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**FINANCIAL INSTITUTIONS AMENDMENT ACT, 2019****CHAPTER 39***Assented to November 28, 2019*

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

**1** *Section 1 (1) of the Financial Institutions Act, R.S.B.C. 1996, c. 141, is amended*

(a) *in the definition of “capital base” by adding “and the rules made by the Authority under section 201.1 (1) (a) or (b)” after “the regulations under section 289 (3) (e) or (f)”*,

(b) *by repealing the definition of “depositor” and substituting the following:*

“**depositor**” means an individual or entity

(a) that has money on deposit with a credit union, extraprovincial credit union or extraprovincial trust corporation, or

(b) that holds non-equity shares in a credit union issued before January 1, 2020; ,

(c) *in the definition of “extraprovincial credit union” by striking out “business or both” and substituting “business or both, but does not include a federal credit union within the meaning of the Bank Act (Canada)”*,

(d) *in the definition of “insurance company” by striking out “and” at the end of paragraph (f) and by adding the following paragraph:*

(f.1) a provincial society deemed under section 191 to have a business authorization issued under Division 5 of Part 6, and ,

(e) *in paragraph (i) of the definition of “insurance company” by striking out “a society” and substituting “an extraprovincial non-share corporation”, and*

(f) *by adding the following definition:*

“**prescribed**” means prescribed by regulation of the Lieutenant Governor in Council; .

**2** *Section 10.1 (2) is amended*

(a) *by striking out “or before making an application to the court under that Division”, and*

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*(b) in paragraph (b) by striking out “restoration, or conversion of a limited restoration,” and substituting “reinstatement, limited reinstatement or extension of a limited reinstatement”.*

**3** *Section 12 (3) is amended by striking out “A person” and substituting “A trust company, an insurance company or a person applying to incorporate a trust company or an insurance company”.*

**4** *The following section is added to Division 1 of Part 2:*

**False representation prohibited**

**12.1** A person must not, in British Columbia, assume or use, or carry on business under, a name that includes the words “trust”, “trustee”, “trustco”, “deposit”, “loan”, “insurance”, “assurance” or “insurer”, or use any words in connection with the business of the person, in a way likely to

- (a) deceive or mislead the public about the ability of the person to undertake trust business, deposit business or insurance business, or
- (b) give a false impression that the person is a trust company or an insurance company.

**5** *Section 13 (2) (e) is amended*

*(a) by striking out “submitted to the Authority” and substituting “submitted to the superintendent”, and*

*(b) by striking out “and disclosing information” and substituting “that discloses the information”.*

**6** *The following section is added:*

**Liquidation and dissolution by court order**

**25.1** On an application made by the Authority in respect of a trust company or an insurance company, the Supreme Court may order that the company be liquidated and dissolved if

- (a) in the case of an insurance company, the company has not, during the previous year, undertaken an activity set out in any of paragraphs (d) to (g) of the definition of “insurance business” in section 1 (1), except to the extent necessary to wind up its insurance business, or
- (b) in the case of a trust company or an insurance company,
  - (i) the company’s business authorization has been revoked under section 64 (1) or 249 (1) (j),
  - (ii) the company has contravened this Act or the regulations and it is in the public interest to liquidate and dissolve the company, or
  - (iii) the court otherwise considers it just and equitable to do so.

**7**     *The following section is added:*

**Provisional liquidator**

- 33.1** (1) If the business authorization of a trust company or an insurance company has been revoked under section 64 (1) or 249 (1) (j), the Authority may appoint the superintendent or another person as the provisional liquidator of the company.
- (2) The provisional liquidator of a trust company or an insurance company must apply under section 324 of the *Business Corporations Act* for the liquidation and dissolution of the company.
- (3) The provisional liquidator of a trust company or an insurance company has the following powers:
- (a) to carry on, manage and conduct the operations of the company;
  - (b) in the name of the company, to preserve, maintain, realize, dispose of and add to the property of the company;
  - (c) to receive the income and revenues of the company;
  - (d) to exercise all the powers of the company and of its directors and officers;
  - (e) to exclude the directors, officers, employees, servants and agents of the company from the property and business of the company.
- (4) If a provisional liquidator of a trust company or an insurance company is appointed, a director, officer, employee, servant or agent of the company must not, without the approval of the provisional liquidator, do any of the following:
- (a) make a contract on behalf of the company;
  - (b) incur any liability on behalf of the company;
  - (c) expend any money of the company.
- (5) For the purposes of section 42 of this Act, a provisional liquidator of an insurance company is a liquidator of that company.
- (6) A trust company or an insurance company must pay its provisional liquidator's remuneration at a rate directed by the Authority.

