

MARCH 2026

# Capital Modernization

Capital Rules Consultation Summary  
Report

**BCFSA** 

# Contents

<b>Introduction .....</b>	<b>1</b>
<b>Background .....</b>	<b>1</b>
<b>Consultation Process Overview.....</b>	<b>2</b>
<b>Summary of Feedback .....</b>	<b>3</b>
Support for Capital Rules	3
B.C. Tailored Approach to the Proposed Framework	3
Clarification	6
Future Updates to the Capital Rules	9
<b>Consultation Outcomes and Next Steps .....</b>	<b>11</b>
<b>Appendix A – Feedback Form .....</b>	<b>12</b>

# Introduction

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On October 16, 2025, BCFSA launched a public consultation on the draft Credit Union Capital Requirements Rules (Capital Rules) for B.C. credit unions which closed on January 15, 2026. This Capital Rules Consultation Summary Report (Report) summarizes the feedback received during the consultation and outlines next steps.

BCFSA has completed its review of the consultation feedback and considered all the responses it received. The feedback received generally expressed support for the proposed Capital Rules and requested clarifications concerning implementation of the proposed legislation. As noted in the Report, BCFSA will seek minor amendments to the current draft Capital Rules in some instances.

BCFSA will proceed with seeking the Minister of Finance's consent to adopt the new Capital Rules. Subject to the Minister of Finance's consent, BCFSA anticipates that the new Capital Rules will come into effect on January 1, 2027, with the full implementation of the new regime set for January 1, 2029.

For further information about the consultation, please see the [Capital Modernization Project](#) page.

# Background

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In June 2022, BCFSA launched the Capital Modernization Project (Project), a multi-year initiative to modernize the capital framework of B.C.'s credit unions. Capital requirements are in place to protect depositors and the soundness of the credit union segment by determining the quality and quantity of capital B.C. credit unions are required to hold so they are less likely to fail or trigger financial uncertainty.

The goals of the Project are to strengthen the risk management practices and loss-absorbing capacity of the province's credit unions. The primary consideration behind the proposed framework is alignment with Basel III standards, as informed by the Government of B.C.'s review of the *Financial Institutions Act* (FIA) and supplemented by a review of capital standards used by other Canadian regulators at both the national and provincial levels. At the same time, BCFSA recognizes the distinct characteristics of the B.C. credit union system. As a result, while Basel III (2011)<sup>1</sup> provides the foundation, the updated capital framework has been adapted to reflect the credit unions' operations and exposures, ensuring that the capital requirements are appropriate and practical for the segment.

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<sup>1</sup> The draft Capital Rules are primarily based on the requirements contained in Basel III from 2011. All references in this Report to Basel III refer to this version. BCFSA also referenced the Office of the Superintendent of Financial Institutions (OSFI) Capital Adequacy Requirements (CAR) from 2019.

# Consultation Process Overview

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The Capital Rules consultation was opened for public comment on October 16, 2025. The primary source of feedback came from BCFSA's online feedback form and email submissions. Credit unions and other interest holders were invited to respond to questions and provide general feedback on any aspect of the draft Capital Rules.

To support informed participation and raise awareness of the public consultation, BCFSA shared information and resources with interest holders in advance and during the consultation period. Some of the engagement activities that BCFSA undertook included:

- Notifying interest holders of the opening of the consultation via an Advisory;
- Publishing a news release inviting interest holders to participate in the consultation;
- Inviting feedback from industry associations, such as the Canadian Credit Union Association (CCUA), and other interest holders—via a feedback form or by emailing BCFSA—on any aspect of the draft Capital Rules;
- Publishing a page explaining the Capital Rules consultation and providing resources (e.g. Consultation Package, presentations, recordings of information sessions). The Consultation Package contained the draft Capital Rules, section notes providing a short summary of each section of the draft Capital Rules, a Reference List providing reference in the draft Capital Rules for selected topics and the Consultation Feedback Form; and
- Hosting two information sessions for all interest holders to learn more about the consultation and provide an opportunity to ask questions.

