

Advisory

Legislative Amendments to the *Financial Institutions Act* and Changes to the Insurer Exemption Regulation

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Distribution: All Financial Institutions
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PURPOSE

This Advisory notifies B.C. financial institutions (“FIs”) that amendments to the *Financial Institutions Act* (“FIA”) and the Insurer Exemption Regulation (“IER”) have recently been brought into force through Orders in Council (“OIC”) 361 and 363. These amendments will:

- Provide additional clarity of an existing exemption for the incidental sale of vehicle and product warranty insurance; and
- Bring into force certain provisions of the *Financial Institutions Amendment Act, 2019* (“FIAA 2019”).

OIC 363 – CLARIFICATION OF APPLICATION OF THE IER TO MANUFACTURERS AND RETAILERS

The IER exempts manufacturers or retailers, including their parent companies and subsidiaries, from the requirement in the FIA to obtain a business authorization to sell vehicle or product warranty insurance, if it is sold incidentally to their vehicle or product.

This OIC updates the IER to clarify how the exemption applies to manufacturers and retailers, including wholly or commonly owned affiliates of a manufacturer or retailer. It also clarifies that the exemption applies through multiple layers of ownership.

This OIC is effective immediately.

OIC 361, ITEM (A) – REQUIREMENT FOR FINANCIAL INSTITUTIONS TO POST DOCUMENTS ON THEIR WEBSITE

Currently, FIs are not required to post their annual financial statements, auditor reports, and other prescribed documents online but must keep a copy at each of its branches and offices. This OIC will bring into force a provision of the FIAA 2019 that will require FIs to post their documents on their website and provide paper copies upon request. This will improve public access to these documents.

Specifically, this provision amends s. 130 of the FIA, which requires that FIs make certain information publicly available at its branches/offices (financial statements and auditors reports). The amendment requires FIs to also provide this information online. This amendment does not change the scope of the information that FIs need to provide – the only change is to require this information to be provided online.

This item is effective January 1, 2026.

Classification: **Public**

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OIC 361, ITEM (B) – BROADENING OF COMMITTEE RESPONSIBILITIES FOR OVERSEEING RISKS

International standards recommend that FIs monitor all types of risks (e.g., credit, operational, compliance, and environmental risks) but the FIA currently only requires FIs to have an investment and loan committee.

The FIAA 2019 changes replaced the existing requirement to have an investment and loan committee with a requirement to establish one or more committees to be responsible for risk management, investments, and loans. These committees are to evaluate, monitor, and report on a full range of risks, including risks prescribed by regulation or BCFSA rules (“Rules”). This will allow the investment and lending provisions in the FIA to capture risk more broadly.

This item in OIC 361 brings into force the FIAA 2019 change, with a consequential amendment to the Investment and Lending Regulation (“ILR”) so that it no longer refers to an “investment and loan committee”.

Currently, no additional risk types are being prescribed in regulation, nor is BCFSA proposing any specific risks through Rules. However, the government and/or BCFSA may consider adding specific types of risks in the future.

This item is effective July 1, 2026.

ADDITIONAL INFORMATION

For additional information, the OIC that bring these changes into effect can be found here: [Order in Council 361/2025](#) and [Order in Council 363/2025](#). The FIAA, 2019 can be found here: [Bill 37 – 2019: Financial Institutions Amendment Act, 2019](#).

If you have any questions or concerns about this Advisory, please contact your Relationship Manager.