**8**     *Section 61 is amended*

*(a) by repealing subsections (5) and (7), and*

*(b) by adding the following subsections:*

- (8.1) A financial institution that has a business authorization may at any time file with the Authority an application, in the form established by the Authority, for an amended business authorization.

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- (8.2) On application in accordance with subsection (8.1), the Authority may, despite subsection (8), issue an amended business authorization to a financial institution if
- (a) the financial institution provides information in support of its application that is satisfactory to the Authority, and
  - (b) in circumstances in which the conditions set out in subsection (8) (d) (i) and (ii) are met, the Authority is satisfied that the financial institution will comply with the requirement set out in subsection (8) (d).

**9 Section 67 is amended**

- (a) **in subsection (1) by striking out “at all times” and by adding “and the rules made by the Authority” after “the regulations”,**
- (b) **in subsections (2) and (3) by adding “and the rules made by the Authority” after “the regulations”, and**
- (c) **by repealing subsection (2.1) and substituting the following:**

- (2.1) Whether or not a credit union is otherwise complying with the regulations and the rules made by the Authority, the credit union must obtain the Authority’s written consent before engaging in the activities referred to in subsection (2.2) if the amount of the capital base of a credit union does not comprise any of the following percentages of the calculated value of the credit union’s risk weighted assets:
- (a) a prescribed percentage;
  - (b) a percentage within a prescribed range of percentages;
  - (c) a percentage set out in the rules;
  - (d) a percentage within a range of percentages set out in the rules.
- (2.2) For the purpose of subsection (2.1), the credit union must obtain the Authority’s written consent before engaging in the following activities:
- (a) prescribed activities;
  - (b) prescribed activities
    - (i) in prescribed circumstances, or
    - (ii) that have or may have prescribed consequences;
  - (c) activities set out in the rules made by the Authority;
  - (d) activities set out in the rules
    - (i) in circumstances set out in the rules, or
    - (ii) that have or may have consequences set out in the rules.

**10 Section 82 is amended**

- (a) *in subsection (1) (e) by striking out “or an unincorporated association” and by striking out “association or”,*
- (b) *in subsection (2) by striking out “unincorporated association or”,*
- (c) *in subsection (2) (b) by striking out “, the association”, and*
- (d) *in subsection (2) by striking out “the association or partnership or a member of the association or partnership” and substituting “the partnership or a member of the partnership”.*

**11 Section 85 is amended by adding the following subsections:**

- (1.2) When a debt becomes an inactive deposit under subsection (1.1), the credit union must, in accordance with section 64 (1) to (7) of the *Credit Union Incorporation Act*, redeem any shares held by the depositor in the credit union.
- (1.3) If the shares redeemed under subsection (1.2) are membership shares, the redemption is deemed to be required by section 52 (1) (d) of the *Credit Union Incorporation Act* and, as a consequence, section 64 (5) of that Act applies to the redemption.
- (1.4) Section 64 (8) of the *Credit Union Incorporation Act* does not apply to any redemption of shares under subsection (1.2) of this section.
- (1.5) Any amount payable to the depositor under section 52 (1) (d) or 64 (6) of the *Credit Union Incorporation Act* in respect of the shares redeemed under subsection (1.2) of this section is a debt of the credit union and is to be treated as part of the depositor’s inactive deposit referred to in subsection (1.1).

**12 The following section is added:****Online sale of insurance****92.2** (1) In this section:

“**electronic agent**” has the same meaning as in section 1 of the *Electronic Transactions Act*;

“**insurance agent**” has the same meaning as in section 168 of this Act;

“**insurance salesperson**” has the same meaning as in section 168 of this Act.

- (2) An insurance company, an insurance agent or an insurance salesperson who issues, delivers or offers to undertake a contract of insurance through the use of an electronic agent must meet the prescribed requirements and the requirements established in the rules made by the Authority.