BCFSA extended the consultation period from 60 days to 90 days to provide credit unions with additional time to provide their feedback.

# Summary of Feedback

The following table provides the summary report of feedback and BCFSA's responses. The feedback has been categorized by themes. Respondents is pluralized to anonymize feedback.

<b>SUPPORT FOR CAPITAL RULES</b>
<p><b>1. Respondents noted their overall support for the draft Capital Rules and that BCFSA's approach throughout the Capital Modernization Project reflected extensive engagement and collaboration. The proposed framework reflected the foundational work conducted in earlier phases, now presented in a legislative format.</b></p>
<p>Since the launch of the Project in June 2022, BCFSA has sought the engagement of interest holders in the development of the proposed framework. BCFSA has involved interest holders in working groups and information sessions and provided the opportunity to ask questions and provide feedback. This extensive engagement has also contributed to a "made-in-B.C." approach that reflects the unique characteristics of the B.C. credit union segment. BCFSA made comprehensive efforts to ensure the draft Capital Rules reflected the proposals discussed with interest holders and feedback, where appropriate.</p>
<p><b>2. Respondents recommended BCFSA implement the Capital Rules "without delay" and noted that the collective capital position under the proposed framework is more favourable than under the current framework.</b></p>
<p>Since June 2025, credit unions have been submitting capital adequacy reporting under the proposed and current frameworks in parallel, known as "parallel reporting." Results to date show that on a collective basis, the proposed framework produces lower system-wide risk-weighted assets and a higher capital surplus, placing the sector in a meaningfully stronger capital adequacy position overall. However, the impact will vary across individual credit unions, reflecting the framework's more granular, risk-sensitive treatment of real estate-secured lending exposures.</p> <p>BCFSA is working towards the implementation date of January 1, 2027, with a two-year transition to full implementation of the capital regime on January 1, 2029. This timeline provides credit unions with time to prepare for the new reporting requirements and make any adjustments as needed to systems and processes.</p>
<b>B.C. TAILORED APPROACH TO THE PROPOSED FRAMEWORK</b>
<p><b>3. Respondents noted the risk weight calculation for residential mortgages contains three risk factors: Total Debt Service (TDS), amortization and Loan to Value (LTV), whereas the Office the Superintendent of Financial Institutions (OSFI) Capital Adequacy Requirements Guideline only requires LTV.</b></p>

**Respondents questioned the frequency required for updating the TDS and expressed concern for the operational requirements to apply multiple criteria. Further, the inclusion of additional risk factors may result in higher risk weights compared to OSFI regulated financial institutions. Credit unions suggest they may need to increase the cost of borrowing based on the higher risk-weighting and/or hold more capital, putting B.C. credit unions at a competitive disadvantage.**

B.C. credit unions' business activities are highly concentrated in real estate secured lending. BCFSA introduced tailored risk weightings and categories for residential and commercial real estate exposures that enhance the risk sensitivity and granularity of the capital framework. In addition, BCFSA proposes risk factors to adequately capture lending exposures secured by real estate and ensure sufficient regulatory capital to cover unexpected losses for credit risk.

BCFSA expects credit unions to be able to capture, monitor, update as appropriate, and report on TDS, amortization and LTV throughout the life of the loan. These expectations are part of prudent risk management and in line with expectations faced by federally regulated institutions.

BCFSA's expectation is that the TDS is determined at the mortgage origination and refinancing and to reasonably reflect the risk profile of the borrower throughout the life of the mortgage. Specifically, TDS should be updated when scheduled loan/mortgage payment amounts change, and when the borrower incurs additional debt with the credit union. Such information should be readily available to the credit union. An update of borrower income is not required at mortgage renewal. However, in line with prudent risk management practices, credit unions should consider updating income information when there are changes to a borrower's financial condition. BCFSA does not view these expectations as imposing onerous requirements on the credit union or the credit union's members.

