes in place:

- **Software Validation**

Some of the software packages used for financial returns contain internal validation features which generate error and warning messages if the validation rules are not met. Where these features exist, financial institutions (FIs) must use those built in validation procedures and ensure that all errors and warning messages are addressed before the filing or return is submitted to FICOM.

FICOM will generally expect the reports verifying that the file has been validated be provided with the filing.

- **FICOM's own Validation Rules**

FICOM has established its own validation rules for financial returns filed by FI's. For financial returns used by credit unions, the rules are posted on FICOM's website at <https://ficbc.ca/>. For financial returns filed by insurance companies and trust companies the website link is <http://www.fic.gov.bc.ca/>.

Generally validation is checked upon receipt of a filing or return. Any filing that cannot be validated will be considered an incomplete filing and will not be accepted. If a filing is not accepted it will be subject to an administrative penalty assessed based on the time it takes to receive a revised filing that is validated.

Please note, filings and returns are also subject to review by FICOM staff. This process includes analytical review, trend analysis, and reasonability tests. Due to year end filing volumes, FICOM may not be able to immediately commence a review. However, that does not preclude levying a penalty if during the course of the review staff believes the filing contains errors. In such situations, a penalty can be considered for an erroneous filing. Filings are only subject to one

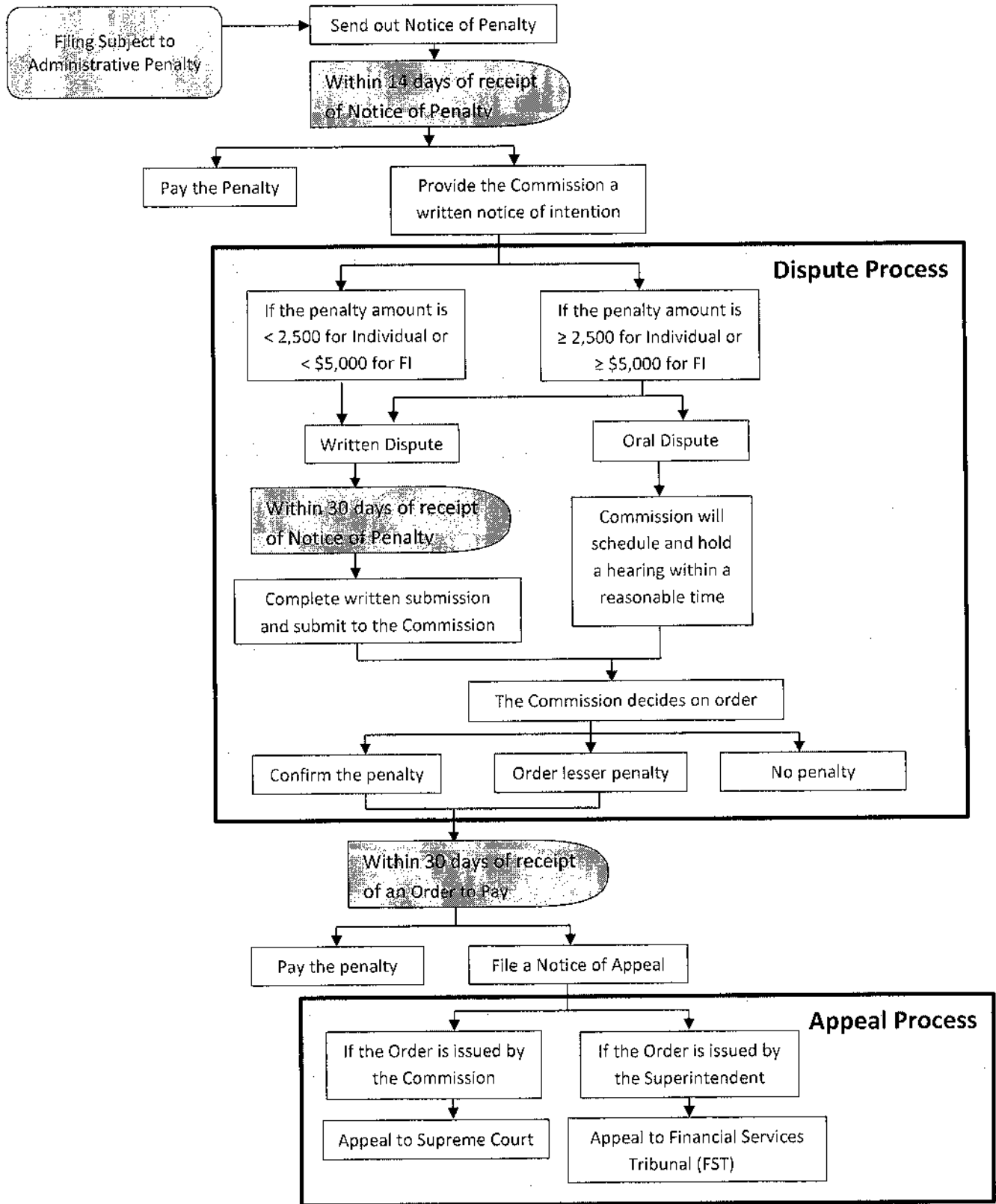
penalty. So if the filing had previously been subject to NFAP penalty, no penalty will be recommended for the subsequent errors but an advisory will be issued by staff.

Notification

Filers are responsible for ensuring that any filing or return submitted is on-time, complete and error free. Upon identification of a late or incomplete filing, FICOM staff will advise the filer of the problem. This notice is not a notice of penalty. Notices of penalty will be provided only after a decision to levy an administrative penalty has been made, which decision will typically not be made until after the filing is considered to be complete.

APPENDIX 3

Non-Compliant Filings Administrative Penalty Guideline and Process





Date: January 30, 2015
File No.: 70000-03
Ref. No.: 1297

To: All CEOs/General Managers/Chief Agents of British Columbia Authorized Financial Institutions (Credit Unions, Trust Companies, P&C and Life Insurers)

Re: Non-Compliant Filings Administrative Penalty Guide – Final

The Financial Institutions Commission (FICOM) is issuing the final version of its Non-Compliant Filings Administrative Penalty Guideline (guideline). The guideline was developed to administer penalties ordered for contraventions of statutory filing requirements. The guideline is revised from the draft version released for consultation and has taken into consideration feedback from the financial institutions and other stakeholders.

Financial institutions are expected to be aware of its regulatory requirements, including its statutory filings deadlines and requirements, and to comply with them.

A guideline annex, addressing feedback from the consultation period, is attached for more information.

If you have any questions regarding the guideline, please contact Tiffany Mak, Senior Analyst, Information Management, at Tiffany.Mak@ficombc.ca.

Yours truly,

Stanley Chang
Director, Information Management

Enclosures

TM/ac

- Superintendent of Financial Institutions
- Superintendent of Pensions
- Superintendent of Real Estate
- Registrar of Mortgage Brokers

2800-555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca

APPENDIX 6

NON-COMPLIANT FILINGS ADMINISTRATIVE PENALTY GUIDELINE

Summary of Consultation Comments and Financial Institutions Commission (FICOM) Responses

TOPIC	INDUSTRY COMMENT	FICOM RESPONSE
<ul style="list-style-type: none"> Discretion 	<ul style="list-style-type: none"> The Guideline should define “normal circumstances”. Consideration should be given to FIs who submit a plan to correct filing problems or who miss deadlines due to significant events. Resets should occur after 3-5 years of clean filing. Are there additional fines. Under what circumstances will FICOM deem multiple penalties appropriate and would the same penalty be ordered against both FI and individual. 	<ul style="list-style-type: none"> There is no specific definition as administrative penalties are levied at the discretion of the Commission. Warnings are issued for a first time offence and extensions may be requested. Repeat violation factors are forgiven after three years of clean record. See NFAP Guide for further details. Penalties can be levied up to the amounts set out in the Administrative Penalties Regulation legislation. Per legislation, there is only 1 penalty per offence, e.g. if a filing is both late and erroneous, there is only 1 penalty although the same penalty can be ordered against both the FI and individual
<ul style="list-style-type: none"> Submissions & Extensions 	<ul style="list-style-type: none"> Send reminder letters with list of required documents before year-end When is electronic submission considered to be received and what forms of proof of transmission confirmation is accepted by FICOM Should provide guidance on requesting extensions 	<ul style="list-style-type: none"> All filing requirements are posted on FICOM’s web site Documents are date stamped on receipt. FICOM is working on a secure file transfer system that will in the future provide electronic confirmation of submission Filers needing an extension should contact FICOM as soon as possible in advance of a deadline.
<ul style="list-style-type: none"> Appeals 	<ul style="list-style-type: none"> What is considered a “reasonable” timeframe with respect to Oral Dispute Hearings Independent mediator should be assigned to review file in dispute process Concerns with tight timelines in dispute process 	<ul style="list-style-type: none"> Generally, the Commission will try to schedule a meeting within 60 days. However, the time frame depends on the availability of the Commission. The legislation states disputes are to be considered by the Commission or its delegate. Further appeal is possible through independent appeal processes via the Financial Services Tribunal or Supreme Court. Timelines in the dispute process are stated in the legislation.
<ul style="list-style-type: none"> Personal Information 	<ul style="list-style-type: none"> PIR is an issue. Election takes place at annual general meeting and directors commence duties at the end of the 	<ul style="list-style-type: none"> In election situations where a successful nominee will immediately assume duties, PIRs should be submitted in

APPENDIX 6

Returns (PIR)	<p>meeting; impossible to submit PIR before commencing duties</p> <ul style="list-style-type: none"> • Uncertain if a PIR is required for nominees. • If the Criminal Record Check (CRC) is delayed, is the PIR is considered incomplete. 	<p>advance. Refer to PIR FAQ for further details.</p> <ul style="list-style-type: none"> • PIRs for nominees are not required. • If CRC is delayed, PIR is not considered incomplete, only the PIR form is required to be submitted before a director or senior officer commences duties, other documents like resume and CRC can be submitted later. Refer to PIR FAQ for further details.
<ul style="list-style-type: none"> • General 	<ul style="list-style-type: none"> • Concerns about “penalties can be ordered up to 2 years after infraction” • All regulatory filings should be subject to NFAP 	<ul style="list-style-type: none"> • Time limit of 2 years is stated in the legislation. • Other filings are still covered under the Administrative Penalties Regulation legislation and can be subject to penalty. We may consider other provisions for NFAP at a later date.

