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Deposit Data Requirements

Version 3.0

Consultation Summary Report

BCFSA 

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Introduction

In March 2022, the BC Financial Services Authority (“BCFSA”) undertook a 90-day consultation seeking feedback from the B.C. credit union segment on the proposed updates to the Deposit Data Requirements Version 3 (“Version 3”). The purpose of the consultation was to inform BCFSA’s deposit data collection approach that is necessary for completing accurate and timely deposit insurance determinations for depositor reimbursement in the event of a credit union failure. The proposed Version 3 contains enhancements from the Deposit Data Requirements Version 2 (“Version 2”), which was released in November 2019 to address informational gaps identified during data extract tests and external third-party validation.

The consultation period was open from March 21 to June 21, 2022. This report summarizes the consultation feedback received from B.C. credit unions and includes BCFSA’s responses and next steps. There are three key themes within the collected feedback:

- Timeline, resources, and budget considerations to meet needs of the data collection request;
- The potential burden of updating a banking system to meet new requirements; and
- A need for review of data redundancy in Version 3.

BCFSA values the feedback it received during the consultation period and, where appropriate, this feedback will be used to clarify and strengthen the data requirements in Version 3. BCFSA thanks the B.C. credit unions who actively participated in the dialogue throughout the consultation process.

For information on the proposed Version 3, see the [consultation page](#) on BCFSA’s website.

Consultation Process Overview

The consultation was launched with the March 21, 2022, release of an advisory on the Deposit Data Requirements, including the proposed enhancements in Version 3. The primary source of feedback came in the form of written feedback provided by B.C. credit unions.

Some of the engagement activities BCFSA undertook include:

- An information session on April 5, 2022, to provide B.C. credit unions with the opportunity to ask questions on the proposed enhancements. The session was attended by 56 participants from 28 B.C. credit unions. During the first information session, B.C. credit unions were invited to provide their written feedback by June 21, 2022;
- Email reminders to B.C. credit unions to provide their written feedback before the deadline;
- One-on-one sessions with three B.C. credit unions in May 2022, for in-depth discussion; and
- A post-consultation information session, held on July 28, 2022, was attended by 33 participants from 20 B.C. credit unions. The purpose of the session was to discuss the common themes of the feedback received with B.C. credit unions, confirm BCFSA's understanding of that feedback, and to inform credit unions of next steps.

Summary of Feedback

BCFSA received written feedback from seven B.C. credit unions in response to the proposed enhancements to Version 3. The following table summarizes the feedback received during the consultation into key themes and specific data extracts.

TABLE 1: KEY THEMES FROM FEEDBACK

Theme	Summary of Issue/Comment	BCFSA Response
Resource and budget	<p>One respondent expressed that deposit data should be collected based on proportionality when updating or implementing changes. This would allow for adequate planning of budgets, working plans, collaboration with banking hosts and reporting partners, and staffing considerations, especially for smaller credit unions with limited staff resources and budget.</p> <p>Another respondent suggested that the requirements should be broken down, prioritized, and that the timeline should be sequenced to allow gradual progress.</p>	<p>The proposed Version 3 is not intended to burden B.C. credit unions with a banking system update. An appropriate timeline will be considered to allow more time for implementation and to generate the first set of data extracts based on Version 3.</p>
Frequency and timing	<p>One respondent requested clarification and some examples about the triggering of the requirement for the staged data extract.</p> <p>The respondent also added that data fields that are not currently available in the core banking system will require coding, testing, and populating for each member or account. This could take a significant amount of time considering the many other requirements of credit unions, including, but not limited to, open banking readiness and capital modernization.</p> <p>Lastly, the respondent stated that allowing adequate time to prioritize, build capital and human capacity, and respond to these requests will ensure good output from all. They stated that a timeline of at least 18 months would be required to put these requirements into annual plans as a priority for the next year.</p>	<p>This feedback will be considered to ensure adequate time is provided for B.C. credit unions to prepare the deposit data and meet updated requirements according to Version 3.</p> <p>The timeline will be confirmed in the regulatory statement set to be released in Spring 2023.</p>

