

Ministry of Finance**BRIEFING DOCUMENT**

To: Honourable Carole James
Minister of Finance and
Deputy Premier

Date Requested: N/A

Date Required: N/A

Initiated by: Jordan Goss
Assistant Deputy Minister
Revenue Division

Date Prepared: August 31, 2018

**Ministry
Contact:** Steven Emery
Executive Director
Property Taxation Branch

Phone Number:

Email:

Cliff #: 372606

TITLE: Collection of Social Insurance Numbers during the Home Owner Grant
Application Process – s.13

PURPOSE:

(X) INFORMATION NOTE

DATE PREPARED: August 31, 2018

TITLE: Collection of Social Insurance Numbers during the Home Owner Grant Application Process —s.13

ISSUE: The “Homes for BC” plan commits to start collecting Social Insurance Numbers (SIN) from Home Owner Grant applicants in 2019. s.13
s.13

BACKGROUND:

The Home Owner Grant (HOG) is a reduction of indebtedness for current year property taxes. To qualify for the Home Owner Grant you must be a Canadian citizen or permanent resident, live in British Columbia, and occupy the home as your principal residence. Over 1.1 million Home Owner Grants worth approximately \$800 million are approved each year in BC.

In February 2018, the Province announced “**HOMES FOR B.C. A 30 – Point Plan for Housing Affordability in British Columbia**”. Point 12 of this plan committed the Province to working with the federal government to prevent tax evasion by starting to collect SIN as part of the HOG application process. Collecting SINs will allow information collected through the HOG process to be cross referenced with income tax data to identify applicants who are inappropriately claiming the grant and will ensure that the appropriate amount of tax is paid by all property owners.

Currently, home owners must apply (either online, by phone or through paper applications) in order to receive the HOG. Depending on where the home owner’s property is located, these applications are distributed, reviewed and approved either by the municipalities or by the Office of the Surveyor of Taxes for home owners in the rural areas. There are 162 municipalities in BC, and in 2016 about 1 million applications were processed. In that same year, approximately 135,000 applications were processed for the rural areas of the Province.

s.13

DISCUSSION:

s.13

**Ministry of Finance
BRIEFING DOCUMENT**

To:	Honourable Carole James Minister of Finance	Date Requested:	April 1, 2018
		Date Required:	October 16, 2018
		Date Prepared:	October 12, 2018
Initiated by:	Lori Wanamaker Deputy Minister Ministry of Finance	Phone Number:	250 387-3184
		Email:	Lori.Wanamaker@gov.bc.ca
Ministry Contacts:	Linda Irvine Executive Director Risk Management Branch	Phone Number:	778 698-5721
		Email:	Linda.Irvine@gov.bc.ca
	Diane Lianga A/Executive Director Financial Reporting and Advisory Services	Phone Number:	778 698-5428
		Email:	Diane.Lianga@gov.bc.ca
		CLIFF #:	372931

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2018

PURPOSE: FOR INFORMATION

COMMENTS:

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

DATE PREPARED: July 11, 2018

TITLE: Report of Guarantees and Indemnities approved by the Province for the fiscal year ended March 31, 2018.

BACKGROUND:

- To support program delivery, the government is often required to provide guarantees and indemnities to third parties.
- Guarantees and Indemnities are reported by Ministry or Special Office as listed in the main Estimates for March 31, 2018. Narrative descriptions of individual guarantees and indemnities include Ministry names and/or Ministries that were in effect when they were authorized.
- The Province indemnifies against loss, damage or injury arising out of activities carried out by or on behalf of the Province. Indemnities are normally for an unlimited amount and are vetted carefully before they are approved. Indemnities are a standard part of many government contracts.
- Indemnities issued for excluded employees are governed by the Excluded Employees (Legal Proceedings) Indemnity Regulation, which is administered by Public Service Agency.
- The Risk Management Branch (RMB) reviews and maintains a central repository of all approved indemnities other than those issued for excluded employees. The executive director of RMB or their delegate has the authority to review and accept an indemnity proposal. The executive director is also responsible for any payment requests related to approved indemnities issued.
- Indemnities issued by government corporations are reported separately under the *Financial Information Act*. The Minister of Finance may approve a process that government corporations must follow to give indemnities. The Minister of Finance determines the time-period for which the approval process applies. BC Lottery Corporation received an approval of their indemnity approval process during the current fiscal period. The following entities received blanket approvals to issue indemnities in prior fiscal periods:

BC Pension Corporation, BC Housing Management Commission, BC Hydro and Power Authority, BC Railway Co, BC Transit, Insurance Corporation of BC, Knowledge Network, North Island College, Provincial Rental Housing Corporation, Simon Fraser University, University of British Columbia, and University of Victoria.
- The Province has provided payment guarantees for various loans for BC producers of cattle, bison, sheep, forage and grain. These guarantees would become payable in the event the responsible entities default on payments required by the respective agreements.

- Ministries are responsible for managing their own guarantees and indemnitees processes. This includes risk assessments and annual reporting requirements. Ministries must report all approved guarantees and indemnities for the fiscal year.
- A new Indemnities and Guarantees regulation (B.C. Reg. 153/2018) was introduced on July 16, 2018 and came into effect on August 1, 2018. Reporting under this new regulation will begin for Fiscal 2018/19. Please see Appendix A: “Future reporting considerations” for more information.