Page 258 to/à Page 266

Withheld pursuant to/removed as

s.12;s.13

Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Thursday, February 12, 2015 1:19 PM
To: Wood, Heather FIN:EX
Cc: Hagar, Vanessa A. FIN:EX; Withnell, Kiah FIN:EX
Subject: RE: Meeting w/ Helen deVal, Commission Chair
Attachments: 15-0134-BN-for commission.docx

Ah, I thought that might be the case and I told Helen that was a possibility. You may run into her on Tuesday anyway but I will pass along your willingness to meet and we will work at our end, with Vanessa and Beth, to get something set up. Just FYI, I have attached the note that we prepared for discussion at the Commission meeting next week to gather input from the Commission on how they would like to organize their participation in the FIA Review. I ran it by Beth and got her input which was helpful.

From: Wood, Heather FIN:EX
Sent: Thursday, February 12, 2015 1:08 PM
To: Rogers, Carolyn FIN:EX
Cc: Hagar, Vanessa A. FIN:EX; Withnell, Kiah FIN:EX
Subject: RE: Meeting w/ Helen deVal, Commission Chair

Hi Carolyn,

s.22

I think I am supposed to be in the budget "lock up" with the media and stakeholders on Budget Day
s.22

Let's definitely try to get together (the three or four of us) very soon. I could come over to Vancouver in the next few weeks – if someone can identify a day or two that might work, I'll make the arrangements.

Heather

From: Rogers, Carolyn FIN:EX
Sent: Thursday, February 12, 2015 1:00 PM
To: Wood, Heather FIN:EX
Cc: Hagar, Vanessa A. FIN:EX; Withnell, Kiah FIN:EX
Subject: Meeting w/ Helen deVal, Commission Chair

Hi Heather,

Helen is coming over to Victoria on Tuesday next week for Minister deJong's budget speech. Appreciating that it is short notice, she asked me to see if you might be available for a short meeting / cup of coffee. There is no specific issue or formal agenda for the meeting. It's just an opportunity to say hello. Kiah will connect with Vanessa to see if we can make the calendars' work. If it doesn't come together, perhaps we can find another time in the near future for the meeting and also include Beth.

Carolyn

Page 269 to/à Page 271

Withheld pursuant to/removed as

s.12;s.13

Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Thursday, February 12, 2015 4:28 PM
To: Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; Wood, Heather FIN:EX
Subject: Fwd: Financial Institutions Act - Regulatory Amendments
Attachments: Ministry of Finance LTR re Regulatory Changes Feb 11-15.pdf; ATT00001.htm

Hi Beth - Heather may already have forwarded this along. Let us know what we can do to assist on a response. s.13
s.13

Sent from my iPad

Begin forwarded message:

From: Jennifer Hiebert <jhiebert@central1.com>
Date: February 12, 2015 at 8:57:31 AM PST
To: "heather.wood@gov.bc.ca" <heather.wood@gov.bc.ca>
Cc: "FIN.Minister@gov.bc.ca" <FIN.Minister@gov.bc.ca>, Carolyn Rogers <carolyn.rogers@ficombc.ca>
Subject: Financial Institutions Act - Regulatory Amendments

Good morning,

Please see attached letter from Elmer Epp, Chairperson, Legislative Committee of Central 1 Credit Union.

Jennifer

Jennifer Hiebert

Executive Assistant, Corporate Relations

Central 1 Credit Union

1441 Creekside Dr.,

Vancouver, B.C. V6J 4S7

Telephone: 604.737.5053

Fax: 604.714.5862

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Withheld pursuant to/removed as

s.21;s.17

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, February 10, 2015 3:28 PM
To: Cole, Elizabeth FIN:EX; Wood, Heather FIN:EX
Subject: FIA consultation paper

Hi Heather, Beth,

I want to get your general thoughts / direction on how best to include the Commission in the FIA Review Process and more specifically, to ask you whether you feel it would be OK to provide them with the current draft of the consultation paper in advance of its release. The Commission meets next week and we are putting the finishing touches on the meeting package to send out to them. The Commission is, of course, very interested in the FIA Review so we have had a standing item on the agenda for the last six months or so to brief them on the preparations including the round table meetings, etc. So they are aware that a paper is in the works. My sense is that they are looking to staff for direction on how they will be consulted / included in the review process. We have so far avoided any specific commitments, stressing that the process is being led by FCSPB and not FICOM but at the same time, we have assured them that they would have the opportunity to weigh in.

s.13

- 1) Include a copy of the draft consultation paper in their meeting materials for next week, stressing that: a) its draft and highly confidential/ may not be shared or discussed / may change before final release which may be several weeks out yet...if not more.
- 2) Ask for their thoughts on how they would like to be involved / consulted and advise them that we will share those thoughts with you and together we will bring forward a draft plan to their next meeting (first week of April) for discussion. Perhaps at that meeting one or both of you could attend?

Does this work for you? Open to any alternatives / suggestions as always. If you could get back to me soon I would be very appreciative as we are hoping to get the meeting materials out tomorrow or the following day. Sorry for the short notice...

Carolyn

Carolyn Rogers
Chief Executive Officer & Superintendent
Financial Institutions Commission

Dillon, Brian FIN:EX

From: Rastan, Mehrdad FIN:EX
Sent: Friday, February 6, 2015 10:39 AM
To: Dillon, Brian FIN:EX
Cc: Lai, Simon FIN:EX
Subject: FICOM - s.13

Hi Brian,

s.13

Regards,

Mehrdad

Mehrdad Rastan, Executive Director, Risk Surveillance & Analytics
Financial Institutions Commission - Ministry of Finance
2800-555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.306.2714 | Fax 604.660.3365
www.fic.gov.bc.ca

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=====
From: Dillon, Brian FIN:EX
Sent: Thursday, February 5, 2015 4:18 PM
To: Chen, Angel FIN:EX
Cc: Toovey, Kari FIN:EX; Gill, Marcus A FIN:EX
Subject: RE: teleconference with FICOM

Angel: I am available on either date. Can you ask Frank to send or have someone in his group send an email indicating what issue/s he would like to discuss. Depending on the issues, Kari may join us. Thanks, Brian

Page 278

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s.12;s.14;s.13

Page 279 to/à Page 285

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s.14;s.13

Page 001

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Page 002 to/à Page 008

Withheld pursuant to/removed as

s.14;s.13

Page 009 to/à Page 016

Withheld pursuant to/removed as

s.12;s.14;s.13

Toovey, Kari FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, January 20, 2015 11:10 AM
To: Cole, Elizabeth FIN:EX; Wood, Heather FIN:EX; Gill, Marcus A FIN:EX; Chong, Frank FIN:EX; James, Harry FIN:EX; Achtemichuk, Melanie FIN:EX; Burns, Molly FIN:EX; Vandall, Jonathan FIN:EX
Cc: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX
Subject: RE: DRAFT FIA/CUIA Review Paper

No concerns from me Beth. Thanks for making the few small changes we sent on Friday. I think you and the team have done an excellent job pulling together a very comprehensive paper in a relatively short time. Compliments to all!

From: Cole, Elizabeth FIN:EX
Sent: Monday, January 19, 2015 5:31 PM
To: Wood, Heather FIN:EX; Rogers, Carolyn FIN:EX; Gill, Marcus A FIN:EX; Chong, Frank FIN:EX; James, Harry FIN:EX; Achtemichuk, Melanie FIN:EX; Burns, Molly FIN:EX; Vandall, Jonathan FIN:EX
Cc: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX
Subject: DRAFT FIA/CUIA Review Paper

Hello,

This is the current version of the FIA/CUIA review initial consultation paper.

The 1st doc tracks all the changes since the last version – they are almost all minor edits for clarity/flow.

Note that a glossary and a table have contents have been added (although didn't track those changes).

The 2nd doc is a clean version.

Please let me know ASAP – ideally by noon tomorrow – if any concerns.

Thanks,

Beth

Bridge, Jannea FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, January 20, 2015 12:28 PM
To: Wood, Heather FIN:EX
Cc: James, Harry FIN:EX; Hagar, Vanessa A. FIN:EX; Cole, Elizabeth FIN:EX
Subject: FW: Canadian Association of Financial Institutions in Insurance (CAFII) Letter Re Life Licence Qualification Program Modernization Initiative
Attachments: CAFIILetterofSupportforLLQP-EN_bc_mdejong.pdf

Hi Heather – I note Vanessa was sent a copy so you likely have received this by now. It's strange that were not also copied. I can send a note to Brendan to make sure he has your contact info and includes you in the future if you like? We may also want to introduce Beth and her role in leading the FIA review. CAFII was one of the invitees to the round table and my recollection is they sent one of their members from TD.

If the MO wants a response to this letter we are happy to draft / help draft it.

Carolyn

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]
Sent: Tuesday, January 20, 2015 8:23 AM
To: Hagar, Vanessa A. FIN:EX; deJong,MLA, Mike LASS:EX
Cc: Freeman, Lisa FIN:EX; Rogers, Carolyn FIN:EX; gmatier@insurancecouncilofbc.com
Subject: Canadian Association of Financial Institutions in Insurance (CAFII) Letter Re Life Licence Qualification Program Modernization Initiative

January 19, 2015

The Honourable Michael De Jong, QC
Minister of Finance
PO Box 9048, Stn. Prov. Govt.
Victoria, British Columbia V8W 9E2

Dear Minister:

As Board Chair of the Canadian Association of Financial Institutions in Insurance (CAFII), I'm writing to inform you of our Association's support for the Life Licence Qualification Program (LLQP) modernization effort being led by the Canadian Insurance Services Regulatory Organisations (CISRO) LLQP Committee; and to outline our views on a number of related interprovincial harmonization issues which are germane.

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Central to our mandate is improving access for the vast under-served middle market of Canadians to simple, straightforward insurance products through a variety of distribution channels. Further elaboration on this is found in the *Background on CAFII* appended to this letter.

As noted in our letter to CISRO dated February 21, 2014, it is CAFII's view that after more than a decade of experience with the current, first iteration of the LLQP, it is an appropriate time to fully harmonize, review and update the program. Since 2012, our Association has been a participant in a series of iterative, open consultation discussions with CISRO on how best to improve the LLQP, for the benefit of consumers and the industry. As an organization, we applaud the modernization initiative.