<p>Data redundancy</p>	<p>Three respondents recommended that full review of the relevance and necessity of Version 3 should be done to reduce the administrative burden. The respondents gave the following examples:</p> <ul style="list-style-type: none"> • Product Type in place of Product Code and Product Description; • CUDIC Coverage flag in place of Savings Institution Flag and Equity Share Information; and • Joint Account Flag - This information is available by matching accounts to the Account Joins Extract. <p>They also indicated that there are some required fields that do not seem to impact the ability of CUDIC to appropriately pay out the deposits to the correct members. They suggested that these fields should not be required but should be requested in case the information is available, as that information adds value to members and CUDIC. Those fields include but are not limited to:</p> <ul style="list-style-type: none"> • Domestic PEP; • Address Last Modified; • Primary Contact; and • Payee Flag. 	<p>Data field review was conducted to ensure necessity of the requirements. Most of the stated examples are still deemed necessary to inform the deposit profile, determine the accuracy of insured deposit payment and its beneficiary, and to conduct due diligence for payments that are withheld.</p> <p>However, the review also identified that the following data fields are no longer required:</p> <ul style="list-style-type: none"> • Account Branch Name; • Customer Branch Name; • Closure Reason; • Address Last Modified; and • Current Mailing Address Valid. <p>BCFSA determined that the minimum information on the branch, accounts with closed status, and recent address were already identified through other data fields.</p>
<p>Data not available in the banking system</p>	<p>Four respondents expressed that some of the requested data is not available in the current banking system, nor is it planned to be included in a customer management system outside the banking system.</p> <p>Three respondents reiterated that a banking system update can result in a substantial amount of time and money for coding, testing, and implementation, including populating fields for tens of thousands of members.</p>	<p>The proposed Version 3 is not intended to burden B.C. credit unions with a banking system update. If the requested data is not available in the banking system, BCFSA will work with each credit union individually to find a solution and collect the data.</p>
<p>Credit union methodology</p>	<p>One respondent expressed through a one-on-one session that each credit union has its own reconciliation methodology. Some data is within the banking system and other data is in the accounting system.</p>	<p>To better understand and document credit unions' distinctive methodology, a risk-based onsite review will be implemented.</p>
<p>Third-party data</p>	<p>Three respondents stated that data related to registered products and index-linked products are available from third-party providers. They suggested that BCFSA could request it directly from the third-party providers.</p>	<p>As the product owner, the credit unions are responsible for providing the data. Therefore, BCFSA still expects to receive the data directly from B.C. credit unions.</p>

Deposit extract on insured term deposits held with agents or brokers	One respondent would like clarification on how BCFSA will obtain various extracts on deposit accounts, customer, account joints, and customer names for non-registered and registered insured term deposits that are held by wealth management agents or brokers (e.g., where customers or members hold multiple term deposit products at Aviso Wealth, Credential Asset Management, or Credential Securities).	Similar to the response on “third-party data”, BCFSA expects to receive the data directly from B.C. credit unions. For registered accounts, only basic information as listed in Version 3 will be requested. Detailed data will be requested from the administrator for the account transfer to the new credit union as transferee. For information on the registered transfer approach, see the consultation page on BCFSA’s website.
Registered deposit accounts	One respondent requested clarification on the data structure requirements for registered deposit accounts that are held by members in various registered plans. If BCFSA is looking to request details about every RRSP term deposit and RRSP savings account that is held within that contract in the CUDIC Accounts Extract, the respondent recommended that a separate mandatory field be added to the Accounts Extract (on Page 11) to indicate “Registered” Yes/No, while removing “4 = Registered” in the Product Type field. This way, the extract will include all details about every product type that is registered and non-registered.	BCFSA appreciates this input. The data structure on the Product Type field will be updated to five options: <ol style="list-style-type: none"> 1. Chequing Account 2. Savings Account 3. Term Deposit 4. Non-equity Share 5. Other An additional new field “Registered Plan Flag” will be added to indicate registered accounts.
“Other” option	Three respondents suggested that the ability to add the “Other” option in a few data fields should continue to be available.	The “Other” option will be added back including a free format field for the credit union to provide a description.
Mandatory fields	One respondent requested BCFSA to indicate all mandatory fields in the document and elaborate on how the data fields will be used for making deposit insurance determination and payment.	Mandatory fields are key for data transformation and processing followed by data batching to make payment tranches. The mandatory requirements will be available in Version 3.
Test data extract	One respondent would like to clarify whether the submission of extracted test data will include all non-mandatory fields. If so, the respondent would like BCFSA to prioritize which non-mandatory fields are needed the most to help the credit unions plan to work on these fields gradually.	For non-mandatory fields, BCFSA recognizes that some data may or may not be available depending on some circumstances. For example, “Date of Death” However, the data is still deemed important. If the information is available to complete non-mandatory fields, the data should still be provided. If the credit unions need more time to populate the non-mandatory fields, please communicate this and BCFSA will work with each credit union to facilitate this request.

