

Agenda Item 4.6
April 16/19 Board Meeting

BC Ministry of Finance: Update On 10-Year Review of Financial Institutions Act

From: FIN Deputy Minister FIN:EX <FIN.DeputyMinister@gov.bc.ca>

Sent: April-04-19 1:44 PM

Subject: Financial Services Authority Act (FSAA) Introduction

Dear Stakeholder:

I'm pleased to share with you today that the B.C. government is delivering on its commitment to strengthen oversight of the financial services sector by establishing a new Crown agency, the BC Financial Services Authority.

Today the B.C. government introduced enabling legislation, the *Financial Services Authority Act*, to update the structure of the Financial Institutions Commission (FICOM) to make it an independent Crown agency. The new agency will have responsibility for regulation of mortgage brokers, insurance and trust companies, pensions and credit unions. It will be operationally independent, yet accountable to government, and funded by industry. For more information, [read the news release now](#).

We know the financial services sector is rapidly evolving. The government is making these changes to improve the regulator's stability, address high vacancy rates within the organization and better align the structure of the organization with international standards and best practices.

The new Authority is expected to be fully operational later this year. In the meantime, FICOM will continue to be the regulatory authority for the credit union, insurance and trust sectors.

I would like to thank you for your support as we go through this transition, and we are working hard to ensure it is as seamless as possible for stakeholders and the public.

Should you have any questions about the new legislation please contact the Financial and Corporate Sector Policy Branch at FCSP@gov.bc.ca.

Sincerely,

Lori Wanamaker, FCPA, FCA
Deputy Minister
Ministry of Finance

New Crown agency will better protect people's financial interests

News Release

Victoria

Thursday, April 4, 2019 10:14 AM

New legislation establishing the B.C. Financial Services Authority will more effectively protect people when they use financial services and boost oversight of the sector to support a strong, sustainable economy and make life better for people.

The Financial Services Authority Act establishes a new, independent Crown agency to regulate credit unions, insurance and trust companies, pensions and mortgage brokers.

"People in B.C. work hard to make a living and it's our responsibility to make sure their financial interests are protected, whether that's applying for a mortgage, using a credit union, getting insured or contributing to their pension," said Carole James, Minister of Finance. "The financial services sector is rapidly evolving. This legislation will make sure B.C.'s financial services regulator is modern, effective and efficient for decades to come."

The Act is designed to improve accountability and oversight, and align with international best practices and be consistent with other regulators.

"British Columbians expect a financial regulator to protect their interests," said Stanley Hamilton, chair, Financial Institutions Commission. "This is a significant achievement that demonstrates government's commitment to making the changes needed to ensure we can successfully deliver on our mandate."

The legislation requires the Authority to be managed by a board of directors that will appoint a CEO. The Authority will be accountable to the Minister of Finance. As a Crown agency, the B.C. Financial Services Authority will receive a mandate letter from the B.C. government and must maintain a service plan and other transparent reporting requirements.

Modernizing this key provincial regulator will protect people using financial services into the future. The province has worked with stakeholders over the past year, including as part of a larger legislative consultation and through direct meetings, to ensure a smooth transition for the sector. The new B.C. Financial Services Authority is expected to launch later this year.

Quick Facts:

- In British Columbia, there are:
 - 42 credit unions with more than \$72 billion in assets;
 - 4,000 mortgage brokers;
 - 677 pension plans with approximately \$158 billion in assets; and
 - over 200 insurance and trust companies.
- The Authority will be a self-funded Crown agency focused on sector regulation. It will not raise provincial revenue.
- The B.C. Financial Services Authority replaces the Financial Institutions Commission (FICOM). FICOM will continue as the regulator until the Authority is fully operational.
- FICOM was created in 1989 with a mandate letter from the Minister of Finance.
- Establishing FICOM as a Crown agency was a recommendation from a 2017 independent review of FICOM, as well as previously supported by B.C.'s Auditor General.

Learn More:

Financial Institutions Commission: <https://www.fic.gov.bc.ca/>