CAFII believes that the modular LLQP model will benefit consumers, by helping to ensure that all new agents have the minimum required entry level proficiency in each key area.

Interprovincial Harmonization

Importance of Labour Mobility and Mutual Recognition of Licenses in Insurance

Insurance companies are increasingly using direct channels such as the internet and client contact centres to sell coverage in all jurisdictions. Currently, for individual life insurance, contact centres employ LLQP-trained agents, each of whom must hold licences from all jurisdictions serviced by the centre, typically 13 different licences.

It is administratively very costly and cumbersome to manage licensing for 13 separate jurisdictions (including separate background checks; monitoring expiry dates for each jurisdiction; completion of forms; compliance with multiple continuing education, errors and omissions insurance, and notification requirements).

CAFII views a nationally harmonized regulatory model – one which recognizes the importance of the telemarketing channel and alleviates the unnecessary burden imposed by multi-jurisdictional licensing – as an imperative to improve Canadians' access to insurance through flexible and convenient distribution channels.

Ideally, if an agent is duly licensed in one jurisdiction, that license should be recognized by other Canadian jurisdictions under a system of mutual recognition, with no further local requirements imposed, other than registration and fee payments. Making this change will better align with the Agreement on Internal Trade, which stipulates that individuals with recognized skills and qualifications should be able to work in their field in any jurisdiction in Canada, without undue impediment.

Importance of a National Online System for Licensing

CAFII supports CISRO's drive to develop one common proficiency standard for life licensing across Canada, which means that companies will only have to manage one instead of two programs to get agents licensed in all provinces. CAFII and many other industry stakeholders have been asking for standardization in regulatory matters for some time, and the current LLQP harmonization project is a step in the right direction.

CAFII therefore encourages all provinces and territories to join together in an initiative such as the Canadian Insurance Participant Registry (CIPR) being led and rolled out by the Alberta Insurance Council. As a first step in coordinating licensing information on a national basis, it is an encouraging start on addressing a critical need that CAFII has been highlighting for years.

Conclusion

CAFII looks forward to the important impact that a fully harmonized, national LLQP can and should have as a driver of interprovincial harmonization of other positive enhancements to insurance licensing and regulation.

Yours sincerely,



Rino D'Onofrio, Chair
Canadian Association of Financial Institutions in Insurance

c.c. Mr. Peter Milburn, Deputy Minister of Finance
c.c. Ms. Carolyn Rogers, Superintendent of Insurance
c.c. Mr. Gerry Matier, Executive Director, Insurance Council of British Columbia

~~Brendan Wycks, BA, MBA, CAE~~

Executive Director

Canadian Association of Financial Institutions in Insurance

Brendan.wycks@cafii.com

T: 647.218.8243

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January 19, 2015

☞

The Honourable Michael De Jong, QC
Minister of Finance
PO Box 9048, Stn. Prov. Govt.
Victoria, British Columbia V8W 9E2

Dear Minister:

As Board Chair of the Canadian Association of Financial Institutions in Insurance (CAFI), I'm writing to inform you of our Association's support for the Life Licence Qualification Program (LLQP) modernization effort being led by the Canadian Insurance Services Regulatory Organisations (CISRO) LLQP Committee; and to outline our views on a number of related interprovincial harmonization issues which are germane.

CAFI is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Central to our mandate is improving access for the vast under-served middle market of Canadians to simple, straightforward insurance products through a variety of distribution channels. Further elaboration on this is found in the *Backgrounder on CAFI* appended to this letter.

As noted in our letter to CISRO dated February 21, 2014, it is CAFI's view that after more than a decade of experience with the current, first iteration of the LLQP, it is an appropriate time to fully harmonize, review and update the program. Since 2012, our Association has been a participant in a series of iterative, open consultation discussions with CISRO on how best to improve the LLQP, for the benefit of consumers and the industry. As an organization, we applaud the modernization initiative.

CAFI believes that the modular LLQP model will benefit consumers, by helping to ensure that all new agents have the minimum required entry level proficiency in each key area.

Interprovincial Harmonization

Importance of Labour Mobility and Mutual Recognition of Licenses in Insurance

Insurance companies are increasingly using direct channels such as the internet and client contact centres to sell coverage in all jurisdictions. Currently, for individual life insurance, contact centres employ LLQP-trained agents, each of whom must hold licences from all jurisdictions serviced by the centre, typically 13 different licences.

It is administratively very costly and cumbersome to manage licensing for 13 separate jurisdictions (including separate background checks; monitoring expiry dates for each jurisdiction; completion of forms; compliance with multiple continuing education, errors and omissions insurance, and notification requirements).

CAFII views a nationally harmonized regulatory model – one which recognizes the importance of the telemarketing channel and alleviates the unnecessary burden imposed by multi-jurisdictional licensing – as an imperative to improve Canadians’ access to insurance through flexible and convenient distribution channels.

Ideally, if an agent is duly licensed in one jurisdiction, that license should be recognized by other Canadian jurisdictions under a system of mutual recognition, with no further local requirements imposed, other than registration and fee payments. Making this change will better align with the Agreement on Internal Trade, which stipulates that individuals with recognized skills and qualifications should be able to work in their field in any jurisdiction in Canada, without undue impediment.

Importance of a National Online System for Licensing

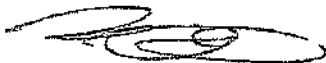
CAFII supports CISO’s drive to develop one common proficiency standard for life licensing across Canada, which means that companies will only have to manage one instead of two programs to get agents licensed in all provinces. CAFII and many other industry stakeholders have been asking for standardization in regulatory matters for some time, and the current LLQP harmonization project is a step in the right direction.

CAFII therefore encourages all provinces and territories to join together in an initiative such as the Canadian Insurance Participant Registry (CIPR) being led and rolled out by the Alberta Insurance Council. As a first step in coordinating licensing information on a national basis, it is an encouraging start on addressing a critical need that CAFII has been highlighting for years.

Conclusion

CAFII looks forward to the important impact that a fully harmonized, national LLQP can and should have as a driver of interprovincial harmonization of other positive enhancements to insurance licensing and regulation.

Yours sincerely,



Rino D’Onofrio, Chair
Canadian Association of Financial Institutions in Insurance

- c.c. Mr. Peter Milburn, Deputy Minister of Finance
- c.c. Ms. Carolyn Rogers, Superintendent of Insurance
- c.c. Mr. Gerry Matier, Executive Director, Insurance Council of British Columbia

BACKGROUNDER ON CAFII AND INDUSTRY ISSUES

About CAFII

The Canadian Association of Financial Institutions in Insurance (CAFII) is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. CAFII was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels.

CAFII members provide insurance through client contact centres, the internet, direct mail, branches of financial institutions, and agents and brokers. CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services.

CAFII's full members are the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Financial Security; National Bank Insurance; RBC Insurance; Scotiabank Financial; and TD Insurance – along with major industry players American Express, Assurant Solutions, Canadian Premier Life Insurance Company, and The CUMIS Group Ltd. CAFII also has 10 Associate members that support the role of financial institutions in insurance.

CAFII members offer creditor's group, travel, life, health, and property and casualty insurance. In particular, creditor's group insurance and travel insurance are the product lines of primary focus for CAFII members.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. CAFII works with government and regulators (primarily provincial) to develop a legislative and regulatory framework for the insurance sector that helps ensure Canadian consumers get the insurance products that suit their needs. Our aim is to ensure appropriate standards are in place for the distribution and marketing of all insurance products and services.

The Under-Served Market and Alternate Distribution

Central to CAFII's mandate is improving access for the vast under-served middle market of Canadians to simple, straightforward insurance products through a variety of distribution channels.

Close to one-third of Canadian households have no life insurance coverage at all and 40% of them find it very or somewhat difficult to find an agent/broker. (Life Insurance Marketing Research Association: Canadian Ownership Households Trends, 2013). Traditional agent and broker channels are not serving younger, low and mid-income Canadians well, largely for compensation structure-related reasons. It is difficult for an agent/broker to make a living from the middle market with smaller needs. An agent/broker would have to sell seven small policies to earn the same amount of commission that a single larger policy would bring in.

Mass market, younger and lower income households need and want access to insurance advice and simple, affordable products. Simple, competitive and cost effective insurance solutions can be made more broadly available through alternate distribution channels such as online, telephone, direct from insurers and branch distribution of creditor and travel products. It is important that regulatory regimes help to foster and support the ongoing growth and development of these channels.

Electronic Commerce

CAFI members utilize the electronic commerce channel extensively, and we share the CCIR's objective of ensuring that consumers are protected while they purchase insurance products in their channel of choice.

Consumers self-select a channel to achieve satisfaction and should not be required to use an agent/broker as this would add redundancy and costs and go against consumers' needs and wants. It is important to have electronic commerce available to consumers for broad access and to reach the under-served market.

Page 025 to/à Page 026

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s.14;s.13

Page 027 to/à Page 028

Withheld pursuant to/removed as

s.13

Toovey, Kari FIN:EX

From: Chong, Frank FIN:EX
Sent: Thursday, January 15, 2015 2:19 PM
To: Toovey, Kari FIN:EX; Cole, Elizabeth FIN:EX
Subject: Re: FIA Review Draft Paper

Thanks.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Toovey, Kari FIN:EX
Sent: Thursday, January 15, 2015 2:13 PM
To: Chong, Frank FIN:EX; Cole, Elizabeth FIN:EX
Subject: RE: FIA Review Draft Paper

s.13

From: Chong, Frank FIN:EX
Sent: Thursday, January 15, 2015 2:08 PM
To: Cole, Elizabeth FIN:EX; Toovey, Kari FIN:EX
Subject: Re: FIA Review Draft Paper

Thanks Beth and Kari.

One minor question:

s.13

Call me if you need me to explain further.

Cheers,
Frank

Frank

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Cole, Elizabeth FIN:EX
Sent: Thursday, January 15, 2015 1:47 PM
To: Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; Burns, Molly FIN:EX; James, Harry FIN:EX
Cc: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX; Vandail, Jonathan FIN:EX; Gill, Marcus A FIN:EX

Subject: FTA Review Draft Paper

Hello,

This version has your example added and one other minor typo fixed.

s.13

We'll be doing another read through too so if any major issues please let Kari or I know.