DISCUSSION:

- The indemnities reported only include entities in the Consolidated Revenue Fund. The 661 approved ministry indemnities for fiscal 2017/18 generally fall into one of six categories:
 - **Legal Representation (5 approvals)** – These indemnities cover legal costs of individuals (usually employees or former employees) who are named, or could be named, in litigation or appear as witnesses in litigation. No further information can be provided as details are subject to the *Freedom of Information and Protection of Privacy Act* and confidentiality agreements. (This does not include any Excluded Employee Indemnities)
 - Refer to Table 2 for the detailed breakdown.
 - **Land Deals (5 approvals)** – These indemnities relate to various land purchase or sale arrangements. Where the Province indemnifies for pre-existing environmental matters, all measures is taken to assure the contamination risk is low to ensure these indemnities are not likely to be called on.
 - **Services Provided to the Province (24 approvals)** – These indemnities are included in agreements with contractors who provide services directly to government, or on behalf of government, where the services themselves expose the contractor to risk above their normal operations. Often specialists in their field, the only contractors available or qualified to deliver the required services are unable to obtain insurance to protect themselves or the Province from losses arising out of those activities. In these circumstances, the Province has little choice but to indemnify the contractors for losses arising out of the activities undertaken to deliver the contracted services or risk having no service provider.
 - **Leases, Rights of Way, Occupancy Permits (88 approvals)** – These indemnities cover a wide range of agreements related to the Province’s occupation or access to private lands or property including office leases, access required for communications installations, and land access required for various transportation projects.
 - **General (73 approvals)** – These indemnities are related to risks that are generally within the control of the Province, primarily arising from the acts or omissions of the Province. Normally, the other party to the contract would agree to a similar indemnity regarding their own responsibilities.

- **Activities for Children in Care (466 approvals)** – These indemnities are included in various forms of releases, waivers and agreements for children in care participating in various recreational, educational and sports activities. Because the Province is the legal guardian for children in care, liability for the actions of these children rests with the Province and these approvals are considered low risk. After April 29, 2015, all such forms received blanket approval to apply to any child in care for the remainder of the fiscal year. This is why the number of approvals in this category, and the total number of indemnities overall has been reduced since the 2014/15 fiscal year.

Table 1:

Comparison of Fiscal Year Totals of Indemnities by Category										
Fiscal Year	Children in Care	Leases, Rights of Way, and Permits	General	Services Provided to the Province	Legal Representation	Special	Land Deals	P3s and ASDs	Other	Total (Note 1)
2017/18	466	88	73	24	5	0	5	N/A	N/A	661
2016/17	395	73	76	18	1	2	2	1	86	654
2015/16	446	54	60	20	17	3	7	N/A	1	608
2014/15	788	67	42	34	15	5	3	N/A	N/A	954
2013/14	722	85	64	21	6	7	6	1	1	913
2012/13	624	145	59	24	5	3	N/A	N/A	32	892

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

Note 1

The Guarantees and Indemnities report shows 663 indemnities in Fiscal 2018. This is because two indemnities are listed twice on the report as they were jointly issued by two separate Ministries. See indemnities No. 491/507 and No. 625/662.

Specific indemnities worth noting are:

Legal Representation and Indemnity Agreements

These are Legal Representation Agreements for legal expenses.

The individuals included in the indemnities are:

Table 2:

Number	Indemnatee	Subject
20188093	s.22	Legal Representation and Indemnity Agreement for s.22 for covered matters
20188144		Legal Representation and Indemnity Agreement for s.22 for covered matters
20187091		Indemnity Agreement between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Attorney General and s.22
20187251		Indemnity and Legal Representation Agreement for an individual as it relates to covered matters
20187356		Indemnity and Legal Representation Agreement for an individual as it relates to covered matters

All indemnities specific to the Minister of Finance:

Table 3:

Number	Indemnatee	Subject
20187591	Bambora Inc.	Agreement between Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Finance and Bambora Inc. to provide Interac Online Service
20188113	Bank of China Limited	Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Bank of China Limited, in respect of Interbank Bond Market Agency Service
20188114	Bank of China Limited	Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Bank of China Limited, in respect of NRA RMB Bank Settlement Account Administration

20188115	Bank of China Limited	Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Bank of China Limited, in respect of Reconciliation Service
20188134	Bank of China Limited	Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Bank of China Limited, in respect of Renminbi Entity Bank Settlement Account Integrated Services
20188135	Bank of China Limited	Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Bank of China Limited, in respect of Reconciliation Services for External Corporate Customers
20187136	Canadian Real Estate Association	Speaker's Agreement between Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister responsible for the Office of the Real Estate Superintendent and the Canadian Real Estate Association for participation on a panel on June 7, 2017
20188660	Canadian Western Bank	Services Terms and Conditions between Canadian Western Bank and the Ministry of Finance with regards to use of CWBdirect (R)
20187609	City of Vancouver, Vancouver Police Board and Vancouver Board of Parks and Recreation	Letter of Agreement between Government Communications and Public Engagement and the City of Vancouver for a Media Announcement at the Jim Deva Plaza on August 4, 2017
20188632	Coast Victoria Hotel & Marina by APA	Group Catering Contract between Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Finance, Provincial Treasury and Coast Victoria Hotel & Marina by APA for meeting room rental and catering services on May 16, 2018 for the Provincial Treasury All Staff Meetings
20187661	HSBC Bank Canada	Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and HSBC Bank Canada for Cash Concentration Services
20187643	Organisme d'autoréglementation du courtage immobilier du Québec (OACIQ)	Speaking Agreement and Copyright Release between Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister responsible for the Office of the Superintendent of Real Estate and Organisme d'autoréglementation du courtage immobilier du Québec (OACIQ) for a speaking engagement on October 5, 2017