Regarding the "additional risk factors" question, BCFSA's capital framework is built around how B.C. credit unions operate—smaller institutions with community-focused lending and limited modelling infrastructure. Instead of mirroring OSFI's approach, BCFSA incorporates additional risk metrics already embedded in credit union underwriting and risk management practices such as TDS, amortization and Debt Service Coverage Ratio (DSCR). TDS and DSCR reflect a borrower's capacity to support scheduled mortgage payments and serve as proxies for loan performance, while amortization integrates the fundamental principle that long-term credit carries greater risk than short-term credit. Incorporating these risk metrics helps capture borrower repayment strength more accurately and avoids a one-size-fits-all approach that might misstate true portfolio risk.

By using TDS, amortization and DSCR alongside LTV, the framework can identify risks that collateral-based measures alone might miss, especially when cash-flow strain is the real driver of default. Capital requirements under this approach are tied to actual risk levels, not the institution itself, meaning credit unions may see competitive capital charges in strong, well-managed segments. This creates a balanced outcome: flexibility and competitiveness where risk is controlled, and higher buffers only where borrower vulnerability is evident.

**4. Respondents recommended that the risk-based capital ratio for non-B.C. loans follow OSFI's requirements for risk weightings as opposed to the approach outlined in Part 5 (Calculation of Total Risk Weighted Assets) of the draft Capital Rules. Some B.C. credit unions may diversify a portion of their loan portfolios with non-B.C. loans to mitigate risk.**

Given credit unions' high concentration in real estate secured retail and commercial lending, BCFSA's capital framework refined the standard frameworks by creating more granular categories to distinguish relative risk between residential and commercial real estate secured lending categories and used established credit risk metrics to create differentiated risk weightings for each of these lending categories.

The framework does not differentiate real estate secured lending exposures by location of collateral. Hence, it also does not distinguish real estate secured lending exposures within B.C. or outside of B.C. The relative risk weights allocated to different real estate lending categories are independent of the location of the collateral.

**5. Respondents noted that the calculation of Operational Risk-Weighted assets uses the Basic Indicator Approach (BIA). Respondents recommended including a cap of 2.25% on interest earning assets that are included in the Gross Income calculation to provide better alignment with OSFI-regulated financial institutions that are applying a standardized methodology. Respondents indicated that B.C. credit unions may be negatively impacted by needing to hold more capital than a bank where the cap is exceeded.**

BCFSA described its approach to operational risk in the Capital Modernization Consultation Summary Report (Item 33). BCFSA advised that the BIA for determining the operational risk charge is a standardized approach that is simple and straightforward. The BIA is based on an earlier version of Basel III (2011) which does not contain the 2.25% cap on interest earning assets. As such, BCFSA's approach has not changed from what was set out in the Consultation Paper. BCFSA will continue to monitor operational risk developments/practices with a view to introducing a more risk sensitive approach in the future.

**6. Respondents noted that the draft Capital Rules, Section 29, defined "transactor" as a retail exposure that does not exceed \$100,000 whereas OSFI sets a threshold at \$150,000. Further, a lower threshold may negatively impact B.C. credit unions by requiring more capital to be held compared to a bank, for example.**

BCFSA has reviewed the approach to transactors and will seek to amend the Rules to change the threshold to \$150,000. The requirements set out in the definition of transactor will remain unchanged.

**7. Respondents noted that the risk weights for corporate exposures as set out in Schedule 4, Table 2 are generally aligned with OSFI and Basel with a few exceptions. Respondents recommended the framework provide greater granularity and further alignment with OSFI.**

The proposed framework is primarily based on Basel III (2011) and the approach to these risk weights is consistent with Basel III (2011). BCFSA notes that the OSFI's risk weights reflect more recent updates to the Basel framework. BCFSA will consider the appropriateness of adopting these more recent risk weights for future updates to the Capital Rules.