TABLE 2: ACCOUNT EXTRACT

Field	Summary of Issue/Comment	BCFSA Response
Product type	<p>One respondent expressed that trust, term, and registered accounts are higher in the hierarchy than chequing, saving, and non-equity shares. The respondent suggested that the types of accounts with hierarchy may need to be removed from the Product Type option and BCFSA may need to establish another way to identify where accounts are in the hierarchy.</p> <p>Additionally, the respondent proposed to remove “Registered” as a product type as the extract already requests “Registered Type,” and they proposed to add a “Trust” Flag.</p>	<p>BCFSA acknowledges this input and data structure on the Product Type field will be updated to five options:</p> <ol style="list-style-type: none"> 1. Chequing Account 2. Savings Account 3. Term Deposit 4. Non-equity Share 5. Other <p>The following new fields will be added to indicate trust, term, and registered accounts:</p> <ul style="list-style-type: none"> • Trust Account Flag • Pooled Trust Account Flag • Registered Plan Flag
CUDIC coverage	<p>Four respondents suggested that the CUDIC Coverage field be removed, as the requirements document states that only CUDIC-guaranteed accounts should be included in the extracts.</p>	<p>Based on the CUDIC field review, the CUDIC Coverage field will be kept in place to identify and filter non-CUDIC coverage products for those instances where B.C. credit unions cannot exclude account data and need this flag as extra filtering. Recent testing found that some data extracts submitted still included non-CUDIC coverage products. For example, non-equity shares accounts issued on or after January 1, 2020, will no longer be guaranteed. This flag can be utilized to filter out those accounts.</p> <p>The description under Payments (Page 4 of Version 3) stating that “this document only applies to data extracts related to deposit products covered by the CUDIC deposit guarantee” will be updated to minimize confusion.</p>
Start date	<p>One respondent requested clarification on the definition of the Start Date field for demand and term accounts.</p>	<p>The start date is defined as when the demand and term accounts were opened.</p>
Withholding tax and non-resident tax	<p>One respondent requested clarification on what the addition of “not-deducted” means.</p>	<p>This field asks for identification of the amount of taxes that have not been paid out to CRA and that will need to be taken out from the principal balance during payout.</p>
Closed account status	<p>One respondent recommended to remove closed account status in the account extract because there will be no balance remaining, and hence no payout will need to be made by BCFSA. The respondent emphasized that including accounts closed in the past 30 days might inadvertently create a much bigger file than necessary.</p> <p>A clarification is requested to understand the purpose of using this data for CUDIC determination and payout.</p>	<p>Based on BCFSA’s field review, the closed account status will be kept to ensure the data completeness in case additional due diligence is needed for investigation on payment withheld.</p>

Field	Summary of Issue/Comment	BCFSA Response
Staff benefit flag	One respondent would like to clarify the purpose of having “Staff Benefit Flag” as a mandatory field for CUDIC determination and payout.	The purpose of collecting this information is to anticipate a different interest rate applicable for calculation. This will assist BCFSA’s own calculation for data validation on the accrued interest amount populated in the extract.
Index-linked term products	<p>Four respondents expressed that the data related to index-linked term products are not entered into the banking system. The requirement in Version 3 around index-linked term products will require a lot of work to develop.</p> <p>They proposed that BCFSA provide a separate extract table for index-linked products to avoid mixing manual manipulations and automated system-generated extracts.</p> <p>One respondent asked whether BCFSA/CUDIC is planning to take over the options contracts for market gain payouts at maturity if the index-linked GIC doesn’t have a minimum guarantee (therefore annual accrual).</p>	The proposed Version 3 is not intended to burden B.C. credit unions with a banking system update. If the requested data related to index-linked term products is not available in the banking system, BCFSA will work with each credit union to find another solution and collect the data separately. CUDIC’s role is the payor of insurance payments. Therefore, CUDIC intends to make payment for all insured deposit accounts.