20187991	Perrin, Thorau and Associates Ltd.	Statement of Work as contemplated in the Umbrella Agreement between Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Finance and Perrin, Thorau and Associates Ltd. with respect to an independent review of governance, oversight, the procurement processes and the construction contract management in relation to the PMH1 Project
20187568	Royal Bank of Canada	INTERAC e-Transfer Bulk Disbursement Agreement between Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Finance and Royal Bank of Canada
20188226	Royal Bank of Canada	Service Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Royal Bank of Canada to provide ACH Direct Payments and Deposits destined to accounts domiciled at financial institutions in the United States of America (U.S. Option)
20187688	Royal British Columbia Museum Corporation	Letter Agreement between Her Majesty the Queen in Right of the Province of British Columbia as represented by Government House and Royal British Columbia Museum Corporation for loan of art work titled, Kitaumax, Hazelton by Emily Carr
20188072	Royal British Columbia Museum Corporation	License for the Use of Facilities and Equipment and the Use of Services at Newcombe Conference Hall between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Ministry of Finance, Risk Management Branch and Royal British Columbia Museum Corporation
20187150	s.22	Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Premier and 1048216 B.C. Ltd., whereby the Contractor will provide strategic and personnel advice and oversee implementation of government's strategic objectives
20188099	Teranet Enterprises Inc. and National Bank of Canada	License Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and responsible for the Financial Institutions Commission, Teranet Enterprises Inc. and National Bank of Canada, for internal evaluation purposes of the House Price Index product

20188662	Teranet Enterprises Inc. and National Bank of Canada	License Agreement between the Financial Institutions Commission, Teranet Enterprises Inc. and National Bank of Canada, with regards to use of the House Price Index product
20187361	The Fairmont Royal York	Conference Space Agreement between Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Finance and responsible for the Financial Institutions Commission and The Fairmont Royal York for the CUPSA Annual meeting on November 9, 2017
20188667	UCIPP covered entity	Sponsored Research Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by any Minister and any UCIPP covered entity, pertaining to any research initiatives between the parties
20188677	UCIPP covered entity	General Services Agreement with Schedule F between Her Majesty the Queen in Right of the Province of British Columbia, as represented by any Minister and any UCIPP covered entity, pertaining to any research initiatives between the parties
20188499	University of Victoria	License Agreement between the Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Intergovernmental Relations Secretariat, Office of Protocol and the University of Victoria for a ceremony being held at the University Centre Farquhar Auditorium
20187238	WWC Hotels LLP (dba The Westin Wall Centre), Vancouver Airport	Agreement between WWC Hotels LLP (dba The Westin Wall Centre), the Vancouver Airport and Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Finance for the Risk Management Branch Conference held on May 2018

Appendix A

B.C. Regulation 153/2018 Future Reporting Considerations

Purpose: To discuss future reporting and responsibilities related to revisions to the Guarantees and Indemnities regulation introduced on July 16, 2018

- The new Indemnities and Guarantees Regulation B.C. Regulation 153/2018 came into effect on August 1, 2018.
- The new regulation requires the Risk Management Branch (RMB) to approve and maintain a central record of all approved guarantees and indemnities. This includes those covered under legislation other than the *Financial Administration Act*. The approval processes for both indemnities and guarantees are now the same.
- Under the new regulation, indemnities for Children in Care are no longer approved by the Executive Director of the Risk Management Branch. They are now approved by the Director of Adoption at the Ministry of Children and Family Development.
- Government's policy, authority, roles and responsibilities have been updated in the Core Policy and Procedures Manual (CPPM) Chapter 9 as a result of the new regulation.
- Any changes in reporting that result from the implementation of the new regulation will be brought forward for the Minister's decision during the preparation of the 2018/2019 report.

To: Honourable Carole James
Minister of Finance and Deputy Premier

Date: September 27, 2018
Cliff# 374825

Re: Additions to Schedule 2 of the Financial Information Act (FIA)

The purpose of this memorandum is to request that you review the attached briefing note and approve the recommendation to add BCNET, The British Columbia Council for International Education, Forest Enhancement Society of BC, Real Estate Council of British Columbia, and BC Infrastructure Benefits Inc. to Schedule 2 of the FIA.

The Cabinet review designation is "routine". Although it is not critical, it would be preferable to have the regulation signed before the fiscal year end to ensure reporting requirements are in place for fiscal year 2019/20.

If you approve, please sign the attached Order in Council and Regulatory Criteria Exemption Form and have the package returned to the Deputy Minister's office so it can be delivered to Cabinet Operations.

Please contact Carl Fischer, Comptroller General, at 250 387-6692 if you have any questions.

If you concur with proceeding with the OIC, please return the signed package to the Office of the Deputy Minister for the appropriate distribution.



Lori Wanamaker
Deputy Minister

Attachments (3)

Ministry of Finance

BRIEFING DOCUMENT

To: Honourable Carole James
Minister of Finance
and Deputy Premier

Date Requested: September 26, 2018
Date Required: September 27, 2018

Initiated by: Lori Wanamaker
Deputy Minister

Date Prepared: September 27, 2018

Ministry Contact: Carl Fischer
Comptroller General

Phone Number: 250-387-6692
Email: Carl.Fischer@gov.bc.ca

Cliff #: 374825

TITLE: Additions of 5 Crown Corporations to the Financial Information Act
Schedule 2

PURPOSE:
(X) DECISION REQUIRED

COMMENTS:

The Office of the Comptroller General (OCG) is seeking approval to update Schedule 2 of the Financial Information Act (FIA) through an Order in Council (OIC). Schedule 2 was last updated in 2013. The requested update will mitigate incidents of non-compliance by adding the following 5 entities to Schedule 2: BCNET; The British Columbia Council for International Education; Forest Enhancement Society of BC; Real Estate Council of British Columbia; and BC Infrastructure Benefits Inc.