Thanks,
Beth

Page 031 to/à Page 037

Withheld pursuant to/removed as

s.14;s.13

Toovey, Kari FIN:EX

From: Dillon, Brian FIN:EX
Sent: Monday, January 5, 2015 9:50 AM
To: Achtemichuk, Melanie FIN:EX
Cc: Toovey, Kari FIN:EX; Vandall, Jonathan FIN:EX; Gill, Marcus A FIN:EX
Subject: RE: creditor life insurance

Interesting. Thanks. Brian

From: Achtemichuk, Melanie FIN:EX
Sent: Wednesday, December 31, 2014 10:35 AM
To: Dillon, Brian FIN:EX
Cc: James, Harry FIN:EX
Subject: creditor life insurance

Hi Brian --wanted to pass along this article as it highlights some of the issues in the incidental sales channel, creditors protection and travel insurance, and post-claims underwriting.

<http://www.mortgagebrokernews.ca/news/bank-denies-mortgage-life-insurance-claim-178868.aspx>

Cheers,
MA

Page 040 to/à Page 053

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Page 054 to/à Page 056

Withheld pursuant to/removed as

s.14;s.13

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, December 19, 2014 5:09 PM
To: Cole, Elizabeth FIN:EX
Subject: FW: Central 1 Credit Union, Concentra Financial and SaskCentral sign MOU to explore consolidation of wholesale financial services

Fyi.

From: Chong, Frank FIN:EX
Sent: Friday, December 19, 2014 5:09 PM
To: Rastan, Mehrdad FIN:EX
Cc: Rogers, Carolyn FIN:EX
Subject: Central 1 Credit Union, Concentra Financial and SaskCentral sign MOU to explore consolidation of wholesale financial services

<http://www.central1.com/news/central-1-credit-union-concentra-financial-and-saskcentral-sign-mou-explore-consolidation>

December 18, 2014
Central 1
News Releases

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Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

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Dillon, Brian FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, December 19, 2014 2:17 PM
To: Dillon, Brian FIN:EX; Cole, Elizabeth FIN:EX; James, Harry FIN:EX
Cc: Toovey, Kari FIN:EX; Burns, Molly FIN:EX
Subject: RE: Revised paras

Thanks Brian – we have no concerns on the revised wording.

Regards,
Frank

From: Dillon, Brian FIN:EX
Sent: Friday, December 19, 2014 1:56 PM
To: Cole, Elizabeth FIN:EX; James, Harry FIN:EX
Cc: Toovey, Kari FIN:EX; Chong, Frank FIN:EX; Burns, Molly FIN:EX
Subject: Revised paras

My suggested paras:

s.13

....

Page 060

Withheld pursuant to/removed as

s.13

Bridge, Jannea FIN:EX

From: Chang, Stanley S FIN:EX
Sent: Thursday, December 18, 2014 8:54 AM
To: James, Harry FIN:EX; Cole, Elizabeth FIN:EX; Chong, Frank FIN:EX
Subject: RE: #s in paper

Thanks Harry. I confirm the info below and have no other comments.

Stanley

From: James, Harry FIN:EX
Sent: Thursday, December 18, 2014 8:16 AM
To: Cole, Elizabeth FIN:EX; Chong, Frank FIN:EX; Chang, Stanley S FIN:EX
Subject: RE: #s in paper

s.13

From: Chong, Frank FIN:EX
Sent: Wednesday, December 17, 2014 4:06 PM
To: Cole, Elizabeth FIN:EX
Cc: Chang, Stanley S FIN:EX; James, Harry FIN:EX
Subject: FW: #s in paper

s.13

Frank

From: Chang, Stanley S FIN:EX
Sent: Wednesday, December 17, 2014 3:25 PM
To: Chong, Frank FIN:EX; James, Harry FIN:EX
Cc: Pucar, Jovan FIN:EX
Subject: RE: #s in paper

Hi Frank,

Here is the reconciled table.

s.13

Please forward this to Elizabeth Cole if you are okay with this information.

Let me know if you have any questions.

Stanley

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, December 16, 2014 3:17 PM

To: Chong, Frank FIN:EX; Burns, Molly FIN:EX; James, Harry FIN:EX

Cc: Toovey, Kari FIN:EX

Subject: #s in paper

Hi -

s.13

Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Friday, December 5, 2014 3:54 PM
To: Cole, Elizabeth FIN:EX; Toovey, Kari FIN:EX; Dillon, Brian FIN:EX; Vandall, Jonathan FIN:EX
Cc: Gill, Marcus A FIN:EX; Chong, Frank FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX; Achtemichuk, Melanie FIN:EX
Subject: s.13
Attachments:

s.13

BTW, I'm in Toronto next week in meetings all over the city so will have limited availability.

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Page 065 to/à Page 085

Withheld pursuant to/removed as

s.13

Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Monday, December 1, 2014 12:53 PM
To: Wood, Heather FIN:EX
Subject: Minister Briefing December 1 Outline
Attachments: Minister Briefing December 1 Outline.docx

Final with edit! Thanks!

Page 087

Withheld pursuant to/removed as

s.13

Dillon, Brian FIN:EX

From: Achtemichuk, Melanie FIN:EX
Sent: Monday, December 1, 2014 1:42 PM
To: Cole, Elizabeth FIN:EX; James, Harry FIN:EX; Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Vandall, Jonathan FIN:EX
Cc: Chong, Frank FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX
Subject: RE: Revised Issue Notes

Hi Beth –

Harry forwarded some along on Friday. We are finishing up an additional four and should have those ready for the group by Wednesday.

s.13

Thanks,
MA

From: Cole, Elizabeth FIN:EX
Sent: Monday, December 1, 2014 10:22 AM
To: James, Harry FIN:EX; Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Vandall, Jonathan FIN:EX
Cc: Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX
Subject: RE: Revised Issue Notes

Hi – can we please get the rest of the revised notes from everyone asap? Thanks.

From: James, Harry FIN:EX
Sent: Friday, November 28, 2014 4:21 PM
To: Cole, Elizabeth FIN:EX; Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Vandall, Jonathan FIN:EX
Cc: Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX
Subject: Revised Issue Notes

We have three of the notes revised:

s.13

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Friday, November 28, 2014 4:21 PM
To: Cole, Elizabeth FIN:EX; Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Vandall, Jonathan FIN:EX
Cc: Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; Burns, Molly FIN:EX; Stewart, Keith FIN:EX
Subject: Revised Issue Notes
Attachments: s.13

We have three of the notes revised:

s.13

Harry James, Director, Policy Initiatives
Financial Institutions Commission
Phone 604.660.1935 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
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Page 091 to/à Page 096

Withheld pursuant to/removed as

s.13

Dillon, Brian FIN:EX

From: James, Harry FIN:EX
Sent: Friday, November 28, 2014 8:17 AM
To: Dillon, Brian FIN:EX
Subject: FW: Financial Literacy Update

FYI

From: Carol Shevlin [mailto:Carol.Shevlin@fscsco.gov.on.ca]
Sent: Friday, November 28, 2014 7:21 AM
To: Angela Mazerolle; Brian Mills; Rogers, Carolyn FIN:EX; CCIR-CCRRA; Craig Whalen ; Dan Carlson; Doug Doak; Doug Murphy; Fiona Charbonneau; Ian McIntosh; Jim Scalena; Mark Prefontaine; Patrick Dery; Penny Lee; Robert Bradley
Cc: Alex Lambrecht; Alisha Bell; Anatol Monid; CCIR-CCRRA; Charles Johnston; Darlene Hall; Darrell Leadbetter; David Sorensen; David Weir; Denis Poirier ; McLean, Doug B FIN:EX; Eric Stevenson ; Chong, Frank FIN:EX; James, Harry FIN:EX; Jackie Grant; Janice Callbeck; Jean-Francois Routhier; Jennifer Calder; Julien Reid ; Kelly Franklin; Laurie Balfour; Letitia Miclescu; Louise Gauthier; Mario Beaudoin ; Nathalie Sirois ; Nurez Jiwani; Peter Blandy; Phillip McInnis; Ron Fullan; Scott Moore; Shonna Neil; Tom Golfetto; William Ngu; Alayne Brygadyr-McCoy ; Andrew Willett; Ann Baksh; Bev Blakesley; Carol Shevlin; Dawn Madassa; Heidi Davison; Julie Demers; Karen Steele; Withnell, Kiah FIN:EX; Lesley Thomson ; Maria Masliwec; Marie-Claude Mailhot; Martha Desouza; Burns, Molly FIN:EX; Nelly Ching; Nicole Beaulieu ; Nurez Jiwani; Peter Burston; Rachel Olaso-Pezeshkian; Samantha Saunders; Saveria Villanti; Seta Singh; Sussana Lecusay; Sylvia Parsons
Subject: FW: Financial Literacy Update
CCIR Members,
Forwarding from CLHIA.
Carol

From: Leslie Byrnes [mailto:lbyrnes@clhia.ca]
Sent: November-13-14 10:56 AM
To: Carol Shevlin
Subject: Financial Literacy Update
Hi Carol,

Please feel free to distribute this to CCIR members, if you think it would be of interest. I'll be doing "Financial Literacy Updates" from time to time, and this is the first one. It's written for our members but may be relevant to regulators and others as well. As you may know, I sit on the Financial Literacy National Steering Committee and part of the mandate of that group is that all members be champions for financial literacy within their sectors. This update provides a synopsis of happenings at the national level, and also details various initiatives that CLHIA has undertaken in this field.

If you have any questions, or if you or CCIR members would like more detailed information about any of the contents of this Update, please let me know.

Regards,
Leslie



Financial Literacy Update
November 2014

Page 098 to/à Page 101

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Toovey, Kari FIN:EX

From: Achtemichuk, Melanie FIN:EX
Sent: Wednesday, November 26, 2014 12:25 PM
To: James, Harry FIN:EX; Burns, Molly FIN:EX; Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Vandall, Jonathan FIN:EX
Cc: Chong, Frank FIN:EX; Stewart, Keith FIN:EX; Cole, Elizabeth FIN:EX
Subject: RE: Follow-up Items - FIA Issue Notes

s.13

-MA

From: James, Harry FIN:EX
Sent: Wednesday, November 26, 2014 9:47 AM
To: Burns, Molly FIN:EX; Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Vandall, Jonathan FIN:EX
Cc: Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; Stewart, Keith FIN:EX; Cole, Elizabeth FIN:EX
Subject: RE: Follow-up Items - FIA Issue Notes

Thanks Molly,

s.13

From: Burns, Molly FIN:EX
Sent: Wednesday, November 26, 2014 9:43 AM
To: Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Vandall, Jonathan FIN:EX
Cc: Chong, Frank FIN:EX; James, Harry FIN:EX; Achtemichuk, Melanie FIN:EX; Stewart, Keith FIN:EX; Cole, Elizabeth FIN:EX
Subject: Follow-up Items - FIA Issue Notes

Hi folks,

There was some info we said we would send along to you as a result of Monday's teleconference. Please note the following:

s.13

That's all I have in my notes, but if I have missed something please shoot me an email.