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**13 Section 93 (1) is repealed and the following substituted:**

- (1) If, in the opinion of the Authority, a form of contract, trust instrument or other document provided by a financial institution to its customers, or a form of application or advertisement relating to such a document, is unfair, misleading or deceptive, the Authority, by order, may prohibit the use of that form by a financial institution.

**14 The following sections are added:****Insurance company – code of market conduct**

- 94.1**
- (1) An insurance company must adopt a code of market conduct as established, and as amended from time to time, by the Authority.
  - (2) An insurance company must comply with its code of market conduct.
  - (3) This section does not apply to an insurance company whose insurance business is limited to reinsurance.

**Credit union – code of market conduct**

- 94.2**
- (1) The board of directors of a credit union must adopt a code of market conduct.
  - (2) The board of directors of a credit union must file with the Authority the credit union's code of market conduct and any amendments to that code.
  - (3) The Authority may direct the board of directors of a credit union to amend the credit union's code of market conduct at any time.
  - (4) If the board of directors of a credit union does not adopt a code of market conduct under subsection (1), the Authority may require that board to adopt a code of market conduct as established, and as amended from time to time, by the Authority.
  - (5) A credit union must comply with its code of market conduct.

**Credit union – complaint resolution**

- 94.3**
- (1) A credit union must
    - (a) establish procedures for dealing with complaints made to the credit union by persons who have requested or received in British Columbia products or services from the credit union,
    - (b) designate an officer or employee who is responsible for implementing those procedures, and
    - (c) designate one or more officers or employees who are responsible for receiving and dealing with those complaints.
  - (2) Subsection (1) does not apply to a prescribed class of credit unions.

- (3) A credit union must
- (a) publish the procedures established under subsection (1) on websites through which its products or services are offered in British Columbia, and
  - (b) provide those procedures in writing to any person who requests them.

**15** *Section 111 (2) (a) is amended by striking out “the investment and loan committee” and substituting “a committee appointed or elected under section 135”.*

**16** *Section 121 (a) is amended by striking out “of the that Act” and substituting “of that Act”.*

**17** *Section 126.25 is amended by striking out “section 143 of the Company Act” and substituting “section 170 of the Business Corporations Act”.*

**18** *Section 127 (3) is amended by striking out “the financial affairs of the financial institution” and substituting “its financial affairs, market conduct and risk management practices and corporate governance”.*

**19** *Section 130 is repealed and the following substituted:*

**Public access to financial information**

- 130**
- (1) When a financial institution files with the superintendent its annual financial statements and auditor’s report, the financial institution must make those documents and any other prescribed documents publicly available by posting them on a website maintained by or on behalf of the financial institution.
  - (2) Upon request of a person at a branch or office of a financial institution, the financial institution must make available a paper copy of the most recent version of the documents referred to in subsection (1) for the person to examine at the financial institution, free of charge, during the usual business hours of the financial institution.
  - (3) A person may remove from the financial institution a paper copy of the most recent version of the documents referred to in subsection (1) on payment of a reasonable amount that the directors specify, if any.

**20** *The heading to Division 4 of Part 4 is repealed and the following substituted:*

**Division 4 – Risk Management, Investments and  
Loans of Financial Institutions .**

**21** *Section 135 is amended*

- (a) by striking out “, a committee, to be known as the investment and loan committee,” and substituting “one or more committees to be responsible for risk management, investments and loans, each of which is”, and*

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*(b) in paragraph (c) by striking out* “in the case of a trust company or insurance company” *and substituting* “in the case of a committee of a trust company or insurance company that is responsible for investments and loans”.

**22** *The following section is added:*

**Mandate of risk management committees**

**135.1** In addition to any other requirements imposed on them under this Act, the committees of a financial institution that are appointed or elected under section 135 are responsible for evaluating and monitoring risks to the financial institution, including any risks set out in the regulations or the rules made by the Authority, and for reporting those risks to the directors of the financial institution.

**23** *Section 136 (3) is amended by striking out* “The investment and loan committee of a financial institution” *and substituting* “At least one of the committees of a financial institution that is appointed or elected under section 135”.

**24** *Section 138 (2) and (3) is repealed.*

**25** *The following section is added:*

**Credit unions require consent  
for prescribed transactions**

**139.1** (1) A credit union must not enter into a prescribed type of transaction without first receiving the consent of the Authority.

(2) The Authority must take into consideration the prescribed criteria when deciding whether to consent to a transaction referred to in subsection (1).