TABLE 3: CUSTOMER EXTRACT

Field	Summary of Issue/Comment	BCFSA Response
Customer branch name	<p>One respondent would like to clarify the definition of home branch.</p> <p>Another respondent proposed to remove the mandatory requirement because the information is not available in their banking system.</p>	<p>BCFSA defines home branch as the location where the account was opened.</p> <p>Upon BCFSA's field review, this field will be removed given that the Account Branch Number field has already been collected to identify the home branch location.</p>
ATF, PEFP, domestic PEP, and AML flags	<p>Two respondents would like to clarify the intention to collect these flags and the definition of the AML flag. One respondent expressed that they have a minimum list of 10 flags related to AML.</p> <p>Another respondent asked whether AML flag is meant to indicate members who have appeared on a watchlist or who have had suspicious transaction records.</p>	<p>These flags are intended to help BCFSA conduct enhanced due diligence prior to payout.</p> <p>The AML flag is intended for credit unions to identify certain member accounts that require due diligence related to potential money laundering.</p> <p>If this information is not available within the banking system, credit unions must provide this information by other means.</p>
Address	<p>One respondent would like to clarify whether the address requested refers to the legal address as there are other fields for the mailing address.</p>	<p>This refers to primary or legal address as listed in the member's identification document. This information is needed to support the verification process.</p> <p>In cases where the mailing address differs from the primary or legal address, the mailing address will be used to send a cheque payment.</p>
Date of birth/ incorporation date	<p>One respondent recommended separating this field as it would help to satisfy the requirement. They commented that if these were two separate fields, it would be easier to satisfy.</p> <p>Another respondent commented that the current banking system does not include the incorporation date and it could be a large project to satisfy this requirement.</p>	<p>BCFSA acknowledges this input. The field will be separated into two fields:</p> <ul style="list-style-type: none"> • Date of birth; and • Incorporation date. <p>If the incorporation date is not available, BCFSA would like to understand the type of information collected by the credit unions to verify the identity of business members.</p>
Customer language	<p>One respondent suggested to add other well-used languages in addition to English and French so that members who speak other languages can be served in the language they are comfortable with, e.g., Punjabi, Cantonese, Mandarin, Korean, etc.</p>	<p>BCFSA understands the diversity of credit union members in B.C. The call centre service provider only has the current capacity to accommodate English and French.</p> <p>However, we will explore the possibility of accommodating other languages based on the credit union profile at risk of failure.</p>

Field	Summary of Issue/Comment	BCFSA Response
Customer type	<p>Three respondents recommended adding the following options to this field:</p> <ul style="list-style-type: none"> • Community Groups; • Associations (incorporated and unincorporated); and • Not-for-Profits. 	<p>BCFSA appreciates this input. Additional options will be added:</p> <ul style="list-style-type: none"> • 8 = Registered Society • 9 = Unincorporated association • 10 = Joint Venture • 11 = Other
Personal ID type	<p>One respondent expressed that it would not be possible to indicate ID used when account was opened in some cases. They explained that a member's valid government issued photo ID is updated when expired. When identification is updated, expired ID is removed. The extract could provide current identification document on file for members.</p> <p>They also suggested to add the following options to this field:</p> <ul style="list-style-type: none"> • Firearms License; • Status Card; • Canadian Forces NDI; and • Nexus, etc. 	<p>BCFSA appreciates the explanation of the credit union's practice to collect members' ID information. The field description will be updated to only indicate the ID type in general, not the ID used for account opening.</p> <p>Additional options will be added as well:</p> <ul style="list-style-type: none"> • 8 = Citizenship Card • 9 = Secure Certificate of Indian Status card – issued by Government of Canada • 10 = Canadian identity card – issued by Global Affairs Canada • 11 = BC Business Registration • 12 = BC Society Registration • 13 = Canada Corporation Number • 14 = Other

TABLE 4: ACCOUNT JOINT EXTRACT

Field	Summary of Issue/Comment	BCFSA Response
Payee flag	Three respondents would like clarification on the rationale for collecting this flag.	This flag is intended to determine payee information for a joint account to be written in a cheque payment.

TABLE 5: GENERAL LEDGER EXTRACT

Field	Summary of Issue/Comment	BCFSA Response
Trust account	One respondent would like clarification on the required details for deposits held in trust at another institution.	BCSFA requires the identification as a trust account through the following data fields: <ul style="list-style-type: none"> Trust Account Flag Pooled Trust Account Flag Trust Account Type Customer Type Code

TABLE 6: CUSTOMER NAME EXTRACT

Field	Summary of Issue/Comment	BCFSA Response
Mask column	One respondent identified that this additional column needs to be added for consistency in masking requirement for personal identifiable information.	BCFSA acknowledges this input. An additional column to indicate the masking requirement will be added under Customer Name Extract.

Consultation Outcomes and Next Steps

BCFSA thanks all those who responded to the proposed enhancement of Version 3. The feedback has been reviewed and, where appropriate, applied to Version 3. The feedback received was helpful to enhance the accuracy and completeness of data requirements. The enhancement will generate a better data structure to support deposit insurance determination for depositor reimbursement in an event of a credit union failure.

Moving forward, BCFSA will release a regulatory statement in Spring 2023 with the Deposit Data Requirements Version 3.0 and the expected timeline to submit the first data extract package for testing.



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