Thanks,
Molly

Molly Burns, Analyst, Policy Initiatives
Ministry of Finance | Financial Institutions Commission
2800-555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone: 604.660.3134 | Fax: 604.660.3365 | Email: Molly.Burns@ficombc.ca
Website: www.fic.gov.bc.ca

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Toovey, Kari FIN:EX

From: Burns, Molly FIN:EX
Sent: Wednesday, November 26, 2014 9:43 AM
To: Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Vandall, Jonathan FIN:EX
Cc: Chong, Frank FIN:EX; James, Harry FIN:EX; Achtemichuk, Melanie FIN:EX; Stewart, Keith FIN:EX; Cole, Elizabeth FIN:EX
Subject: Follow-up Items - FIA Issue Notes
Attachments: s.13

Hi folks,

There was some info we said we would send along to you as a result of Monday's teleconference. Please note the following:

s.13

That's all I have in my notes, but if i have missed something please shoot me an email.

Thanks,
Molly

Molly Burns, Analyst, Policy Initiatives
Ministry of Finance | Financial Institutions Commission
2800-555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone: 604.660.3134 | Fax: 604.660.3365 | Email: Molly.Burns@ficombc.ca
Website: www.fic.gov.bc.ca

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Page 105 to/à Page 129

Withheld pursuant to/removed as

s.13

Morgan, Melissa FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, November 25, 2014 7:52 AM
To: Wood, Heather FIN:EX
Subject: s.13 - Briefing with the Minister
Attachments: 14-1200-LTR-Use of Deposit Agents.pdf; 14-1200-IB-Use of Deposit Agents.pdf

Hi Heather,

s.13

s.22

s.22

s.22

Do you think there is any chance we can get in before I leave?

I'm in Montreal today – you can get me on my cell. s.17
Cheryl too?

May be good to touch base before our meeting with

Carolyn



November 21, 2014
File No.:71000-05
Ref. No.:1200

To: Board Chairs, BC Credit Unions

Re: **Use of Deposit Agents and Advertising of the CUDIC Deposit Guarantee**

It has come to the Financial Institutions Commission's (FICOM) attention that some credit unions may not be complying with regulatory requirements for taking deposits, use of deposit agents and marketing of products insured or guaranteed by the Credit Union Deposit Insurance Corporation (CUDIC). Credit unions are required to confirm in writing that:

1. The credit union and its deposit agents comply with the deposit taking, contractual, and advertising requirements of the *Financial Institutions Act* (FIA) with respect to soliciting for and taking deposits and as described in Information Bulletin CU-14-002 (see attached);
2. The credit union does not use the term "government" in connection with advertising the sale of, or in the contractual wording of, CUDIC insured deposit contracts. Information on requirements for advertising of the CUDIC deposit guarantee is available at <http://www.cudicbc.ca/advertising.htm>.

Each credit union board is to provide a letter addressed to the Superintendent of Financial Institutions that confirms compliance with the above two points by February 28, 2015. If a credit union board cannot confirm its compliance by February 28, 2015, it will be required to submit, by letter, a list of outstanding compliance items and a timeframe for compliance.

Credit unions found to be non-compliant after February 28, 2015 may be subject to regulatory action pursuant to sections 93 and 244 of the FIA.

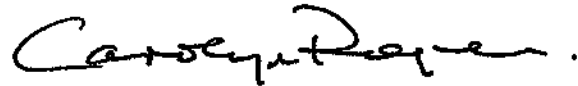
Please send your confirmation letters to CUandTrusts@ficombc.ca.

-
- Superintendent of Financial Institutions
 - Superintendent of Pensions
 - Superintendent of Real Estate
 - Registrar of Mortgage Brokers

2800, 555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca

If you have any questions or concerns regarding this requirement, please contact Frank Chong, Deputy Superintendent, Regulation at Frank.Chong@ficombc.ca or (604) 653-7495, or Sharon Fernando, Director, CUDIC Operations at Sharon.Fernando@ficombc.ca or (604) 660-2469.

Regards,

A handwritten signature in black ink, appearing to read "Carolyn Rogers", followed by a period.

Carolyn Rogers
CEO and Superintendent

Enclosure

Cc: CEOs and General Managers, BC Credit Unions

MB/ac



BULLETIN NUMBER:	CU-2014-02
TITLE:	USE OF DEPOSIT AGENTS
LEGISLATION:	<i>FINANCIAL INSTITUTIONS ACT (FIA)</i> <i>CREDIT UNION INCORPORATION ACT (CUIA)</i>
DATE:	NOVEMBER 2014
DISTRIBUTION:	BC CREDIT UNIONS

PURPOSE

The purpose of this bulletin is to inform all credit unions about the regulatory requirements related to the use of deposit agents.

BACKGROUND INFORMATION

Credit unions are not prohibited under legislation from using deposit agents. However, credit unions must adhere to the provisions of the *Financial Institutions Act* (FIA), the *Credit Union Incorporation Act* (CUIA), and related regulations that pertain to the use of deposit agents. In addition, privacy legislation and anti-money laundering and anti-terrorism financing (AML/ATF) legislation is equally applicable.

FICOM EXPECTATIONS

Deposit agents act on behalf of the credit union. It is therefore the credit union's responsibility to ensure the activities of its deposit agents are in compliance with applicable rules and regulations. Credit unions should have appropriate controls in place to ensure that its use of deposit agents is in compliance with the credit union's rules, applicable privacy and AML/ATF legislation, and the FIA and CUIA, including the following regulatory provisions:

Area of operation

Credit unions must not use deposit agents in areas where they are not authorized to conduct deposit business.

Credit union membership

Subject to a limited number of exceptions, as set out in the FIA, section 82, and the *Credit Union Deposit Acceptance Regulation*, a credit union can only accept deposits from members. The credit union's rules set out restrictions on membership.

The credit union must ensure that its deposit agents adhere to the credit union's rules, and the same FIA, CUIA, privacy and AML/ATF legislation, security measures, and operational practices applicable to the credit union, to the extent the deposit agent accepts and handles deposits and processes applications.

Proper setting up of accounts: Deposit agents cannot act as nominee, and when acting as trustee must be authorized

Section 82 of the FIA, and the *Credit Union Deposit Acceptance Regulation*, restrict who may have deposit accounts and how the account may be held. A deposit agent may not hold deposit accounts for the benefit of another person, other than as a trustee authorized to do trust business.

The credit union's AML/ATF and member due diligence practices would apply to accounts held by deposit agents as trustee.

Financial assistance for equity shares

Neither a credit union nor its deposit agents can provide financial assistance directly or indirectly for the purchase of its equity shares, including membership shares, to enable the depositor to become a member. Provision of any form of financial assistance for equity shares is contrary to section 68 of the CUIA.

The following arrangements are examples of prohibited financial assistance:

- The prospective member initially pays for the membership share requirement from his or her own deposit funds and subsequently is reimbursed by the deposit agent or the credit union for the membership share requirement.
- The deposit agent provides the funds for membership shares to the prospective member and is subsequently compensated by the credit union in the form of an increase in commission equal to the amount of the membership share subscription.
- The membership shares are issued and an account receivable is established for the purchase amount by either the credit union or deposit agent.

Proper disclosure

Credit unions must ensure that deposit agents provide proper written disclosure to prospective members at the time of providing a product or service as required by section 91 of the FIA, section 14.2 of the CUIA, and the *Marketing of Financial Products Regulation*.

Credit unions must also ensure that its deposit agents use a proper disclosure statement which complies with the disclosure required pursuant to the *Marketing of Financial Products Regulation*, and that the forms and contracts they use comply with sections 91 and 93 of the FIA, and section 14.2 of the CUIA.

Avoiding misleading or deceptive advertising: use of term “government” is misleading or deceptive

Like credit unions, deposit agents must avoid incorporating misleading advertising of credit union products. This includes complying with the marketing restrictions applicable to products insured by the Credit Union Deposit Insurance Corporation (CUDIC).

For example, marketing of insured products should not claim that the products are insured or backed “by government”. CUDIC provides the deposit guarantee under the FIA, not government. While CUDIC may technically be a government corporation, by linking that with marketing of the guarantee provided by CUDIC, it is FICOM’s opinion that the public would be misled or even deceived into thinking that the guarantee is ultimately backstopped by government. The FIA does not require government to backstop CUDIC. Such representations would likely attract regulatory action under section 93 of the FIA.

Coercive tied selling prohibited

Credit unions must ensure that their deposit agents comply with the prohibition against coercive tied selling in section 94 of the FIA. A deposit agent may not place undue pressure on, or coerce, a person to obtain a product or service from another person (which is not limited to the credit union) as a condition of obtaining a product or service from the credit union.

Confidentiality of information and protection of privacy

A credit union must ensure that its deposit agents fully understand that legislation protecting commercial confidentiality and personal privacy applies to the information and records obtained and created in their role as deposit agent.

At the Financial Institutions Commission, we issue information bulletins to provide technical interpretations and positions regarding certain provisions contained in the Financial Institutions Act and Insurance Act, Regulations and other pertinent legislation. While the comments in a particular part of an information bulletin 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, an interpretation or position contained in an information bulletin generally applies as of the date on which it was published, unless otherwise specified.


Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Thursday, November 20, 2014 2:17 PM
To: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX
Cc: Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; Gill, Marcus A FIN:EX
Subject: FICOM Comments of Issue Notes
Attachments: s.13

Hi Brian/Kari

s.13

Harry James
Director, Policy Initiatives
Financial Institutions Commission
2800-555 West Hastings Street
Vancouver, BC V6B 4N6
Phone 604 660-1935 | Fax 604 660-3365
www.fic.gov.bc.ca

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Withheld pursuant to/removed as

s.13

Dillon, Brian FIN:EX

From: Chong, Frank FIN:EX
Sent: Wednesday, November 19, 2014 8:29 PM
To: Toovey, Kari FIN:EX; Dillon, Brian FIN:EX
Subject: RE: Availability today at 3:30pm?

