

# Regulatory Statement

## Financial and Capital Return (“FCR”)

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<b>Regulatory Statement Number</b>	21-011
<b>Legislation:</b>	<i>Financial Institutions Act</i>
<b>Related Forms:</b>	FCR Template and Reporting Instructions
<b>Date:</b>	June 29, 2021
<b>Distribution:</b>	B.C. Trust Companies

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### PURPOSE

This Regulatory Statement informs B.C. trust companies of the requirement to complete and file the Financial and Capital Return (“FCR”) with the Superintendent of Financial Institutions at BC Financial Services Authority (“BCFSA”), as required by the *Financial Institutions Act* (“FIA”) and its regulations.

Effective September 2021, this Regulatory Statement (including the FCR template and reporting instructions) replaces the current Financial Return for B.C. Trust Companies reporting requirements. Beginning with the September 2021 reporting period, B.C. trust companies are required to complete and file the FCR (using the attached FCR template and reporting instructions).

### LEGISLATION

FIA Section 127(1) states, “Subject to subsection (1.1), within 90 days after the end of its financial year in each year, a financial institution must file with the superintendent a return in the form established by the superintendent outlining its financial condition and affairs during that financial year ...”

The Capital Requirements Regulation (“CRR”) of the FIA Section 21 states, “Within 90 days after the end of its financial year in each year, ...

(d) a trust company ...

shall file with the superintendent a report made up to the financial year end showing, to the superintendent's satisfaction, the particulars of the calculation of the amount that constitutes an adequate capital base for that insurance company, trust company or extraprovincial corporation.”

FIA Section 127(3) states, “At intervals specified by the superintendent, a financial institution must file with the superintendent one or more of the following reports as specified, and in the form established, by the superintendent:

- (a) a financial affairs report;
- (b) a market conduct practices report;
- (c) a risk management practices report;
- (d) a corporate governance report.”

## REQUIREMENTS

B.C. trust companies are required to file the annual FCR pursuant to FIA Section 127(1) and CRR Section 21. In addition to the annual filing requirements, B.C. trust companies are required to file the FCR on a quarterly basis pursuant to FIA Section 127(3)(a).

### Due Dates and Frequency

All B.C. trust companies are required to submit the FCR quarterly within 30 days of each quarter end and annually within 90 days of the trust company's fiscal year end.

Two FCRs must be submitted for the trust company's fiscal year end: the quarterly and the annual. The annual FCR is based on the final non-consolidated financial statements of the trust company at year end.

### Completion of the FCR

The FCR must be prepared for the B.C. trust company on a non-consolidated basis using the FCR reporting template provided by BCFSA. Line numbers, fields, descriptions, or other aspects of the template must not be altered, and they have been locked accordingly.

The FCR must be based on the non-consolidated financial statements of the B.C. trust company prepared in accordance with the International Financial Reporting Standards ("IFRS"), reflecting book values at the date of the FCR unless otherwise specified.

Dollar amounts must be reported in Canadian and rounded to the nearest dollar. Foreign currency amounts must be converted to the Canadian dollar equivalent in accordance with IFRS. Percentages must be rounded to two decimal places (or four decimal places if in decimal format).

### Filing of the FCR

The completed FCR must be submitted electronically in Excel format through BCFSA's Integrated Regulatory Information System ("IRIS") portal. Link: [Login | BCFSA](#).

### Late Filing

Late submissions of the FCR may result in a penalty under the FIA's Administrative Penalties Regulation, as described in BCFSA's Non-Compliant Filings Administrative Penalty ("NFAP") Guideline. The NFAP Guideline is available [here](#) on BCFSA's website. B.C. trust companies should notify BCFSA as soon as possible of expected delays in the FCR submission.

## ATTACHMENTS

1. [FCR Template](#)
2. [FCR Reporting Instructions](#)

## OTHER INFORMATION

For questions on completion and submission of the FCR, please contact your BCFSA Relationship Manager or email [filings@bcfsa.ca](mailto:filings@bcfsa.ca).

As the BC Financial Services Authority, we issue Regulatory Statements outlining how entities must operate, or the form and content required by the Regulator for mandatory regulatory filings identified in the *Financial Institutions Act*, Regulations, and other pertinent legislation. While the comments in a particular part of a Regulatory Statements 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, instructions, definitions, and positions contained in a Regulatory Statements generally apply as of the date on which it was published, unless otherwise specified.