Executive Director approval: _____

ADM approval: _____

DM approval: _____

DATE PREPARED: September 27, 2018

TITLE: Additions of 5 Corporations to the Financial Information Act Schedule 2

ISSUE: The OCG is seeking approval to update Schedule 2 of the FIA adding 5 Corporations through an OIC.

BACKGROUND:

The purpose of the *FIA* is to provide the public with financial information about "corporations", as defined by the *FIA*, in an open, transparent and consistent manner.

"Corporations" are generally organizations within the Government Reporting Entity (GRE) but outside of the Consolidated Revenue Fund (CRF). Notable exceptions are municipalities.

It is the practice of government to seek uniformity between government organizations in the GRE reporting for the Public Accounts and "corporations" reporting for the purposes of the *FIA*. Organizations listed in Schedule 2 of the *FIA* are required to comply with *FIA* reporting requirements.

Corporations reporting under the *FIA* must annually prepare, and make public, Statements of Financial Information including a Schedule of Remuneration and Expenses and a Schedule of Payments to Suppliers of Goods and Services.

DISCUSSION:

s.13; s.14

OPTIONS:

1. By OIC, add BCNET, The British Columbia Council for International Education, Forest Enhancement Society of BC, Real Estate Council of British Columbia, and BC Infrastructure Benefits Inc. to Schedule 2 of the *FIA*.

Implications:

s.13

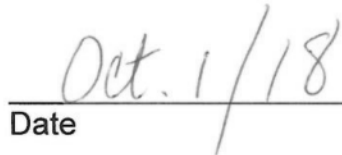
RECOMMENDATION:

- Option 1

APPROVED / NOT APPROVED



Carole James
Minister and Deputy Premier



Date

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s.12

Page 08 of 41 to/à Page 11 of 41

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s.12; s.14

Page 12 of 41 to/à Page 13 of 41

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s.12

Page 14 of 41

Withheld pursuant to/removed as

s.12; s.14

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. _____

, Approved and Ordered

Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that Schedule 2 of the *Financial Information Act* is amended by adding the following corporations:

BC Infrastructure Benefits Inc.

BCNET

Forest Enhancement Society of BC

Real Estate Council of British Columbia

The British Columbia Council for International Education .



Minister of Finance and Deputy Premier

Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Financial Information Act, R.S.B.C. 1996, c. 140, s. 5 (2) (d)*

Other: _____

R10260133

ORDER IN COUNCIL DISTRIBUTION FORM

STATUTE: Financial Information Act

For OIC Office use only:

MINISTRY: Finance

SUMMARY OF SUBJECT MATTER

- Addition of BCNET, The British Columbia Council for International Education, Forest Enhancement Society of BC, Real Estate Council of British Columbia, and BC Infrastructure Benefits Inc.. to Schedule 2 of the *Financial Information Act*

ORIGINATOR (Name/Ministry/Branch/Telephone/email):

Kevin Herkel
Ministry of Finance
Financial Management Branch
(778) 698-5410
Kevin.Herkel@gov.bc.ca

COPIES

☒ PDF copies (Please provide name, Ministry and exact email address for each recipient below):

Kevin Herkel
Ministry of Finance
Kevin.Herkel@gov.bc.ca

Chris Ferguson-Martin
Ministry of Attorney General
Chris.FergusonMartin@gov.bc.ca

☐ Certified true copy of this OIC - for legal or evidentiary purposes only
(Please provide name, Ministry/Company, mailing address, city, postal code and telephone):

ORDER IN COUNCIL DISTRIBUTION FORM

DATE: September 27, 2018

SPEAKING POINTS

Additions to Schedule 2 of the *Financial Information Act*

- The Office of the Comptroller general is seeking approval to add the following 5 corporations to schedule 2 of the Financial Information Act:
 - BCNET;
 - The British Columbia Council for International Education;
 - Forest Enhancement Society of BC;
 - Real Estate Council of British Columbia;
 - BC Infrastructure Benefits Inc.

s.14

- Corporations reporting under the *Financial Information Act* must annually prepare, and make public, Statements of Financial Information including a Schedule of Remuneration and Expenses and a Schedule of Payments to Suppliers of Goods and Services.



The purpose of the Regulatory Impact Checklist Exemption is to demonstrate that a regulatory impact assessment does not need to be completed for the proposed statutory or regulatory changes. A regulatory count is not required for changes that qualify for an exemption.