**8. Respondents noted that the risk weights for exposures to deposit taking institutions as set out in Schedule 4, Table 7, and risk weights for corporate exposures and retail**

<p><b>exposures to businesses as set out in Schedule 4, Table 2 are less favourable than those set out by OSFI and Basel. Respondents recommended the framework align with OSFI.</b></p>
<p>The proposed framework is primarily based on Basel III (2011) and the approach to these risk weights is consistent with Basel III (2011). BCFSA notes that OSFI's risk weights have been updated under more recent updates to the Basel framework. BCFSA will consider the appropriateness of adopting these more recent risks weights for future updates to the Capital Rules.</p>
<p><b>9. Respondents noted that OSFI is consulting on revisions to its Capital Adequacy Requirements expected to come into effect in late 2026 or early 2027. These proposed changes include targeted adjustments to credit risk capital treatment for land acquisition, development, and construction exposures, reduced risk weights for corporate and small and medium enterprise (SME) lending, and other refinements intended to better align capital with underlying risk and reduce regulatory burden.</b></p> <p><b>Respondents expressed concern that that federally regulated institutions could benefit from more favourable capital treatment than B.C. credit unions for comparable exposures, affecting their competitiveness. Another potential consequence could be that credit unions are effectively restricted to financing only low-risk, low-return opportunities which would negatively impact their earnings and their ability to lend to individuals and businesses within their communities, including those that are not currently well served by banks.</b></p>
<p>BCFSA reviewed the potential revisions that OSFI may introduce for its capital requirements to reduce risk weights for SME lending. As a result, BCFSA is seeking to amend the current draft Capital Rules to align the risk weighting for SME exposures to 75% with OSFI's proposal. BCFSA will consider the suitability of OSFI's other proposed revisions for future updates to the Capital Rules.</p> <p>BCFSA's proposed capital framework remains broadly aligned with OSFI's approach while providing greater granularity in risk categories and risk sensitivity for lending exposures. The framework introduces more accessible risk weights for SME exposures and applies a more nuanced, risk-based structure across real estate, income-producing properties, and construction lending. Compared to OSFI's more standardized or condition-dependent treatments, BCFSA's approach offers greater differentiation based on the underlying risk characteristics of each exposure, reducing capital requirements for well-structured and lower-risk projects.</p>
<p><b>CLARIFICATION</b></p>
<p><b>10. BCFSA was asked to update the Self-Assessment Tool used for parallel reporting submissions to include the relevant section number in the draft Capital Rules.</b></p>
<p>An updated capital adequacy template including references to the draft Capital Rules will be provided as part of the Template Consultation being carried out in spring 2026.</p>
<p><b>11. Respondents noted the criteria for Tier 1 capital set out in Section 8(2)(f) that states the "instrument is, at all times, fully classified as equity for accounting purposes" could impact the classification of shares for capital purposes.</b></p>

**Respondents noted their credit union holds a class of investment shares classified as a liability for accounting purposes and asked if the shares could be included in the calculation of Tier 1 capital. Respondents expressed concern that excluding them from Tier 1 capital could negatively impact their capital position.**

**Respondents also advised that some classes of shares may contain a redemption feature which may mean part of a class of shares may be classified as equity and part of the same class of shares may be classified as a liability. Respondents recommended the criteria be amended to apportion the equity portion of the share to permit its inclusion in the calculation of Tier 1 capital.**

According to Basel III, Tier 1 capital is meant to be fully loss absorbing on a going concern basis. To be fully loss absorbing, capital cannot leave a claim on the credit union, and must be classified as equity, not a liability.

BCFSA was advised that some existing investment shares that qualify as equity shares are classified as liabilities for accounting purposes due to their partial retraction rights. As noted, under the current requirement in Section 8(2)(f), if the instrument is not at all times, fully classified as equity for accounting purposes, the entire shareholding would be excluded from Tier 1 capital treatment. However, this is inconsistent with the intent to disqualify only the retractable portion that is subject to the 10% ceiling under Section 10(1). For background, BCFSA took a B.C.-tailored approach to equity shares containing retraction features which otherwise would not qualify under the Basel standards.