Sounds good Kari. I'm going to suggest including Melanie and Harry too.
Cheers,
Frank



From: Toovey, Kari FIN:EX
Sent: November-19-14 10:56 AM
To: Chong, Frank FIN:EX; Dillon, Brian FIN:EX
Subject: RE: Availability today at 3:30pm?

Hi Frank – Brian is away today (he is home sick). Not sure if he will be in tomorrow but, if so, perhaps we can discuss then.

From: Chong, Frank FIN:EX
Sent: Wednesday, November 19, 2014 9:44 AM
To: Dillon, Brian FIN:EX; Toovey, Kari FIN:EX
Cc: Gill, Marcus A FIN:EX; James, Harry FIN:EX; Achtemichuk, Melanie FIN:EX
Subject: Availability today at 3:30pm? s.13

Hi Brian: Are you available today at 3:30pm?
be a bit easier to discuss them by phone. Let me know.
Frank

-- it might

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495  | Fax 604.660.3365 
www.fic.gov.bc.ca

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Toovey, Kari FIN:EX

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, November 18, 2014 3:49 PM
To: Toovey, Kari FIN:EX
Subject: FW: Draft Materials for FIA roundtable meetings

From: Chong, Frank FIN:EX
Sent: Tuesday, November 18, 2014 3:49 PM
To: Cole, Elizabeth FIN:EX
Subject: RE: Draft Materials for FIA roundtable meetings

Here you go:

s.13

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, November 18, 2014 3:09 PM
To: Chong, Frank FIN:EX
Subject: RE: Draft Materials for FIA roundtable meetings

s.13

Would need today though. Thanks.

From: Chong, Frank FIN:EX
Sent: Tuesday, November 18, 2014 2:05 PM
To: Cole, Elizabeth FIN:EX
Subject: RE: Draft Materials for FIA roundtable meetings

Thanks. See our suggested edits.

Frank

From: Cole, Elizabeth FIN:EX
Sent: Monday, November 17, 2014 6:40 PM
To: Chong, Frank FIN:EX
Subject: Draft Materials for FIA roundtable meetings

s.13

Dillon, Brian FIN:EX

From: James, Harry FIN:EX
Sent: Friday, November 14, 2014 5:41 PM
To: Dillon, Brian FIN:EX
Cc: Toovey, Kari FIN:EX; Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; Cole, Elizabeth FIN:EX; Gill, Marcus A FIN:EX; Vandall, Jonathan FIN:EX; Rogers, Carolyn FIN:EX
Subject: Re: FIA/CIUA issue notes

Thanks Brian. s.13
s.13

Sent from my iPhone

On Nov 14, 2014, at 16:10, Dillon, Brian FIN:EX <Brian.Dillon@gov.bc.ca> wrote:
s.13

Brian

From: Dillon, Brian FIN:EX
Sent: Thursday, November 13, 2014 9:42 AM
To: Toovey, Kari FIN:EX; Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; James, Harry FIN:EX; Cole, Elizabeth FIN:EX
Cc: Gill, Marcus A FIN:EX; Vandall, Jonathan FIN:EX
Subject: RE: FIA/CIUA issue notes

Thanks, Kari.
s.13

Cheers,
Brian

From: Toovey, Kari FIN:EX

Sent: Thursday, November 13, 2014 8:18 AM


To: Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; James, Harry FIN:EX; Cole, Elizabeth FIN:EX

Cc: Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Vandall, Jonathan FIN:EX

Subject: FIA/CIUA issue notes

s.13

Kari

KARI TOOVEY | Senior Policy Advisor | Financial and Corporate Sector Policy Branch | Policy and
Legislation Division | Ministry of Finance | Ph: 250-387-7534; Fx: 250-387-9093 | 617 Government
Street, Victoria, BC V8V 1X4 |  Please consider the environment before printing this e-mail.

Dillon, Brian FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Wednesday, November 12, 2014 9:26 AM
To: Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX; Dillon, Brian FIN:EX; Wood, Heather FIN:EX; McLean, Doug B FIN:EX
Subject: Re: Invitation from the Honourable Michael de Jong, Q.C.

Hi Beth

Thanks for the update.

s.13

Sent from my iPhone

On Nov 12, 2014, at 9:17 AM, "Cole, Elizabeth FIN:EX" <Elizabeth.Cole@gov.bc.ca> wrote:

s.13

Thanks.

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, November 4, 2014 1:04 PM
To: Chong, Frank FIN:EX
Cc: Cole, Elizabeth FIN:EX; Dillon, Brian FIN:EX; Wood, Heather FIN:EX
Subject: Re: Invitation from the Honourable Michael de Jong, Q.C.

s.13

Sent from my iPhone

On Nov 4, 2014, at 11:57 AM, "Chong, Frank FIN:EX" <Frank.Chong@ficombc.ca> wrote:

s.13

Frank

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, November 4, 2014 11:54 AM
To: Rogers, Carolyn FIN:EX; Chong, Frank FIN:EX
Cc: Dillon, Brian FIN:EX; Wood, Heather FIN:EX
Subject: FW: Invitation from the Honourable Michael de Jong, Q.C.

Hi Carolyn and Frank,

Dave Stene, CEO of Bulkley Valley Credit Union, cannot attend the roundtable.

He has suggested that either Jim Zimmerman, CEO of Williams Lake & District Credit Union, or Ken Doleman, President & CEO of Northern Savings Credit Union could provide input from a northern and small to mid-size credit union perspective in his place.

s.13

Thanks,
Beth

From: Dave Stene [<mailto:dstene@bvvcu.com>]
Sent: Thursday, October 30, 2014 10:13 AM
To: Hagar, Vanessa A. FIN:EX
Subject: FW: Invitation from the Honourable Michael de Jong, Q.C.

Ms. Hagar

Please pass on my thanks to the Minister, Mr. Michael de Jong, for the invitation to attend the roundtable discussion on November 21, 2014. I commend the minister for seeking input from the Credit Union system directly on the critical review of the FIA and CUIA and I was very pleased that he was requesting input from smaller Credit Unions located throughout the province.

Unfortunately, I cannot attend the meeting due to another commitment but there are two other individuals in our northline peer group of Credit Unions that have been working on this issue on behalf of all Credit Unions in B.C. and are very capable of providing input from both a northern and small to mid-size Credit Union perspective. I would recommend contacting either Jim Zimmerman, CEO, Williams Lake & District Credit Union or Ken Doleman, President & CEO, Northern Savings Credit Union.

Once again, I apologize for not being able to attend but I do appreciate receiving the invitation to discuss this important matter going forward.

Dave Stene - Chief Executive Officer
Bulkley Valley Credit Union
Tel: 250-847-3255
Fax: 250-847-3012

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e-mail and destroy any copies. You must not copy this message or attachment or disclose the contents to any other person.

From: Minister, FIN FIN:EX [<mailto:FIN.Minister@gov.bc.ca>]
Sent: Friday, October 24, 2014 2:55 PM
To: Dave Stene
Subject: Invitation from the Honourable Michael de Jong, Q.C.

Dear Mr. Stene:

Attached please find an invitation to a roundtable discussion about British Columbia's financial institutions legislation from the Honourable Michael de Jong, Q.C., British Columbia Minister of Finance.

The original letter will follow by mail.

Sincerely,

Office of the Minister of Finance

Page 171 to/à Page 178


Withheld pursuant to/removed as

s.13

Toovey, Kari FIN:EX

From: James, Harry FIN:EX
Sent: Thursday, October 30, 2014 11:32 AM
To: Gill, Marcus A FIN:EX
Cc: Dillon, Brian FIN:EX; Toovey, Kari FIN:EX; Cole, Elizabeth FIN:EX; Achtemichuk, Melanie FIN:EX; Chong, Frank FIN:EX
Subject: FIA/CIUA ISSUe Notes
s.13

Harry James
Director, Policy Initiatives
Financial Institutions Commission
2800-555 West Hastings Street
Vancouver, BC V6B 4N6
Phone 604 660-1935 | Fax 604 660-3365
www.fic.gov.bc.ca

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Page 193 to/à Page 198

Withheld pursuant to/removed as

s.14;s.13

Page 199

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s.13

From: Brendan Wycks [<mailto:brendan.wycks@cafii.com>]
Sent: Monday, October 27, 2014 8:52 AM
To: James, Harry FIN:EX
Subject: FW: Invitation from the Honourable Michael de Jong, Q.C.

Hi, Harry.

As per the attached, I received the letter of invitation from Finance Minister Michael de Jong on Friday, to attend a roundtable meeting in Vancouver on the morning of Friday, November 21.

However, as you will see from the second attachment, I have a prior commitment that morning to participate on a panel at FSCO's 2014 Life & Health Insurance Symposium in Toronto.

That being the case, CAFII would like to transfer the Minister's invitation to an alternate representative from our Executive Operations Committee: Moira Gill, Director of Government Relations at TD Insurance.

Moira is well-familiar with BC's FI Act and with CAFII's issues and positions with respect to the Act and related legislation in BC and other provinces; and she will be able to be an active and value-adding participant in the roundtable discussion.

I just wanted touch base with you to find out if you feel the Minister's office will respond favourably to a CAFII request that the invitation extended to me, as Executive Director, be transferred to Moira, one of our Association's experienced volunteer leaders?

Brendan Wycks, BA, MBA, CAE

Executive Director

Canadian Association of Financial Institutions in Insurance

Brendan.wycks@cafii.com

T: 647.218.8243

Alternate T: 647.361.9852

www.cafii.com

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From: Minister, FIN FIN:EX [<mailto:FIN.Minister@gov.bc.ca>]

Sent: Friday, October 24, 2014 5:20 PM

To: 'brendan.wycks@cafii.com'

Subject: Invitation from the Honourable Michael de Jong, Q.C.

Dear Mr. Wycks:

Attached please find an invitation to a roundtable discussion about British Columbia's financial institutions legislation from the Honourable Michael de Jong, Q.C., British Columbia Minister of Finance.

The original letter will follow by mail.

Sincerely,

Office of the Minister of Finance

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Thursday, October 16, 2014 10:58 AM
To: Cole, Elizabeth FIN:EX
Subject: FW: Release of Technical Paper on Clarifying Regulation by Finance Canada
Attachments: Finance Canada Technical Paper on Clarifying Regulation- October 2014.pdf; Finances Canada Document Technique sur clarification de la réglementation- Octobre 2014.pdf

FYI.