Questions? Contact RegulatoryReformBC@gov.bc.ca

OIC# (add when available)

Effective Date (DD / MM / YYYY)

Contact and Regulation Information

Name of Contact	Phone Number of Contact
Kevin Herkel	778-698-5410
Name of Ministry	
Finance	
Name of Legislation	
Financial Information Act (FIA)	
Name of Regulation (including B.C. Reg. #), Policy or Form, if applicable	
Financial Information Act	

Proposed Changes

The proposed changes are (check all boxes that apply):	
<input type="checkbox"/>	Type of OIC is "not a regulation," as identified on the OIC summary sheet.
<input type="checkbox"/>	Changes to existing fees or fines approved by Treasury Board.
<input type="checkbox"/>	Related only to the procedures or practices of a court or tribunal.
<input checked="" type="checkbox"/>	Declaratory or housekeeping changes that clarify or correct a provision without changing regulatory requirements. For example, revised under the revision powers in Part 2 of the Regulations Regulation under the <i>Regulations Act</i> .
<input type="checkbox"/>	Transitional in nature (e.g., Statutes for the 2010 Olympics in Vancouver).
<input type="checkbox"/>	Confirmed by the responsible minister or authority that, due to special circumstances, the regulatory criteria do not apply to the legislative or regulatory change.

Special Circumstances

Please explain special circumstances:

Authorization

Signature of Minister Responsible or Head of Regulatory Authority

Date (DD/MM/YYYY)



01/10/2018

Ministry File Manager Use Only☐ Exemption form uploaded to Regulatory Reform Sharepoint site

Signature of Regulatory Reform File Manager

Date (DD/MM/YYYY)

Ministry of Finance
BRIEFING DOCUMENT

To: Carl Fischer
Comptroller General

Date Requested: September 26, 2018
Date Required: September 27, 2018

Initiated by: James Bulmer
Director, Financial Management
And Operations
Financial Management Branch

Date Prepared: September 27, 2018

Ministry Contact: Kevin Herkel
Senior Policy Analyst
Financial Management Branch

Phone Number: 778-698-5410
Email: kevin.herkel@gov.bc.ca

Cliff #: 374825

TITLE: Additions to Schedule 2 of the *Financial Information Act*

PURPOSE: For Decision

EXECUTIVE SUMMARY

The Financial Management Branch (FMB) is seeking approval to update Schedule 2 of the *Financial Information Act (FIA)* through an Order in Council (OIC). Schedule 2 has not been updated since 2013. The update to Schedule 2 will mitigate incidents of non-compliance and show the additional corporations listed correctly in Schedule 2.

DATE PREPARED: September 27, 2018

TITLE: Additions to Schedule 2 of the *Financial Information Act*

ISSUE: FMB is seeking approval to update Schedule 2 of the *FIA* through an OIC. Schedule 2 has not been updated since 2013. The update to Schedule 2 will mitigate incidents of non-compliance and show the additional 5 corporations listed correctly in Schedule 2.

BACKGROUND:

The purpose of the *FIA* is to provide the public with financial information about “corporations”, as defined by the *FIA*, in an open, transparent and consistent manner.

“Corporations” are generally organizations within the Government Reporting Entity (GRE) but outside of the Consolidated Revenue Fund (CRF). Notable exceptions are municipalities.

It is the practice of government to seek uniformity between government organizations in the GRE reporting for the Public Accounts and “corporations” reporting for the purposes of the *FIA*. Organizations listed in Schedule 2 of the *FIA* are required to comply with *FIA* reporting requirements.

Corporations reporting under the *FIA* must annually prepare, and make public, Statements of Financial Information (SOFIs) including a Schedule of Remuneration and Expenses and a Schedule of Payments to Suppliers of Goods and Services.

There are cases where organizations have not been added to the *FIA* for practical reasons (e.g., imminent windup, minimal financial impact). Further, The Combined Forces Special Enforcement Unit pointed out that the sensitive nature of their policing operations requires operational staff, contractors, and other suppliers to have anonymity. Employer associations have also been granted an exemption from *FIA* reporting as disclosure of some information would impact the labor negotiation process.

The last organization to be added to the *FIA* Schedule 2 was Destination BC Corp in early 2013.

DISCUSSION:

The FMB would like to add the following 5 entities to Schedule 2 of the *FIA*:

- BCNET,
- The British Columbia Council for International Education,
- Forest Enhancement Society of BC,
- Real Estate Council of British Columbia,
- BC Infrastructure Benefits Inc.

s.13; s.14

It is anticipated that all supporting documentation will be prepared for submission prior to the fall legislative session.

REGULATORY CRITERIA EXEMPTION:

The regulation is housekeeping in nature formalizing the requirement of BCNET, The British Columbia Council for International Education, Forest Enhancement Society of BC, Real Estate Council of British Columbia, and BC Infrastructure Benefits Inc. as public bodies to report for the purposes of the FIA.

OPTIONS:

1. By regulation, add the 5 corporations identified, to Schedule 2 of the FIA.


Implications:

s.13

RECOMMENDATION:

- Option 1

APPROVED / NOT APPROVED



Carl Fischer
Comptroller General

Sept 27, 2018

Date

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Withheld pursuant to/removed as

s.12

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Withheld pursuant to/removed as

s.12; s.14

Ministry of Finance

BRIEFING DOCUMENT

To: Honourable Carole James
Minister of Finance and
Deputy Premier

Date Requested: August 25, 2018
Date Required: October 2, 2018

Initiated by: Shauna Brouwer
Assistant Deputy Minister
Policy and Legislation Division

Date Prepared: October 1, 2018

Ministry Contact: Suzanne Anderson
Senior Policy Advisor
Financial and Corporate Sector
Policy Branch

Phone Number: (778) 698-3895
Email: Suzanne.Anderson@gov.bc.ca

Cliff #: 373827

TITLE: *Real Estate Development Marketing Act*: Implement new assignment reporting requirements and increase filing fees for developers.