BCFSA will seek an amendment to the current draft Capital Rules to provide a targeted exception within Section 8(2)(f) for shares that meet the requirements contained in Section 10(1). Section 10(1)(b) provides flexibility by allowing shares containing retraction features up to a 10% threshold, to qualify as Tier 1 for capital.

**12. Respondents asked for clarification for investment shares with no maturity date concerning their inclusion in the calculation of Tier 2 capital.**

The draft Capital Rules sets out in Section 23 that the “the instrument has an original maturity of at least 5 years.” This criterion is intended for instruments with a maturity date (e.g. subordinated debt) and ensures that only instruments with a maturity greater than 5 years are included in Tier 2 capital. If an instrument does not have a maturity date (e.g. investment shares), the criterion is met as the instrument is perpetual. BCFSA will add a clarification in the reporting instructions for instruments with no maturity date.

**13. Respondents noted that the definition of insurance entities was not clear and asked whether it is permissible to include insurance agents. The draft Capital Rules note that the consolidated entity includes all subsidiaries except solvency-regulated insurance subsidiaries that underwrite insurance.**

Section 1 of the draft Capital Rules defines “insurance entity” as an insurance company or extraprovincial insurance corporation. The term “insurance company” is defined in the FIA and that definition specifically excludes insurance agents.

<p><b>14. Respondents commented that the proposed definition of deposit taking institutions does not include federal credit unions, another form of financial cooperative, and that the FIA specifically excludes federal credit unions from the definition of a credit union.</b></p>
<p>The definition of “deposit-taking institution” in the draft Capital Rules (Part 1) includes a “bank” and a bank includes federal credit unions under the <i>Bank Act</i> (Canada). A bank is defined in the <i>Interpretation Act</i> as meaning a bank to which the <i>Bank Act</i> (Canada) applies. Under the <i>Bank Act</i>, a “bank” means a bank listed in Schedule I or II. Schedule I includes federal credit unions. Further, in the <i>Bank Act</i> a “federal credit union” means a bank that [...] is organized and carries on business on a cooperative basis.</p>
<p><b>15. Respondents commented that banks and extra-provincial or federal credit unions would potentially not qualify as a Domestic Systemically Important Bank (D-SIFI) or a Global Systemically Important Bank (G-SIFI). In particular, the definitions of D-SIFI and G-SIFI as set out in Section 12 reference “financial institution”. Financial institutions are defined in the FIA and that definition does not include banks or federal credit unions.</b></p>
<p>BCFSA believes the definitions of D-SIFI and G-SIFI which have references to “its regulator” and to the Financial Stability Board (FSB), respectively, means that financial institution, for the purposes of a SIFI, must be broader than the definition of financial institution in the FIA. Financial institution in relation to a D-SIFI or G-SIFI could include extraprovincial credit unions or financial institutions incorporated under enactments of another jurisdiction, where designated by their regulator (D-SIFI) or by the FSB (G-SIFI). BCFSA will consider this feedback when preparing reporting instructions.</p>
<p><b>16. Respondents noted that according to Item 20.5 in the Capital Modernization Consultation Feedback Summary Report (2024), risk weights for public sector entities (PSE) were intended to follow the sovereign rating. By connection, this suggests that the Government of Canada rating would apply to all PSE, including Canadian municipalities.</b></p> <p><b>However, the draft Capital Rules state that public sector entity risk weights are based on the credit rating of “the jurisdiction where the entity is incorporated.” (Schedule 4, Table 9). This approach may be difficult to apply, as the jurisdiction of incorporation may be unclear, some jurisdictions may not have a credit rating, and the wording could result in provincial or municipal ratings being applied rather than the Government of Canada’s sovereign rating.</b></p>
<p>The Summary Report (2024) contained a clarification that “BCFSA will add that the Public Sector Entities risk weight is based on the sovereign credit rating (e.g., 20% for Canadian provinces and municipalities).” BCFSA will add a clarification to the reporting instructions.</p>
<p><b>17. Respondents recommended adding Multilateral Development Banks (MDB) to the proposed framework for the purpose of calculating capital requirements for MDBs and to align with Basel and OSFI requirements. Further, MDBs may be appropriate for credit unions to invest as part of their High-Quality Liquid Assets (HQLA) as part of their liquidity portfolios.</b></p>

According to the Basel Framework, an MDB is an institution created by a group of countries that provides financing and professional advice for economic and social development projects. MDBs have large sovereign memberships and may include both developed countries and/or developing countries. The Capital Rules did not previously address exposures to MDBs because it was understood that credit unions did not have such exposures. BCFSA also received no comments on MDB exposures during either the working-group phase or the public consultation period.