From: Tepczynska, Margaret [<mailto:Margaret.Tepczynska@fin.gc.ca>]
Sent: Thursday, October 16, 2014 10:27 AM
Cc: Campbell, Glenn
Subject: Release of Technical Paper on Clarifying Regulation by Finance Canada

La version française suit

Sent on behalf of Glenn Campbell, Director, Financial Institutions Division, Finance Canada

Dear Colleagues,

Further to the e-mail of October 15, 2014, indicating that the federal government is moving forward with its dual agenda with respect to credit unions, ensuring the regulatory framework is clear and supporting those credit unions who may want to become federally-regulated, please find attached a copy of the technical paper.

The paper is part of the federal government's commitment to consult with both provinces and industry about the planned legislative changes.

The technical paper provides information to hopefully facilitate ongoing work of the provinces and the credit union system to transition to an exclusively provincial regulatory framework. Moreover, we recognize the timeline for implementation is of material interest to all stakeholders in the credit union system. Given the work involved to prepare for this transition by all parties, the federal government is asking provincial authorities and industry, by December 31, 2014 to identify if any changes are required to their respective regulatory frameworks and to outline expected timelines for completion.

Best regards,

Envoyé au nom de Glenn Campbell, Directeur, Division des institutions financières, Ministère des Finances Canada

Chers collègues,

Suite au courriel du 15 Octobre 2014 indiquant que le gouvernement fédéral entreprend son programme double en ce qui concerne les coopératives de crédit, en s'assurant que le cadre réglementaire est clair et en appuyant les coopératives de crédit qui souhaitent être assujetties à la réglementation fédérale, veuillez trouver ci-joint une copie du document technique.

Le document fait partie de l'engagement pris par le gouvernement fédéral de consulter les provinces et le secteur sur les modifications législatives prévues.

Le document technique présente des renseignements permettant, espérons-le, de faciliter la transition des provinces et du réseau des coopératives de crédit vers un cadre réglementaire exclusivement provincial. Je crois comprendre que le calendrier de la mise en œuvre représente un point d'intérêt clé pour les participants au réseau des coopératives de crédit. Compte tenu du travail nécessaire afin de préparer cette transition, le gouvernement fédéral demande aux autorités provinciales et au secteur des coopératives de crédit de confirmer, d'ici le 31 décembre 2014, si des changements à leur cadre s'imposent ainsi que le calendrier d'achèvement.

Cordialement,

Glenn R Campbell
Director | Directeur
Financial Institutions Division | Division des institutions financières
Financial Sector Policy Branch | Direction de la politique du secteur financier
Department of Finance Canada | Ministère des Finances Canada
Ottawa, Canada K1A 0G5
Glenn.Campbell@fin.gc.ca
Telephone | Téléphone 613-369-3945
Government of Canada | Gouvernement du Canada

Page 203 to/à Page 215

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Dillon, Brian FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Thursday, October 16, 2014 5:55 PM
To: Wood, Heather FIN:EX; Dillon, Brian FIN:EX; Gill, Marcus A FIN:EX; Cole, Elizabeth FIN:EX
Cc: Chong, Frank FIN:EX
Subject: FW: Toronto Star says Ontario to review credit union act - story and news release

fyi

From: Dickson, Greg FIN:EX
Sent: Thursday, October 16, 2014 3:37 PM
To: Rogers, Carolyn FIN:EX; Chong, Frank FIN:EX; McLean, Doug B FIN:EX
Subject: Toronto Star says Ontario to review credit union act - story and news release

Province to review credit-union rules

Credit unions seek to level the playing field with banks as Ontario reviews financial services rules.

By: Rob Ferguson Queen's Park Bureau, Queen's Park Bureau, Toronto Star, Published on Thu Oct 16 2014

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Page 218 to/à Page 219

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Dillon, Brian FIN:EX

From: James, Harry FIN:EX
Sent: Thursday, October 16, 2014 7:54 AM
To: Dillon, Brian FIN:EX
Cc: Achtemichuk, Melanie FIN:EX; Chong, Frank FIN:EX
Subject: A Couple More Items to add to the FIA List

s.13

Harry James
Director, Policy Initiatives
Financial Institutions Commission
2800-555 West Hastings Street
Vancouver, BC V6B 4N6
Phone 604 660-1935 | Fax 604 660-3365
www.fic.gov.bc.ca

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Dillon, Brian FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Tuesday, October 14, 2014 11:33 AM
To: Cole, Elizabeth FIN:EX; Wood, Heather FIN:EX
Cc: Gill, Marcus A FIN:EX; Chong, Frank FIN:EX; Dillon, Brian FIN:EX
Subject: RE: FIA Review Documents

Hi Elizabeth,

s.13

Thanks,
Carolyn

From: Cole, Elizabeth FIN:EX
Sent: Friday, October 10, 2014 5:22 PM
To: Wood, Heather FIN:EX; Rogers, Carolyn FIN:EX
Cc: Gill, Marcus A FIN:EX; Chong, Frank FIN:EX; Dillon, Brian FIN:EX
Subject: FIA Review Documents

Hi Heather and Carolyn.

s.13

Please let me/us know if you have any concerns at this point or wish to see any issues added for purposes of the public paper.

Thanks,
Beth

Dillon, Brian FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, October 10, 2014 3:20 PM
To: Gill, Marcus A FIN:EX
Cc: Cole, Elizabeth FIN:EX; James, Harry FIN:EX; Achtemichuk, Melanie FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX
Subject: Re: FIA CUIA Issues for Public Paper_FICOM Oct 10

No concerns from FICOM.

Thanks,
Frank

Sent from my iPad

On Oct 10, 2014, at 3:59 PM, "Gill, Marcus A FIN:EX" <Marcus.Gill@gov.bc.ca> wrote:

s.13

Marcus Gill
Executive Director
Financial and Corporate Sector Policy Branch
BC Ministry of Finance
250 387-7567

s.13

Page 225 to/à Page 234

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Toovey, Kari FIN:EX

From: Chong, Frank FIN:EX
Sent: Friday, October 10, 2014 10:01 AM
To: Cole, Elizabeth FIN:EX; Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Toovey, Kari FIN:EX
Cc: James, Harry FIN:EX; Achtemichuk, Melanie FIN:EX
Subject: FW: FIA/CUIA
Attachments: FIA CUIA Issues for Public Paper_FICOM Oct 10.docx

Hi Beth – I've attached FICOM's suggested edits and comments.

Regards,
Frank

From: James, Harry FIN:EX
Sent: Friday, October 10, 2014 8:52 AM
To: Achtemichuk, Melanie FIN:EX
Cc: Chong, Frank FIN:EX
Subject: RE: FIA/CUIA

Hi Melanie,

Frank and I have made some additional changes working off your edits.

Here is the revised.

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, October 7, 2014 7:52 PM
To: Dillon, Brian FIN:EX; Gill, Marcus A FIN:EX; Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; James, Harry FIN:EX; Toovey, Kari FIN:EX
Subject: FIA/CUIA

Hello,

s.13

s.13

Thanks,
Beth

Page 237 to/à Page 246

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s.13

Dillon, Brian FIN:EX

From: James, Harry FIN:EX
Sent: Wednesday, October 8, 2014 3:41 PM
To: Cole, Elizabeth FIN:EX; Dillon, Brian FIN:EX; Gill, Marcus A FIN:EX; Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; Toovey, Kari FIN:EX
Subject: RE: FIA/CUIA
Attachments: principles and objectives - FICOM Edit Oct 10.docx

Here is our suggested edits to principle 2. Rest ok.

Harry James
Director, Policy Initiatives
Financial Institutions Commission
2800-555 West Hastings Street
Vancouver, BC V6B 4N6
Phone 604 660-1935 | Fax 604 660-3365
www.fic.gov.bc.ca

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From: Cole, Elizabeth FIN:EX
Sent: Tuesday, October 7, 2014 7:52 PM
To: Dillon, Brian FIN:EX; Gill, Marcus A FIN:EX; Chong, Frank FIN:EX; Achtemichuk, Melanie FIN:EX; James, Harry FIN:EX; Toovey, Kari FIN:EX
Subject: FIA/CUIA

Hello,
s.13

s.13

Thanks,
Beth

Page 249 to/à Page 250

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s.13

Dillon, Brian FIN:EX

From: Chong, Frank FIN:EX
Sent: Wednesday, October 8, 2014 1:01 PM
To: Dillon, Brian FIN:EX; Cole, Elizabeth FIN:EX
Cc: Gill, Marcus A FIN:EX
Subject: RE: letters from credit union, insurance industry etc
Attachments: Credit Union System Structure.pdf

Hi Beth: Just to follow up – the attached isn't a submission per se, but it does provide some insight into some of the key issues/questions raised by the credit union sector.

Frank

From: Chong, Frank FIN:EX
Sent: Tuesday, October 7, 2014 3:29 PM
To: Dillon, Brian FIN:EX; Cole, Elizabeth FIN:EX
Cc: Gill, Marcus A FIN:EX
Subject: RE: letters from credit union, insurance industry etc

We don't have any formal submissions at the moment, but FIs and associations have raised their issues during our conversations with them on other matters. I have a rough list of FIA Review items from Central 1's Legislative committee - which I believe they will provide when it's finalized.

Regards,
Frank

From: Dillon, Brian FIN:EX
Sent: Tuesday, October 7, 2014 2:59 PM
To: Cole, Elizabeth FIN:EX; Chong, Frank FIN:EX
Cc: Gill, Marcus A FIN:EX
Subject: RE: letters from credit union, insurance industry etc

Central 1 has a Committee that is working on a detailed submission but the government has not received it. Other than that, I am not aware of any recent submission from industry associations or companies. Some specific issues have been raised over the years (qualified privilege by insurer organizations and unincorporated associations deposit accounts by Central 1; and some issues by specific individuals

s.13

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, October 7, 2014 12:34 PM
To: Dillon, Brian FIN:EX; Chong, Frank FIN:EX
Subject: letters from credit union, insurance industry etc

Hello,

Do either of you have any formal submissions or correspondence (e.g., letters to ministry/minister) from industry associations or the various companies/entities about the FIA review or the issues you expect will come up?

We continually get letters in tax with people sharing their views about things and what they want, so wondering if that is also the case on these issues and if you have already been getting things like that from any stakeholders.