PURPOSE:

(X) DECISION REQUIRED

COMMENTS: The Order-In-Council is needed for the Land Title and Survey Authority (LTSA) to implement the Condo and Strata Assignment Integrity Register.

Executive Director approval: _____

ADM approval: _____

DM approval: _____

DATE PREPARED: October 1, 2018

TITLE: *Real Estate Development Marketing Act*: implement new assignment reporting requirements and increase filing fees for developers.

ISSUE:

Approval of Order-In-Council (OIC) to bring into force, effective January 1, 2019, amendments to the *Real Estate Development Marketing Act* (REDMA) and the Real Estate Development Marketing Regulation (Regulation) to implement assignment reporting requirements and increase filing fees for developers.

BACKGROUND:

The *Real Estate Development Marketing Amendment Act, 2018* (Bill 25), received Royal Assent on May 31, 2018, with some provisions coming into force on that date and the provisions related to the assignment reporting requirements to come into force by regulation.

Bill 25 supports the 30-point Housing Plan introduced with Budget 2018, which promised to crack down on speculation in the housing market and to close loopholes in contract assignments in the condo pre-sale market. A purchase agreement for a strata lot, or condo unit, in a development property may be assigned multiple times, with each purchaser inflating the price and not necessarily paying the appropriate amount of income tax. Currently, there is no information collected on these assignments and therefore no way to enforce tax compliance.

Bill 25 added new Part 2.1, Assignment Reporting Requirements, to REDMA, (Part 2.1) which requires developers to collect, and file with the property transfer tax administrator (administrator), comprehensive information for any assignment of their purchase agreements for strata lots, or condo units, in development properties. The information will be used by the Canada Revenue Agency and the ministry's revenue division to address federal and provincial tax avoidance. It will also be used to inform future housing and tax policy.

DISCUSSION:

This OIC will:

- Bring into force Part 2.1 of REDMA made by Bill 25;

- Bring into force related amendments to REDMA made by Bill 25; and
- Amend the Regulation to:
 - Implement the assignment reporting requirements;
 - Increase filing fees; and
 - Repeal a spent provision.

Part 2.1, Assignment Reporting Requirements

Part 2.1 will require developers to collect, and file with the property transfer tax administrator, comprehensive information for any assignment of purchase agreements for strata lots, or condo units, in development properties. Part 2.1 also requires developers to include terms and a notice in their purchase agreements. The content of the terms and notice will be set out in regulation (see below).

Developers with purchase agreements made before commencement of Part 2.1 will not have to amend their purchase contracts to comply with the new rules. However, transition rules for Part 2.1 require them to make reasonable efforts to collect and report comprehensive information about assignments.

Related amendments to REDMA

The enforcement powers of the Office of the Superintendent of Real Estate (OSRE) are amended to apply to Part 2.1 in relation to:

- False or misleading statements;
- The Superintendent's compliance orders; and
- Offences.

Other amendments to REDMA authorize regulations to make exemptions and prescribe other matters for the purposes of Part 2.1.

Finally, consequential amendments are made to allow taxpayer information collected under the *Income Tax Act* and the *Property Transfer Tax Act* to be shared for the purposes of administering and enforcing REDMA.

Amendments to the Regulation

Implementation of the assignment reporting requirements

Terms and notice: Developers will be required to include the following terms and notice in their purchase agreements to support the developers' collection of the required information:

- A term prohibiting any assignment of the purchase agreement without the developers' prior consent;
- A term requiring the parties to the assignment agreement to provide the prescribed information, including personal information; and
- A notice to the parties that the developer must collect the information.

Information to be collected: The regulation prescribes the detailed information that a developer must collect from each party to an assignment agreement to verify that the assignment transaction is reported and the appropriate taxes assessed. For example, for individuals, their name, date of birth, social insurance number and contact information must be collected. Information about the terms of the assignment agreement must also be collected, such as the total amount paid for the assignment and any fee paid to the developer.

Filing frequency: Assignments of purchase contracts generally occur before the first time a purchaser registers title of the property at the LTSA. (After this time, transfers of property would generally be made through actual purchase agreements instead of assignments.) This registration can only occur once a strata plan is deposited and legal title to a strata unit is created. Typically, developers are extremely busy immediately after a strata plan is deposited because they are transferring title to those who have purchase agreements.

To avoid imposing reporting deadlines that require developers to track each assignment as it occurs, reporting is required quarterly or annually, depending on the stage of completion of the property when the developer consents to an assignment:

- Until the strata plan is deposited, quarterly reporting is required;
- In the quarter the strata plan is deposited no reporting is required (because of increased activity as developers transfer title), but reporting is required by the end of the next quarter;
- Subsequently, reporting is required by December 31 and annually for the next six years (the period during which very few assignments are expected).

Other filing details: The developer will be required to:

- Report the information to the LTSA, which acts on behalf of the administrator;
- Notify the administrator when the strata plan is deposited;
- File a report to identify all strata lots that are subject to assignment agreements with the property identification number assigned by the Land Title Office;
- Keep a copy of the assignment agreement for six years after the strata plan deposit date and;
- Provide a copy of the agreement to the administrator as requested.

s.13

Developers must update their purchase agreements for strata lots in development properties, and must also amend disclosure statements for those purchase agreements that have been filed with OSRE. s.13

s.13

Increase to filing fees

The fees payable by developers to OSRE for filing disclosure statements and for requesting exemptions from REDMA marketing and holding deposit requirements have not been increased since REDMA was introduced in 2005, despite the increase in the number and complexity of disclosure statements over the years.