BCFSA has confirmed credit unions have exposures to MDBs and has determined that it is appropriate to include MDBs in the framework. BCFSA will assign a zero risk weight for a designated list of MDBs. BCFSA will seek to amend the current draft Capital Rules.

**18. Respondents recommended that Indigenous governments/councils be included in the definition of local (municipal) governments and commented this inclusion would promote the intent of ratings better calibrated to risk. This action would also demonstrate positive measures to advance the process of reconciliation.**

BCFSA understands this concern as specifically including Indigenous governing bodies (IGBs) in the Capital Rules, for risk weighting.

BCFSA has a mandate that includes advancing reconciliation and has identified this area for future iterations to the new capital rule. The diversity of Indigenous governance arrangements in British Columbia (statutory foundations, fiscal powers, and revenue models) means that adopting a simplified or overly broad capital treatment could inadvertently disadvantage certain IGBs by mischaracterizing their risk profile or privilege particular governance models over others.

The Capital Rules are not a framework for financing, but a prudential tool for measuring adequacy of regulatory capital of credit unions. Exposures (or loans) to IGBs should be treated the same as like exposures to other borrowers or loans with the same features (e.g., based on a guarantee from Canada or a province; credit rating; nature of the borrowing).

## FUTURE UPDATES TO THE CAPITAL RULES

**19. Respondents recommended that BCFSA establish a structured, periodic review of the Capital Rules that encompasses explicit consideration of the competitive position of B.C. credit unions relative to federally regulated institutions, evolving prudential standards, and emerging economic and market conditions. The review process should provide a formalized forum to identify, assess, and respond to potential misalignments or unintended consequences in a transparent and accountable way.**

**Further, after conducting the periodic review, the Capital Rules should be monitored and recalibrated with focussed attention on operational and administrative impacts arising from the additional risk metrics and the competitive position of credit unions.**

BCFSA's approach going forward will be to update the Capital Rules on a more continuous basis. BCFSA will continue to monitor economic conditions, emerging risks and developments in prudential oversight. As conditions warrant, BCFSA will consider updates to the Capital Rules that reflect a need and appetite for change. BCFSA commits to ongoing engagement to understand if the Capital Rules are operating as intended and provide any clarifications as needed.



# Consultation Outcomes and Next Steps

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BCFSA thanks those who took the time to participate in the consultation. The feedback received was broad and wide-ranging and generally expressed support for the proposed Capital Rules. The feedback also provided valuable insights from an operational perspective of credit unions on the practical application of the proposed legislation.

As noted in this Report, BCFSA will seek amendments to the current proposed Capital Rules as needed to for greater clarification, address minor omissions, and to reflect feedback. Moving forward, BCFSA will seek consent from the Minister of Finance to make the new Capital Rules. If the Minister consents to the proposed Capital Rules, BCFSA intends to bring the Capital Rules into force on January 1, 2027, with the full implementation set for January 1, 2029. BCFSA will publish a news release and Advisory to inform the public, credit unions, and other interest holders of the Minister's decision. Credit unions are encouraged to use the transitional period leading up to the proposed effective date (i.e. January 1, 2027) to address any system or operational changes needed to meet the reporting requirements.

Subject to the Minister's approval, the next phase of the project will move toward implementation, including developing the operational requirements such as guidelines and templates. BCFSA will provide additional guidance and clarifications on the proposed Capital Rules to support implementation where applicable. Credit unions may reach out to their Relationship Manager at BCFSA with any questions.

