

Advisory

Capital Modernization Timeline Changes and Information Session

Date: March 5, 2025
Distribution: B.C Credit Union CEOs, CFOs, and CROs
Advisory Number: 25-007

PURPOSE

BC Financial Services Authority ("BCFSA") is extending the implementation timeline for the Capital Modernization Project. We anticipate that the new Capital Rule will take effect on January 1, 2027, instead of January 1, 2026, as originally planned.

What does this mean?

- Parallel Reporting timelines will be adjusted, with the first submission for all credit unions for the quarter ending June 30, 2025 (i.e., Q2) now due on **July 30, 2025** and will continue until the new Capital Rule comes into effect;
- For proportionality, credit unions with more than \$500 million in total assets will submit quarterly (i.e. Q1-Q4) and credit unions with total assets up to and including \$500 million will submit every other quarter (i.e. Q2 and Q4), within 30 days of quarter end, respectively;
- The transition period to the new capital framework will be shortened from three years to two; and
- Full implementation of the new capital framework is still planned for January 1, 2029.

BACKGROUND

By extending the timeline by one year, BCFSA aims to provide credit unions more time to transition to the new requirements and more time between upcoming consultations related to Capital Modernization. The new timeline allows us to space out the related consultations, including the new and updated reporting templates, CUDIC Differential Premium System, and the update to the Internal Capital Adequacy Assessment Process ("ICAAP") Guideline.

INFORMATION SESSION

Please join our information session to hear from BCFSA's leadership team about the upcoming changes:

March 13, 2025

1:30 – 2 p.m.

[Register here](#)

Our [Capital Modernization Consultation webpage](#) has been updated with the revised timeline. If you have any comments or questions, please contact CUCapital@bcfsa.ca.

The webinar will be recorded. Any feedback you provide will be confidential and BCFSA will not publish individual submissions or attribute content. However, please note that all submissions are subject to the *Freedom of Information and Protection of Privacy Act*.

Classification: **Public**

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ADDITIONAL INFORMATION

Please refer to BCFSA's Information Request for Capital Modernization Parallel Reporting letter (Ref. No.: 24-0204) dated November 21, 2024 (sent via email) which provided information about parallel reporting, outlined the requirements for submission, and contained a Self-Assessment Tool Excel template for the purpose of providing these submissions.

Please email any questions to CUCapital@bcfsa.ca.