The fees for filing disclosure statements and requesting exemptions vary based on the number of units in the development property. The current fees are \$300 for a development of 9 or fewer units, \$600 for 10 to 49 units, \$1,200 for 50 to 99 units and \$1,800 for 100 or more units. s.13

s.13

The fee for filing an amended disclosure statement will be increased from \$200 to \$600 and copying fees will be increased from \$0.50 to \$1.00 per page.

The Fee Issue Paper is expected to be approved by the Vice Chair of the Treasury Board before s.13

s.13

Consultations

s.13

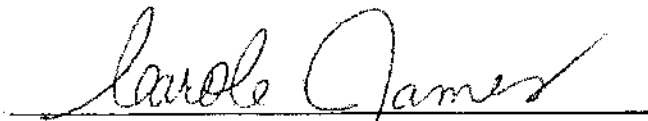
REGULATORY CRITERIA:

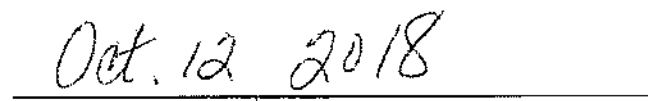
Regulatory count increase: 54.

RECOMMENDATION:

- Approve the OIC to bring into force, effective January 1, 2019, amendments to REDMA and the Regulation to implement assignment reporting requirements, increase filing fees and repeal a spent provision.

APPROVED / NOT APPROVED


Honourable Carole James
Minister of Finance and Deputy Premier


Date

Ministry of Finance

BRIEFING DOCUMENT

To: Honourable Carole James
Minister of Finance
and Deputy Premier

Date Requested: October 16, 2018
Date Required: November 1, 2018

Initiated by: Joseph Primeau
Director, Securities Policy
Financial and Corporate Sector
Policy Branch

Date Prepared: October 22, 2018

Ministry Contact: Timothy Prisiak
Senior Policy Advisor
Financial and Corporate Sector
Policy Branch

Phone Number: 778-698-5268
Email: Tim.Prisiak@gov.bc.ca

Cliff #: 375946

TITLE: Order in Council to Provide for BC Securities Commission Fee Increase

PURPOSE:

(X) FOR INFORMATION

DATE PREPARED: October 22, 2018

TITLE: Order in Council to Provide for BC Securities Commission (BCSC) Fee Increase

ISSUE: Treasury Board has approved a fee increase for the BCSC, now an Order in Council must be approved to bring that fee increase into effect

BACKGROUND:

Although the BCSC is a crown corporation, it receives no government funding. It funds its operations entirely from fees paid by securities market participants. When markets are active fee revenue increases, but as markets become less active, fee revenue will decrease.

DISCUSSION:

The attached Order in Council increases the fees charged by the BCSC to participants in the capital markets such as issuers and dealers. For a list of the current fees and what the new fees will be after the Treasury Board-approved changes, please see Appendix A.

The BCSC has not raised fee rates since 1994. By comparison, nearly every other provincial securities regulator raises fees every year. In the interim, market complexity and the BCSC's regulatory scope have significantly increased. There are several priority areas the BCSC has identified, including:

- *Expanding criminal investigation capacity;*
- *Implementing a heightened compliance program to oversee dealers' conflicts of interest;*
- *Reducing investors' vulnerability to fraud and educating them about investment fees;*
- *Expanding exchange oversight capacity;*
- *Modernizing the framework for venture market financing;*
- *Responding to fintech and other technological challenges, including cybersecurity risks.*

Given the magnitude of the investment the BCSC needs to make in order to successfully address these critical operational priorities and the volatility and seasonality of the BCSC revenues, it is expected that either this fee increase or a line of credit would be needed to meet the BCSC's long-term objectives.

s.12; s.14

Attachment

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Withheld pursuant to/removed as

s.12

Ministry of Finance

BRIEFING DOCUMENT

To: Honourable Carole James
Minister of Finance
and Deputy Premier

Date Requested: August 10, 2018

Date Required: August 28, 2018

Initiated by: Shauna Brouwer
Assistant Deputy Minister
Policy and Legislation Division

Date Prepared: August 23, 2018

Ministry

Phone Number: 778 698-9401

Contact: Chris Dawkins
Executive Director
Financial and Corporate Sector
Policy Branch

Email: Christina.Dawkins@gov.bc.ca

Cliff #: 372063

TITLE: s.12; s.13; s.16

**(X) FOR INFORMATION IN ANTICIPATION OF A MEETING SCHEDULED TO HEAR
THE REQUEST**

Executive Director approval: _____

ADM approval: _____

DM approval: _____

DATE PREPARED: August 23, 2018

TITLE: s.12; s.13; s.16

ISSUE: The First Nations Summit is requesting s.13; s.16
s.12; s.13; s.16

BACKGROUND:

The First Nations Summit (FNS) is a First Nations-driven political organization that focuses on advocating for First Nations in addressing issues related to Treaty negotiations and other issues of common concern to First Nations communities. Although FNS initially did not incorporate under federal or provincial legislation, a separate legal entity (First Nations Summit Society) was created to function as the administrative and financial arm of the Summit; as an incorporated body is required to enter into agreements to receive government funding.

The First Nations Summit is requesting a meeting with the Minister of Finance to discuss s.13; s.16
s.12; s.13; s.16

The Ministry of Indigenous Relations and Reconciliation (MIRR) offers the following context for this issue.

