

Regulatory Statement

Obtaining a Business Authorization to Operate an Extraprovincial Trust Corporation in British Columbia

Regulatory Statement Number	TR-18-001
Legislation:	<i>Financial Institutions Act</i>
Related Forms:	Application for Business Authorization for Extraprovincial Trust Corporations
Date:	October 1, 2018
Distribution:	All Interested Applicants

PURPOSE

This Regulatory Statement (“Statement”) outlines the application process through which an extraprovincial trust corporation may apply to the BC Financial Services Authority (“BCFSA”) for a business authorization to conduct trust or trust and deposit business in the province of British Columbia (“BC”). An extraprovincial trust corporation is not permitted to carry on trust and/or deposit business in BC unless it has received a business authorization from the Superintendent of Financial Institutions (“Superintendent”).

This Statement includes:

- overview of legislation;
- overview of the application process; and
- submission instructions.

BACKGROUND INFORMATION

An extraprovincial trust corporation is a corporation authorized to carry on trust business by or under the laws of a jurisdiction other than BC. In order to conduct trust business in BC, an extraprovincial trust corporation must apply for a business authorization from BCFSA. Prior to submitting an application to BCFSA, the extraprovincial trust corporation must apply to the BC Registry Services (“Registry”) to register as an extraprovincial corporation.

LEGISLATION

Pursuant to [Section 159](#) of the *Financial Institutions Act* (“FIA”), an extraprovincial trust corporation must have a business authorization in order to conduct trust or trust and deposit business in BC.

An extraprovincial trust corporation whose primary jurisdiction is not Canada may be granted a business authorization for trust business in BC under [Sections 159\(2\)\(a\)](#) and [160\(3\)](#) of the FIA. A business authorization will not be issued if the Superintendent believes on reasonable grounds that it is not in the public interest to issue the business authorization.

[Section 160\(6\)](#) of the FIA provides that the Superintendent must issue a business authorization to an extraprovincial trust corporation whose primary jurisdiction is Canada upon submission of an application that is satisfactory to the Superintendent. In addition to trust business, the business authorization may

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authorize deposit business under [Section 159\(2\)\(b\)](#) of the FIA provided that the extraprovincial trust corporation maintains deposit insurance with the Canada Deposit Insurance Corporation (“CDIC”).

[Section 158](#) of the FIA delineates which provisions of the FIA and other applicable statutes apply to and in respect of an extraprovincial trust corporation dependent upon the jurisdiction of the entity. Applicants are encouraged to review and conduct a self assessment against the guidelines which have been adopted from the Office of the Superintendent of Financial Institutions (“OSFI”) when submitting an application for incorporation and authorization for an extraprovincial trust corporation.¹

REQUIREMENTS

Applicants must submit the following materials to BCFSa:

- non-refundable [application fee](#) payable to the BCFSa;
- completed [Application for Business Authorization for Extraprovincial Trust Corporations Form](#);
- copy of registration with the Registry or proof that the registration process has started;
- corporate profile and history of the corporation;
- proof that the corporation has liquid assets and a capital base that is at least equal to the applicable minimum required under [Section 67](#) of the FIA, and adequate to the business that the corporation proposes to carry on;
- most recent audited financial statements, signed by at least two directors, along with the report of the auditor, a copy of the Resolution of the directors showing that the statements were approved by them, and interim financial statements for the most recent month end preceding the application;
- proposed plan of operations that contains the following information:
 - business plan that describes the manner in which the business will be carried on in BC;
 - description of intended products and distribution channels;
 - description of management expertise in respect of proposed products and services to be offered to the public and general trust business;
 - analysis of key risks and risk mitigation strategies;
 - organizational chart showing a parent company (if applicable), all companies within the corporate group including affiliates and subsidiaries and ownership information including ownership percentages;
 - description of material outsourcing arrangements with affiliates or third parties; and
 - pro-forma financial statements for the three-year forecast horizon, per line of business, with detailed supporting rationale for the key assumptions underlying the forecasts, including, where applicable, supporting calculations;
- copy of the investment policy;
- current curriculum vitae for each director, senior officer, and significant shareholder (those owning or controlling, directly or indirectly, 10 per cent or more of the voting shares of the trust corporation);
- if the corporation is federally regulated, a certified copy of the Order to Commence and Carry-on Business and a certified copy of the Letters Patent of Incorporation;
- if the corporation is not federally regulated, a certified copy of the Certificate of Authorization from the corporation’s primary jurisdiction; and
- if the corporation is deposit-taking, proof of its membership with the Canada Deposit Insurance Corporation (“CDIC”).

¹ [BCFSa: OSFI Guidelines Summary Table - 2020](#)

While this Statement provides direction to extraprovincial trust corporations on the basic requirements of an application for business authorization, the particular circumstances of each application may necessitate additional information.

INSTRUCTIONS

To make an enquiry or to request a meeting with BCFSa staff in respect of an application, please contact Statutory Approvals at statapprovals@bcfsa.ca or at (604) 398-5034.

All notices, information or documentation referenced in this Statement may be submitted via the [Integrated Regulatory Information System](#) ("IRIS"), a secure portal through which regulated entities may provide information to BCFSa. IRIS, as well as [instructions](#) on how to set up an account and submit an application through IRIS, may be accessed on BCFSa's website.

Application fees may be paid in IRIS by credit card (Visa or Mastercard). Payment by credit card through IRIS is an integrated part of a submission and will be remitted when the applicant submits the required application materials. Please contact statapprovals@bcfsa.ca for instructions on how to remit payment if you wish to pay an application fee by electronic fund transfer, wire, or cheque.