**26** *Section 150 (1) (a) is amended by striking out* “its subsidiary, senior director, officer or employee” *and substituting* “its subsidiary, director, senior officer or employee”.

**27** *Section 158 is amended*

*(a) by repealing subsection (1) and substituting the following:*

(1) Sections 33, 63, 64, 66, 67 (1), (2.1) and (2.2), 79, 91, 92.2 to 94.3, 96, 130, 201.4, 209.1, 211, 213 to 216.1, 218 to 218.2, 244 to 246, 249, 250, 252 (3), (5) and (6) and 253.1 to 253.3 apply to and in respect of an extraprovincial corporation. ,

*(b) in subsection (3) by striking out* “and (2.1)”, *and*

*(c) in subsection (6) by adding* “or the rules made by the Authority” *after* “or in the regulations”.

**28 Section 160 is amended**

**(a) in subsection (3) (b) (i) by striking out “required by regulations” and substituting “imposed”,**

**(b) by repealing subsection (4) (b) and substituting the following:**

(b) in the case of an extraprovincial credit union,

(i) the deposit insurance corporation has not, after considering the prescribed criteria, provided the Authority with consent, or

(ii) the deposits, within the meaning of section 260, of the credit union’s depositors are not guaranteed in accordance with prescribed requirements. , **and**

**(c) by adding the following subsections:**

(5.1) Before issuing a business authorization to an extraprovincial credit union under subsection (3), the Authority must consider the prescribed criteria.

(7) An extraprovincial corporation that has a business authorization may at any time file with the Authority an application, in the form established by the Authority, for an amended business authorization.

(8) If an extraprovincial corporation provides information in support of its application under subsection (7) that is satisfactory to the Authority, then, despite subsection (2), the Authority

(a) may issue an amended business authorization to an extraprovincial corporation referred to in subsection (1) (a) or (c), and

(b) must issue an amended business authorization to an extraprovincial corporation referred to in subsection (1) (b) or (d).

**29 Section 163 is amended by adding the following subsections:**

(3) At intervals specified by the superintendent, an extraprovincial corporation must file with the superintendent a report in the form established by the superintendent outlining its financial affairs, market conduct and risk management practices and corporate governance.

(4) For the purposes of subsection (3), the superintendent may specify different intervals for extraprovincial credit unions, extraprovincial insurance corporations and extraprovincial trust corporations.

**30 Section 171 (3) is repealed and the following substituted:**

(3) Subsection (2) does not apply to

(a) the employees or agents of a person licensed under section 174.1 as a restricted insurance agent, or

(b) a person or class of persons exempted by the regulations.

**31** *The following section is added:***Issue of restricted insurance agent licences**

- 174.1** (1) The council may, in accordance with the rules of the council, issue a restricted insurance agent licence to a person within a prescribed class of persons or who carries on a prescribed class of insurance business.
- (2) A restricted insurance agent licence authorizes the licensee, through the licensee's employees and agents in British Columbia, to act or offer to act as an insurance agent in respect of one or more prescribed classes of insurance that are specified in the licence.

**32** *Section 187 (8) is amended by striking out “in any calendar year expire at the end of March in the next calendar year” and substituting “expire at the end of the day that the Authority specifies, if any, in the permit”.***33** *The following section is added to Division 3 of Part 6:***Application**

- 187.1** Sections 210 to 211.1 and 213 to 216.1 apply to and in respect of a reciprocal exchange as if the reciprocal exchange were an insurance company.

**34** *Section 189 (1) is amended by striking out “61 (1) to (3)” and substituting “61 (1) to (3) and (8) to (9)”.***35** *Section 190 is repealed and the following substituted:***Definitions**

- 190** In this Division:
- “**extraprovincial non-share corporation**” has the same meaning as in section 1 of the *Societies Act*;
- “**provincial society**” means a society that is incorporated, amalgamated, continued or otherwise formed by or under the laws of British Columbia;
- “**society**” means a provincial society or an extraprovincial non-share corporation.

**36** *The following section is added:***Provisions applicable to certain provincial societies**

- 191.1** (1) The following provisions of this Act do not apply to a provincial society that, under section 191, is deemed to have a business authorization:
- (a) Division 4 of Part 2;
- (b) any prescribed provisions.

(2) Section 4 of the *Business Corporations Act* does not apply to a provincial society referred to in subsection (1) of this section.