Indigenous Context from MIRR

- The BC Government has committed to fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as the foundation of its work to create true and lasting reconciliation with Indigenous

peoples in BC and to achieve a government-to-government relationship based on respect, recognition and exercise of Aboriginal title and rights.

Indigenous people have a special constitutional relationship with the Crown. This relationship, including existing Aboriginal and treaty rights, is recognized and affirmed in section 35 of the Constitution Act, 1982. Thus the relationship between the Province and First Nations communities and representative organizations has a different foundation than any other society formed under the Societies Act.

It is the responsibility of all government to shift its relationships and arrangements with Indigenous peoples so that they are based on recognition and respect for the right to self-determination. This responsibility includes changes in the operating practices and processes of the provincial government.

Treaty continues to be the most comprehensive vehicle to implement the self-determination and self-government provisions of UNDRIP. The treaty process as set out in the BC Claims Task Force Report, the BC Treaty Commission Agreement and federal and provincial legislation requires the existence of the FNS as a treaty Principal representing First Nations interests in the treaty process.

s.12; s.13; s.16

DISCUSSION:

s.12; s.13; s.16

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Withheld pursuant to/removed as

s.12; s.13; s.16

Ministry of Finance
BRIEFING DOCUMENT

To: Honourable Carole James
Minister of Finance
and Deputy Premier

Date Requested:
Date Required: October 1

Initiated by: Duncan Jillings

Date Prepared: Sept 17, 2018

Ministry Contact: Duncan Jillings

Phone Number: 778-698-5796
Email:

Cliff #: 373673

TITLE: AltaGas and Ports Property Tax Act

PURPOSE:
(X) DECISION REQUIRED

COMMENTS: Province will likely be undertaking a review of the Ports Property Tax Initiative over the next year.

DATE PREPARED:

TITLE: *AltaGas and Ports Property Tax Act*

ISSUE: s.13; s.17

BACKGROUND:

s.13; s.17

DISCUSSION:

s.13; s.17

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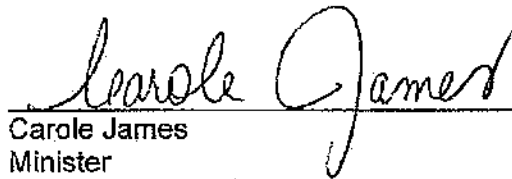
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s.13; s.17

RECOMMENDATION:

s.13; s.17

APPROVED / NOT APPROVED


Carole James
Minister

Oct. 31 / 2018
Date

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Withheld pursuant to/removed as

s.21

Ministry of Finance / Ministry of Indigenous Relations and Reconciliation

BRIEFING DOCUMENT

To: Honourable Carole James
Minister of Finance
and Deputy Premier

Honourable Scott Fraser
Minister of Indigenous Relations
and Reconciliation

Date Required: October 31, 2018

Initiated by: Andrea Keil
Director, Indigenous Tax

Date Prepared: October 15, 2018

Ministry Contact (FIN): Andrea Keil
Director, Indigenous Tax

Phone Number: 778-698-5829
Email: Andrea.Keil@gov.bc.ca

Ministry Contact (MIRR): Michael Matsubuchi
Director, Fiscal

Phone Number: 250-415-8863
Email: Michael.Matsubuchi@gov.bc.ca

Cliff #: 375647

TITLE: s.13; s.16

PURPOSE: (X) FOR DECISION

COMMENTS: s.13; s.16
s.13; s.16

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Withheld pursuant to/removed as

s.13; s.16

Ministry of Finance

BRIEFING DOCUMENT

To: Honourable Carole James
Minister of Finance
And Deputy Premier

Date Requested: October 15, 2018
Date Required: October 16, 2018

Initiated by: Lori Wanamaker
Deputy Minister

Date Prepared: October 17, 2018

Lead

Contact: Doug Scott
Associate Deputy Minister
Ministry of Attorney General

Phone Number: 778-698-0403
Email: Douglas.S.Scott@gov.bc.ca

Ministry

Contact: Andrea Keil
Director, Indigenous Tax

Phone Number: 778-698-0403
Email: Andrea.Keil@gov.bc.ca

Cliff #: 375637

TITLE: BC First Nations Gaming Commission Request for Meeting with Minister
Carole James

PURPOSE:
(X) FOR INFORMATION

COMMENTS:

DATE PREPARED: October 17, 2018

TITLE: BC First Nations Gaming Commission (FNGC) Request for Meeting with Minister Carole James

ISSUE: s.13; s.16

BACKGROUND:

A BC-First Nations Gaming Revenue Sharing Working Group (GRSWG), which is comprised of staff from MIRR, the Ministry of Attorney General (MAG) and Finance (Tax Policy Branch) and representatives from the First Nations Gaming Commission (FNGC¹), have been formally meeting since January 2018. Grand Chief Joe Hall from Sto:lo Nation is leading the discussions on behalf of the FNGC.

s.13; s.16

DISCUSSION:

s.12; s.13; s.16

¹ The FNGC members include: Regional Chief Terry Teegee - BCAFN, Nolan Charles – First Nations Summit, Kathryn Teneese – Ktunaxa Nation Council, Grand Chief Joe Hall – Former Chair of FNGC, Chief Judy Wilson – UBCIC Executive Committee, Dr. Judith Sayers – Strategic Advisor to First Nations and Corporations

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Withheld pursuant to/removed as

s.12; s.13; s.16

s.12; s.13; s.16

RECOMMENDATION

It is recommended that both Minister Fraser and Minister James jointly meet with the FNGC to:

s.13; s.16

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s.14