Going forward, BCFSA's approach will be to update the framework on a more continuous basis. As such, BCFSA will continue to review and seek updates to the Capital Rules to reflect emerging risks, best practices, and developments in the B.C. credit union segment. BCFSA also intends to assess if the framework is functioning as intended or if calibration is needed.

# Appendix A – Feedback Form

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## Consultation on Capital Rule for B.C. Credit Unions

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*This page was updated on October 29, 2025*

BCFSA is requesting feedback on its proposed Capital Rule (Rule) as part of its Capital Modernization Project to update the capital framework for B.C. credit unions. We invite all interested parties to provide feedback by answering the questions in this consultation feedback form or by providing general feedback on any aspect of the rule via email at [CUCapital@BCFSA.ca](mailto:CUCapital@BCFSA.ca).

Throughout the project, BCFSA has received wide-ranging and extensive feedback from a diverse representation of credit unions and interested parties. Further, during our information sessions, working group, and public consultation, we heard feedback that helped ensure the unique characteristics of the B.C. credit union segment were considered. Given the extensive previous feedback on the proposed framework, BCFSA primarily seeks feedback on aspects of the Rule, as drafted, that may affect how the Rule is intended to operate, or where additional clarity may be needed. In addition, the structure and format of the Rule must remain consistent with legislative drafting standards.

BCFSA will publish aggregate responses and will not attribute content. Please note, individual non-anonymized submissions will be provided to the Ministry of Finance for the purposes of the rule-making process. All submissions are subject to the *Freedom of Information and Protection of Privacy Act*.

BCFSA values all responses received and all comments will be considered as we move forward with this important initiative. Additional information is available on the [Capital Modernization Consultation Page](#).

The consultation will close on January 15, 2026. If you have any questions or experience any difficulties while accessing the survey, please email us at: [engage@BCFSA.ca](mailto:engage@BCFSA.ca).

Thank you for participating.

Collection Notice

BCFSA collects, uses, and discloses personal information in accordance with the *Freedom of Information and Protection of Privacy Act* (British Columbia) and its Privacy Policy.

Any personal information that you choose to provide will be collected under section 26(c) of the *Freedom of Information and Protection of Privacy Act* (British Columbia) for the purpose of supporting the development and implementation of amendments to the Rule. If you have any questions about BCFSA's collection of personal information, please contact BCFSA's Privacy Officer at [foi@BCFSA.ca](mailto:foi@BCFSA.ca).

**Disclaimer**

This survey is voluntary, and a response is encouraged, but not required. Please do not provide any third-party information (i.e. talk about others) in your responses to the survey.

1) Full Name\*

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2) Organization\*

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3) Email \*

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4) *Is the proposed Rule sufficiently clear and aligned with the capital framework as consulted on to date?\**

Yes

No

*Comments:*

5) Given that definitions are embedded across multiple sections of the rule, are any definitions overly broad, or omitting relevant entities or products that should be explicitly captured? Please explain.

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6) Are there any aspects in the Rule that may affect how the Rule is intended to operate? Please explain.

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7) Does the proposed definition of Tier 1 capital provide sufficient clarity? Please explain.\*

Yes

No

Comments:

8) Does the proposed definition of Tier 1 capital reflect the operational reality of your credit union? Please explain.\*

Yes

No

Comments:

9) Does the proposed definition of Tier 2 capital provide sufficient clarity? Please explain.\*

Yes

No

Comments:

10) Does the proposed definition of Tier 2 capital reflect the operational reality of your credit union? Please explain.\*

Yes

No

Comments:

11) Is the calculation formula for operational risk weighted assets sufficiently clear? Please explain.\*

Yes

No

*Comments:*

12) *Are the requirements and calculation methodologies for operational risk clearly clear? Please explain.\**

Yes

No

*Comments:*

13) Please provide any additional comments on the Rule, including suggestions to improve definitions, or any areas where further guidance would be helpful.

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Thank You!



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