**37 Section 192 is amended**

(a) *by striking out* “a society” *wherever it appears and substituting* “an extraprovincial non-share corporation”, *and*

(b) *in subsection (1) by striking out* “the society” *and substituting* “the extraprovincial non-share corporation”.

**38 Section 194 (k) is repealed and the following substituted:**

(k) if the society

(i) was not licensed, or exempted from a requirement to be licensed, under the *Insurance Act* immediately before September 15, 1990, and

(ii) is not authorized under an Act of Canada to carry on insurance business.

**39 Section 195 is amended**

(a) *in subsection (1) by striking out* “A society” *and substituting* “An extraprovincial non-share corporation”, *and*

(b) *in subsection (2) by striking out* “the society” *and substituting* “the extraprovincial non-share corporation”.

**40 Sections 196 and 197 are repealed.**

**41 Section 197.1 (1) is amended by striking out** “a society” *wherever it appears and substituting* “a provincial society”.

**42 Section 201 (3) (a) is amended**

(a) *by repealing subparagraph (vii), and*

(b) *by adding the following subparagraphs:*

(vii.1) the making of rules under section 201.1;

(vii.2) the designation of a financial institution as a domestic systemically important financial institution under section 201.4; .

**43 The following sections are added:**

**Rules of the Authority**

**201.1** (1) Subject to section 201.2, the Authority may make rules as follows:

(a) respecting the adequacy of liquid assets and the capital base of a financial institution or extraprovincial corporation for the purpose of section 67;

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- (b) for the purpose of section 67,
  - (i) prescribing the types of assets and types of liabilities that must be included in determining what constitutes a financial institution's or extraprovincial corporation's capital base,
  - (ii) establishing formulae or other methods of determining the value of those prescribed types of assets and types of liabilities, and
  - (iii) prescribing the proportion of the value of those prescribed types of assets, and the proportion of the extent of those prescribed types of liabilities, that constitutes an adequate capital base for a financial institution or extraprovincial corporation;
- (c) for the purpose of section 67 (2.1), setting out a percentage, or a range of percentages, of the calculated value of the risk weighted assets of a credit union or extraprovincial credit union;
- (d) for the purpose of section 67 (2.2),
  - (i) setting out activities, circumstances and consequences, and
  - (ii) establishing matters about which the Authority must be satisfied before giving its consent;
- (e) establishing requirements for domestic systemically important financial institutions and extraprovincial corporations designated under section 201.4;
- (f) respecting the corporate governance of financial institutions and extraprovincial corporations;
- (g) respecting the market conduct of financial institutions and extraprovincial corporations;
- (h) respecting codes of market conduct adopted by credit unions and extraprovincial credit unions under section 94.2, including the form and content of those codes and the manner and time for filing them;
- (i) for the purpose of section 92.2 (2), establishing requirements for insurance companies, insurance agents and insurance salespersons who issue, deliver or offer to undertake contracts of insurance through the use of electronic agents;
- (j) for the purpose of section 174.1 (2), respecting oversight by restricted insurance agent licensees of their employees and agents in British Columbia;
- (k) respecting operational oversight of financial institutions and extraprovincial corporations by the Authority;
- (l) setting out risks to financial institutions for the purposes of section 135.1;
- (m) respecting risk management of financial institutions and extraprovincial corporations;
- (n) respecting the funding requirements and corporate governance of reciprocal exchanges as defined in section 186;

- (o) respecting the methodology for deposit insurance assessments under section 268 or 271;
  - (p) establishing formulae or other methods of determining the amounts referred to in sections 64 (8) and 65 (3) (b) of the *Credit Union Incorporation Act*;
  - (q) adopting by reference, in whole or in part and with any changes the Authority considers appropriate, rules or guidelines of other financial services regulatory authorities.
- (2) A rule or guideline referred to in subsection (1) (q) may be adopted as amended from time to time.
  - (3) In making a rule, the Authority may
    - (a) make different rules for different classes of persons, entities, things or transactions, or
    - (b) exempt a person or entity or a class of persons or entities from one or more of the rules made under this section.
  - (4) The Lieutenant Governor in Council may, by regulation,
    - (a) make a rule or repeal or amend a rule made by the Authority under this section, and
    - (b) specify powers of the Lieutenant Governor in Council to make regulations under this Act and authorize the Authority to make rules under those specified powers.
  - (5) A regulation made under subsection (4) (a) is deemed to be a rule made by the Authority.
  - (6) No rule made by the Authority may amend or repeal a regulation made by the Lieutenant Governor in Council.

