

Regulatory Statement

Information Required of Directors, Senior Officers, and Shareholders

Regulatory Statement Number	22-005
Legislation:	<i>Financial Institutions Act, Credit Union Incorporation Act</i>
Related Form:	Personal Information Return
Date:	September 15, 2022
Distribution:	Board Chairs, CEOs and General Managers, British Columbia Provincially Regulated Financial Institutions

PURPOSE

This Regulatory Statement sets out BC Financial Services Authority's ("BCFSA") requirements for directors, senior officers (collectively, "DSOs"), and shareholders controlling ten or more per cent of the voting shares of provincially regulated financial institutions ("PRFIs").

BACKGROUND INFORMATION

The following legislation requires DSOs or proposed DSOs of a PRFI to complete and submit a Personal Information Return ("PIR") before commencing duties:

- Sections 13(2)(e), 22(2)(c) and 105 of the *Financial Institutions Act* ("FIA"); and
- Sections 11(3)(e) and 15.1(5)(a)(iii) of the *Credit Union Incorporation Act* ("CUIA").

DEFINITIONS

A senior officer¹ is an individual who meets any of the following criteria:

- (i) The individual is one of the five highest paid officers; or
- (ii) The individual is either the chair or a vice chair of the board of directors or the president, a vice president, the secretary, the treasurer or the general manager of the corporation; or
- (iii) The individual performs functions of the PRFI similar to those normally performed by any of the individuals in the named positions in (ii) above.

REQUIREMENTS

A PRFI should conduct its own assessment for suitability prior to the person submitting their PIR to BCFSA. In order for BCFSA to be able to assess a DSO's suitability for office, the following documents must be submitted:

1. PIR;
2. Resume;
3. Bankruptcy and insolvency check; and
4. Criminal record check.

¹ As defined in section 1 of the *Financial Institutions Act*. See also the *Definitions Regulation*.

PIR

The PIR for DSOs can be found on the BCFSa website:

<https://www.bcfsa.ca/media/2883/download>

The DSO is responsible for submitting the PIR and supporting documents.

Please note that the PIR is to be filed with BCFSa for directors, senior officers, and any controlling shareholders **prior to taking office, commencing duties, or acquiring ownership as applicable.**

Submission of the PIR form is subject to the [Non-Compliant Filings Administrative Penalty Guideline](#). It is the responsibility of the DSO to be fully aware of their regulatory obligations, including their filing requirements, and to comply with them.

Resume

A resume that includes education and employment history up to the date of submission must be provided.

Bankruptcy and Insolvency Check

DSOs must disclose whether they have ever been subject to bankruptcy proceedings, and if so, they need to explain whether they have been discharged and attach proof of discharge. DSOs who have been discharged from bankruptcy must provide a copy of the assignment in bankruptcy and a list of all creditors.

Please note that bankruptcy proceedings, including consumer proposals under the *Bankruptcy and Insolvency Act*, must be reported on the PIR Part C item 7.

DSOs must provide a bankruptcy and insolvency check that is dated **no more than three months** prior to the date of submission. A bankruptcy and insolvency check can be obtained from the [Office of the Superintendent of Bankruptcy Canada](#).

There are circumstances where a bankruptcy and insolvency check may not arrive by the start date of the DSO's position or share acquisition. The bankruptcy and insolvency check does not need to be filed prior to commencing duties or acquiring shares - this document can be filed with BCFSa separately.

Criminal Record Check

DSOs must provide BCFSa with a current and original criminal record check ("CRC"), which is dated **no more than three months** prior to the date of submission.

A DSO must obtain a CRC, based on their full name and date of birth, from their local police station or a third party service provider. Service providers² include:

- Commissionaires; and
- BackCheck.

In circumstances where a CRC based on the name and date of birth of the DSO shows a significant criminal record or BCFSa has concerns over the identity of the individual, the DSO may be required to obtain a CRC based on the applicant's fingerprints.

² The list of service providers has been provided for your convenience. BCFSa does not endorse the products and services of these companies.

DSOs must disclose whether they have been charged or convicted without pardon of any criminal offence or offences, under any law of any province, state, or country. If the DSO does have a criminal record or pending criminal charges, they must provide a detailed explanation, including the circumstances under which the charges were laid, the specific offences, whether they resulted in convictions, relevant dates, and a description of the disposition of the charges and any penalty imposed.

There are circumstances where a CRC may not arrive by the start period of the DSO's position or share acquisition. The CRC does not need to be filed prior to commencing duties or acquiring shares - this document can be filed with BCFSA separately.

Regulatory Issues with Professional Organizations or Self-Regulatory Bodies

DSOs must disclose whether they have ever been refused a license or registration or been disciplined by a regulatory body in any capacity, including being advised by a regulatory body that if they reapply for a license or registration, they would be subject to a suitability review.

Failure to Disclose

BCFSA expects that each DSO will complete the PIR with truthful and complete information. BCFSA considers it a serious matter for any DSO to provide false information by either making false statements or failing to provide complete and truthful statements. Providing false or incomplete information to BCFSA may affect an individual's suitability to be a DSO of a FI. DSOs are advised to read the PIR carefully, and to contact BCFSA if they are uncertain about how to provide a clear response to a question or issue.

Updated PIR

Please note that a DSO is required to submit an updated PIR and resume when there are changes to the information in the PIR, CRC, or bankruptcy and insolvency check. In Part A item 1 of the PIR, a DSO should specify what information on the form has been updated.

COLLECTION, USE, DISCLOSURE, AND RETENTION POLICY

The information requested on the PIR is collected under the authority of, and used for the purpose of, administering the FIA and the CUIA, as applicable.

BCFSA's retention policy is consistent with the requirements in the *Document Disposal Act*.

ADDITIONAL INFORMATION

If there are any questions about this Regulatory Statement, please contact Filings@bcfsa.ca.

600 – 750 West Pender St
Vancouver, BC V6C 2T8

Telephone: 604-660-3555

Toll Free: 866-206-3030

Fax: 604-660-3365

Website www.bcfsa.ca

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