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## NEWS RELEASE

For Immediate Release  
2019FIN0111-002019  
Oct. 21, 2019

Ministry of Finance

### **Updated framework better protects people's finances**

VICTORIA – Significant updates to the Financial Institutions Act and Credit Union Incorporation Act will make B.C.'s regulatory framework more efficient and modern, while better protecting the financial interests of British Columbians.

“The financial world moves quickly, and British Columbia needs a modern system where our financial regulators, like the Financial Institutions Commission, have the tools to respond quickly to new and emerging risks,” said Carole James, Minister of Finance. “British Columbians can feel confident knowing that these updates will better protect their financial interests today and into the future.”

To keep the legislation updated and modern, the Province is required to review the Financial Institutions Act (FIA) and Credit Union Incorporation Act (CUIA) every 10 years.

The new legislation will give the Financial Institutions Commission (FICOM) the ability to bring in legally enforceable rules that provide timely guidance to financial institutions in response to emerging risks. FICOM will also have enhanced investigation powers that are more consistent with other federal and provincial regulators.

The updates will also provide credit unions and insurance companies with more flexibility to use technology in ways that provide better service and protects consumers.

“We welcome the introduction of this important legislation for consumers and financial service providers in British Columbia,” said Blair Morrison, CEO and superintendent of financial institutions at FICOM. “This legislation is foundational to FICOM’s transition to the B.C. Financial Services Authority, a modern, effective and efficient regulator of B.C.’s rapidly changing financial services sector.”

Additionally, these changes offer more protection for sensitive information provided by credit unions and the insurance sector. This is an important part of modernizing B.C.’s financial framework and is consistent with federal standards, as well as legislation in Alberta, Saskatchewan and Manitoba.

The current review of the Financial Institutions Act and the Credit Union Incorporations Act began in 2014 and produced two consultation papers, informed by extensive consultation with credit unions, public sector organizations, businesses, banks, the insurance sector and the public.

The proposed amendments provide FICOM with similar tools to other provincial financial regulators, like the British Columbia Securities Commission, and would modernize British Columbia’s regulatory framework to bring it in line with international best practices.

**Quick Facts:**

- The Financial Institutions Act provides the regulatory framework for credit unions, insurance companies and intermediaries, and trust companies.
- The Credit Union Incorporation Act provides the framework for incorporation and corporate governance of credit unions.
- FICOM regulates B.C.'s credit unions, trust and insurance companies, pension plans and mortgage brokers, and administers the Credit Union Deposit Insurance Corporation.
- On Nov. 1, 2019, FICOM will become a new Crown agency, the B.C. Financial Services Authority.

**Learn More:**

Financial Institution Commission: <https://www.fic.gov.bc.ca/>

A backgrounder follows.

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## BACKGROUND

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### **Amendments to financial institutions and credit union incorporation acts**

The proposed changes to the Financial Institutions Act (FIA) and Credit Union Incorporation Act (CUIA) are aimed at modernizing the legislative framework, better protecting B.C. consumers and helping to maintain public confidence in British Columbia's financial institutions.

Amendments to the FIA and CUIA include:

- providing B.C.'s Financial Institutions Commission with the ability to issue legally binding rules. Any new rule would be subject to mandatory public consultation and ministerial approval.
- protecting sensitive information provided to FICOM as part of a financial institution's self-assessment of risks.
- requiring codes of market conduct for insurance companies and credit unions.
- implementing restricted licensing for incidental sales of insurance.
- allowing credit unions to notify and communicate with members electronically.

The amendments will come into force through regulation.

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