**Procedures for rules**

**201.2** Before making, amending or repealing a rule under section 201.1, the Authority must do the following:

- (a) publish the proposed rule for public comment in accordance with the regulations;
- (b) obtain the consent of the minister in accordance with the regulations;
- (c) comply with any other prescribed procedures and requirements.

**Regulation prevails over rule**

**201.3** If a rule made by the Authority conflicts with a regulation made by the Lieutenant Governor in Council, the regulation prevails.

**Designation of domestic systemically important financial institutions**

**201.4** The Authority may, after consultation with a financial institution, designate the financial institution as a domestic systemically important financial institution if, in the opinion of the Authority, the failure of the financial institution could cause significant disruption to the financial system based on one or more of the following factors:

- (a) the financial institution's interconnectedness with other financial institutions;
- (b) the financial institution's substitutability by other financial institutions;
- (c) the financial institution's size;
- (d) the business, structural and operational complexity of the financial institution.

**44** *Section 209 (b) is amended*

- (a) by adding "or" at the end of subparagraph (i),*
- (b) by repealing subparagraph (ii), and*
- (c) in subparagraph (iii) by striking out "section 215" and substituting "section 214 or 215".*

**45** *The following section is added:*

**Disclosure and publication of financial institution information**

**209.1** The Authority may collect and publish the following information from financial institutions:

- (a) prescribed financial information;
- (b) prescribed risk-related information;
- (c) prescribed information related to received complaints.

**46** *The following heading and section are added before section 214:*

**Division 1.1 – Special Examinations and Investigations****Definitions**

**213.1** In this Division:

- "inspection"** means a special examination or an investigation;
- "investigation"** means an investigation under section 215;
- "investigator"** means a person appointed under section 215 (1);

“**special examination**” means a special inspection, examination and audit under section 214;

“**special examiner**” means a person appointed under section 214 (1).

**47 Section 214 is amended**

(a) *by striking out “Authority” wherever it appears and substituting “superintendent”, and*

(b) *in subsection (1) by striking out “Authority’s” and substituting “superintendent’s”.*

**48 Section 215 (1) is amended by striking out “this Act or the regulations” and substituting “this Act, the regulations or the rules made by the Authority”.**

**49 Section 216 is repealed and the following substituted:**

**Witnesses in a special examination or investigation**

- 216** (1) For the purposes of an inspection, the superintendent, a special examiner and an investigator have the same power that the Supreme Court has for the trial of civil actions
- (a) to summon and enforce the attendance of witnesses,
  - (b) to compel witnesses to give evidence on oath or in any other manner, and
  - (c) to compel witnesses to produce records and things.
- (2) On application to the Supreme Court, a person is liable to be committed for contempt as if in breach of an order or judgment of the Supreme Court if the person fails or refuses
- (a) to attend,
  - (b) to take an oath,
  - (c) to answer questions, or
  - (d) to produce the records or things in that person’s custody or possession.
- (3) Section 34 (5) of the *Evidence Act* does not apply for the purposes of a special examination or an investigation.
- (4) A person giving evidence in a special examination or an investigation may be represented by counsel.

**Powers of entry**

**216.1** For the purposes of an inspection to determine compliance with this Act, the regulations or the rules made by the Authority, the superintendent, a special examiner or an investigator may at any reasonable time enter any of the following places:

- (a) the principal place of business of a financial institution or of any affiliate of the financial institution;

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- (b) any office of a financial institution or of any affiliate of the financial institution;
- (c) any place where records are kept relating to a financial institution or to any affiliate of the financial institution;
- (d) any place where the superintendent, special examiner or investigator reasonably believes records are being held that relate to whether a person is or has been in compliance with this Act, the regulations or the rules made by the Authority;
- (e) subject to section 216.2, a private dwelling where the superintendent, special examiner or investigator reasonably believes evidence is present that is relevant to the purposes of the inspection;
- (f) any other place the superintendent, special examiner or investigator reasonably believes to contain evidence relevant to the purposes of the inspection.