Thanks,
Beth

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s.13

Bridge, Jannea FIN:EX

From: Chong, Frank FIN:EX
Sent: Wednesday, October 1, 2014 5:59 PM
To: Cole, Elizabeth FIN:EX
Subject: s.13
Attachments:

FYI – see attached.

Frank

Frank Chong, Deputy Superintendent, Regulation
Financial Institutions Commission
2800 - 555 West Hastings Street | Vancouver, BC | V6B 4N6
Phone 604.653.7495 | Fax 604.660.3365
www.fic.gov.bc.ca

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Dillon, Brian FIN:EX

From: Chong, Frank FIN:EX
Sent: Wednesday, September 24, 2014 12:05 PM
To: Cole, Elizabeth FIN:EX; Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Wood, Heather FIN:EX; Rogers, Carolyn FIN:EX
Subject: RE: Draft FIA letters

s.13

From: Cole, Elizabeth FIN:EX
Sent: Tuesday, September 23, 2014 4:49 PM
To: Chong, Frank FIN:EX; Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Wood, Heather FIN:EX; Rogers, Carolyn FIN:EX
Subject: FW: Draft FIA letters

s.13

From: Hagar, Vanessa A. FIN:EX
Sent: Tuesday, September 23, 2014 4:32 PM
To: Cole, Elizabeth FIN:EX
Subject: Draft FIA letters



338616

First name Last name, Title
Company
Street address
City PROV Postal code

Dear Honorable Last name:

I am pleased to write to you about an important goal we share, that of ensuring British Columbia continues to benefit from a strong, stable and thriving financial services sector that contributes positively to the social and economic fabric of the province. I am requesting your assistance, as recognized leaders in the insurance sector who will contribute a broad range of perspectives and views, in developing proposed objectives and identifying key issues that should be considered as part of the upcoming government review of key legislation that applies to the financial services sector.

As you know, the *Financial Institutions Act* (FIA) provides the regulatory framework for credit unions, insurance companies and trust companies, and the *Credit Union Incorporation Act* (CUIA) provides the framework for incorporation and corporate governance of credit unions. The goal of this regulatory framework is to maintain stability and confidence in the financial services sector by reducing the risk of failures and providing consumer protection. Ensuring we have a strong, stable financial services sector that British Columbians have confidence in allows the sector to play its vital role in contributing to and facilitating economic activity in the province.

To ensure that the regulatory framework for financial institutions continues to be modern and both efficient and effective, both statutes contain a requirement that they be reviewed every ten years. As it is now time for the required review to be initiated, I would like to invite you to participate in a roundtable discussion about British Columbia's financial institutions legislation. The roundtable discussion is intended, in particular, to help guide the development of an initial consultation paper that will be shared with all stakeholders in the financial services sector for their feedback and input.

.../2

The review will also involve other significant consultations so that everyone in the financial services sector, and all other interested parties, have an opportunity to contribute and have their diverse perspectives taken into consideration.

The review will consider the regulatory tools we have in BC to oversee insurers and whether regulatory changes are needed to continue to ensure insurers effectively operate in an increasingly complex and competitive environment.

There are a number of more specific objectives and issues that will need to be considered. For example, how do we ensure that BC's regulatory framework appropriately benchmarks evolving national and international standards? Would it be beneficial to focus efforts on interprovincial cooperation opportunities, particularly in western Canada? I would like your feedback about the above objectives and also your assistance in identifying other objectives and issues of importance that should be included in the review.

Insurers are an integral part of British Columbia's financial services sector and make a significant contribution to our economy and to communities throughout the province. Our government recognizes and appreciates that contribution, and is committed to continuing to provide an effective, efficient regulatory framework and competitive tax environment for the sector.

I am proposing to hold the roundtable discussion on **DATE/TIME** at **ADDRESS** and would be pleased if you could attend. Please respond to Vanessa Hagar (Vanessa.Hagar@gov.bc.ca or 250 356-9911) at the Ministry of Finance by **DATE** to confirm your attendance.

Sincerely,

Michael de Jong, Q.C.
Minister



338617

First name Last name, Title
Company
Street address
City PROV Postal code

Dear Honorable Last name:

I am pleased to write to you about an important goal we share, that of ensuring British Columbia continues to benefit from a strong, stable and thriving financial services sector that contributes positively to the social and economic fabric of the province. I am requesting your assistance, as recognized leaders in the credit union sector who will contribute a broad range of perspectives and views, in developing proposed objectives and identifying key issues that should be considered as part of the upcoming government review of key legislation that applies to the financial services sector.

As you know, the *Financial Institutions Act* (FIA) provides the regulatory framework for credit unions, insurance companies and trust companies, and the *Credit Union Incorporation Act* (CUIA) provides the framework for incorporation and corporate governance of credit unions. The goal of this regulatory framework is to maintain stability and confidence in the financial services sector by reducing the risk of failures and providing consumer protection. Ensuring we have a strong, stable financial services sector that British Columbians have confidence in allows the sector to play its vital role in contributing to and facilitating economic activity in the province.

To ensure that the regulatory framework for financial institutions continues to be modern and both efficient and effective, both statutes contain a requirement that they be reviewed every ten years. As it is now time for the required review to be initiated, I would like to invite you to participate in a roundtable discussion about British Columbia's financial institutions legislation. The roundtable discussion is intended, in particular, to help guide the development of an initial consultation paper that will be shared with all stakeholders in the financial services sector for their feedback and input.

.../2

The review will also involve other significant consultations so that everyone in the financial services sector, and all other interested parties, have an opportunity to contribute and have their diverse perspectives taken into consideration.

The review will consider the regulatory tools we have in BC to oversee credit unions and whether regulatory changes are needed to continue to ensure credit unions effectively operate in an increasingly complex and competitive environment.

There are a number of more specific objectives and issues that will need to be considered. For example, how do we ensure that BC's regulatory framework appropriately benchmarks evolving national and international standards? What is the role of deposit insurance in maintaining public confidence in the financial services sector, and more specifically, what is the optimal and appropriate level and system of deposit insurance? Would it be beneficial to focus efforts on interprovincial cooperation opportunities, particularly in western Canada? Should member engagement be a guiding principle of the review and if so, how can we foster and encourage member engagement in the sector? I would like your feedback about the above objectives and also your assistance in identifying other objectives and issues of importance that should be included in the review.

Credit unions are an integral part of British Columbia's financial services sector and make a significant contribution to our economy and to communities throughout the province. Our government recognizes and appreciates that contribution, and is committed to continuing to provide an effective, efficient regulatory framework and competitive tax environment for the sector.

I am proposing to hold the roundtable discussion on **DATE/TIME** at **ADDRESS** and would be pleased if you could attend. Please respond to Vanessa Hagar (Vanessa.Hagar@gov.bc.ca or 250 356-9911) at the Ministry of Finance by **DATE** to confirm your attendance.

Sincerely,

Michael de Jong, Q.C.
Minister

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Withheld pursuant to/removed as

s.13

Dillon, Brian FIN:EX

From: James, Harry FIN:EX
Sent: Friday, June 6, 2014 8:21 AM
To: Dillon, Brian FIN:EX
Cc: Chong, Frank FIN:EX
Subject: s.13

Hi Brian
s.13

<http://business.financialpost.com/2014/06/02/federal-court-limits-confidentiality-rights-of-federally-regulated-industries/>

Harry James
Director, Policy Initiatives
Financial Institutions Commission
2800-555 West Hastings Street
Vancouver, BC V6B 4N6
Phone 604 660-1935 | Fax 604 660-3365
www.fic.gov.bc.ca

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Dillon, Brian FIN:EX

From: Rogers, Carolyn FIN:EX
Sent: Friday, February 14, 2014 4:02 PM
To: MacLean, Shelley FIN:EX
Cc: Wenezenki-Yolland, Cheryl FIN:EX; Wood, Heather FIN:EX; Grist, Michael FIN:EX; Wangkhang, Pamela FIN:EX; Salling, Tammy L FIN:EX; Hagar, Vanessa A. FIN:EX; Dillon, Brian FIN:EX; Gill, Marcus A FIN:EX
Subject: FW: Final Minister's BN
Attachments: Minister note final.doc

Hi Shelley,

Here is the BN for our meeting with the Minister next Thursday.

Thanks,
Carolyn

From: Wangkhang, Pamela FIN:EX
Sent: Friday, February 14, 2014 3:48 PM
To: Rogers, Carolyn FIN:EX
Cc: Wood, Heather FIN:EX; Gill, Marcus A FIN:EX; Dillon, Brian FIN:EX; Grist, Michael FIN:EX
Subject: Final Minister's BN

s.13

Thanks,
Pam

Pamela Wangkhang, Executive Assistant
Financial Institutions Commission
Phone 604.660.3532 | Fax 604.660.3365
Suite 2800, Box 12116 | 555 West Hastings Street | Vancouver, BC | V6B 4N6
Website: www.fic.gov.bc.ca

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Dillon, Brian FIN:EX

From: Wood, Heather FIN:EX
Sent: Wednesday, February 12, 2014 12:12 PM
To: Dillon, Brian FIN:EX
Cc: Giff, Marcus A FIN:EX
Subject: FW: Minister note revised2
Attachments: Minister note revised3 non-redline_CR revised 100214.doc

Brian, I'll give you a call about this. I just want to share some thoughts before you talk to Michael. Thanks,

Heather

From: Rogers, Carolyn FIN:EX
Sent: Wednesday, February 12, 2014 9:54 AM
To: Wood, Heather FIN:EX
Cc: Grist, Michael FIN:EX
Subject: FW: Minister note revised2

Hi Heather,

s.13

Thanks,
Carolyn

From: Grist, Michael FIN:EX
Sent: Tuesday, February 11, 2014 11:08 AM
To: Rogers, Carolyn FIN:EX
Subject: RE: Minister note revised2

s.13

Regards,
Mike

From: Rogers, Carolyn FIN:EX
Sent: Monday, February 10, 2014 2:45 PM
To: Grist, Michael FIN:EX
Subject: RE: Minister note revised2

Hi Mike,

s.13

Thanks,
Carolyn

From: Grist, Michael FIN:EX
Sent: Friday, February 7, 2014 1:33 PM
To: Rogers, Carolyn FIN:EX
Subject: Minister note revised2

s.13

Regards,
Mike

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