**Warrant to enter residence**

- 216.2** (1) The superintendent, a special examiner or an investigator must not, for the purposes of an inspection, enter premises that are occupied as a residence unless
- (a) an occupant of the premises gives consent to enter, or
  - (b) a warrant under subsection (2) authorizing the entry is issued.
- (2) On being satisfied by evidence on oath that there are reasonable grounds to believe that records or other things relevant to the purposes of an inspection are present in premises that are occupied as a residence, a justice may issue a warrant authorizing a person named in the warrant to enter the residence in accordance with the warrant in order to exercise the powers referred to in section 216.3.

**Powers on inspection**

- 216.3** On entering a place under section 216.1 or 216.2, the superintendent, a special examiner or an investigator may do any of the following:
- (a) examine records or any other things that may be relevant to the purposes of the inspection;
  - (b) remove the records or things referred to in paragraph (a) for the purposes of examination or making copies or extracts;
  - (c) require any person to produce or provide access to records or things in the person's possession or control that may be relevant to the purposes of the inspection;
  - (d) require a person who may have information related to the purposes of the inspection, including personal information, to provide that information.

**Certified copies of records as evidence**

**216.4** If the superintendent, a special examiner or an investigator certifies as a true copy a copy or extract of a record examined under section 216.3, the certified true copy is admissible in evidence to the same extent as, and has the same evidentiary value as, the record of which it is a copy, without proof of the signature of the superintendent, special examiner or investigator.

**Obstructing or interfering with inspection**

**216.5** When an inspection is conducted, a person must not

- (a) obstruct the superintendent, the special examiner or the investigator, or withhold, destroy, conceal or refuse to provide or produce information, a record or other thing required by the superintendent, the special examiner or the investigator or that is otherwise related to the inspection,
- (b) provide false or misleading information,
- (c) interfere with the exercise by the superintendent, the special examiner or the investigator of any of the powers under this Division, or
- (d) prevent or attempt to prevent the superintendent, a special examiner or an investigator from exercising any of the powers under this Division.

**Immunities on special examination or investigation**

**216.6** (1) In this section, “**protected individual**” means an individual who is or was any of the following:

- (a) a special examiner;
- (b) an investigator;
- (c) a person appointed under section 215 (3);
- (d) a person acting on behalf of or under the direction of a special examiner, an investigator or a person appointed under section 215 (3).

(2) Subject to subsection (3), no legal proceeding for damages lies or may be commenced or maintained against a protected individual because of anything done or omitted

- (a) in the exercise or intended exercise of any power under this Act, or
- (b) in the performance or intended performance of any duty under this Act.

(3) Subsection (2) does not apply to a protected individual in relation to anything done or omitted in bad faith.

- (4) Subsection (2) does not absolve the Authority from vicarious liability arising out of anything done or omitted by a protected individual for which the Authority would be vicariously liable if this section were not in force.

**50** *The following heading is added before section 217:*

**Division 1.2 – Information and Records .**

**51** *Section 218 is repealed and the following substituted:*

**Confidential information**

- 218** (1) An individual or entity that creates, compiles or receives information or records under this Act or under an agreement referred to in section 219 or 219.01 of this Act must not, subject to subsections (2) and (3) of this section, disclose the information or records.
- (2) With the consent of the Authority or the superintendent and subject to any conditions that the Authority or the superintendent imposes, the information or records may be disclosed
- (a) for the purposes of administering this Act or the regulations,
  - (b) for the purposes of a prosecution, or
  - (c) if permitted by another provision of this Act or a provision of the regulations.
- (3) The information or records must be disclosed if required by law.

**Privileged information – supervisory information**

- 218.1** (1) In this section, “**supervisory information**” means any of the following information or any part of that information:
- (a) any rating assigned by the Authority or the superintendent to a financial institution to assess its financial condition and any other similar rating that is substantially based on information obtained from the Authority or the superintendent;
  - (b) information about any stage of intervention made by the Authority or the superintendent in relation to a financial institution;
  - (c) any order made under section 67 (2) or 215 in respect of a financial institution;
  - (d) any order made under section 239 (2);

- (e) any order made under section 248 (1) or (2), 275 or 277 in respect of a credit union;
  - (f) any undertaking given to the Authority or the superintendent under section 208 or 244 (2) (g);
  - (g) any decision to make a special inspection, examination and audit under section 214;
  - (h) any report prepared by or at the request of the Authority or the superintendent, or any recommendation made by the Authority or the superintendent, as a result of an examination, audit, inspection or investigation of a financial institution under this Act, including any related correspondence to or from the directors or officers of the financial institution;
  - (i) any other prescribed information related to the administration and enforcement of this Act or the *Credit Union Incorporation Act*.
- (2) Despite any other enactment or law, supervisory information is privileged information and a person or entity must not be required, in connection with any legal proceedings, to give or produce evidence relating to any supervisory information.

#### **Privileged information – self-evaluative compliance audits**

##### **218.2** (1) In this section:

“**self-evaluative compliance audit**” means an evaluation, review, assessment, examination, audit, inspection or investigation conducted by or on behalf of a financial institution, either voluntarily or at the request of the Authority or the superintendent, for the purpose of identifying or preventing non-compliance with, or promoting compliance with or adherence to, this Act, other Acts, regulations, rules, guidelines or industry, corporate or professional standards;

“**self-evaluative compliance audit document**” means a document or component of a document with recommendations or evaluative or analytical information prepared by or on behalf of a financial institution, the Authority or the superintendent as a result of or in connection with a self-evaluative compliance audit and includes any response to the findings of a self-evaluative compliance audit, but does not include documents kept or prepared in the ordinary course of business of a financial institution.

- (2) Subject to subsection (6), a self-evaluative compliance audit document is privileged information and is not discoverable or admissible as evidence in any civil or administrative proceeding.
- (3) Subject to subsection (6), a person or entity must not be required to give or produce evidence relating to a self-evaluative compliance audit or any self-evaluative compliance audit document in any civil or administrative proceeding.

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- (4) Disclosure of a self-evaluative compliance audit document to a person reasonably requiring access to it, including to a person acting on behalf of a financial institution with respect to the self-evaluative compliance audit, to the external auditor, the board or a committee of the financial institution, or to the Authority or the superintendent, whether voluntarily or pursuant to law, does not constitute a waiver of the privilege with respect to any other person.
- (5) A financial institution that prepares or causes to be prepared a self-evaluative compliance audit document may expressly waive privilege in respect of all or part of the document.
- (6) The privileges set out in subsections (2) and (3) do not apply
  - (a) to a proceeding commenced against a financial institution by the Authority or the superintendent in which a self-evaluative compliance audit document has been disclosed,
  - (b) if the privilege is asserted for fraudulent purposes,
  - (c) to a proceeding in which a person who was involved in conducting a self-evaluative compliance audit is a party seeking admission of the self-evaluative compliance audit document in a dispute related to the person's participation in conducting the audit, or
  - (d) to information referred to in a self-evaluative compliance audit document that was not prepared as a result of or in connection with a self-evaluative compliance audit.

**52** *Section 219 is amended by striking out “and despite section 218”.*

**53** *The following section is added to Division 1.2 of Part 7:*

**Agreement with other authorities and  
market conduct database administrator**

**219.01** The Authority may enter into an agreement with other financial services regulatory authorities in Canada and the administrator of a national database of market conduct that provides for the provision and exchange of information respecting the market conduct practices of insurers.

**54** *The heading to Division 2 of Part 7 is repealed.*

**55** *Section 219.1 is amended*

*(a) in subsection (1) by striking out “or” at the end of paragraph (d) and by adding the following paragraphs:*

- (f) a central credit union designated as the stabilization authority under section 282, or
- (g) prescribed organizations referred to in section 289 (3) (p.3) or (p.31). ,

**(b) in subsection (2) by striking out “, despite section 218,” and**

**(c) in subsection (2) by striking out “or” at the end of paragraph (c) and by adding the following paragraphs:**

- (e) a central credit union designated as the stabilization authority under section 282, or
- (f) prescribed organizations referred to in section 289 (3) (p.3) or (p.31).

**56 The following heading is added before section 220:**

**Division 2 – Insurance Council of British Columbia .**

**57 Section 220 (8) and (9) is repealed and the following substituted:**

- (8) In accordance with the general directives of Treasury Board, the council may
  - (a) reimburse or pay an allowance to members of the council for reasonable travelling and out-of-pocket expenses necessarily incurred in carrying out their duties, and
  - (b) pay remuneration to members of the council.

**58 Section 223 is amended**

**(a) by repealing subsection (1) and substituting the following:**

- (1) The council may delegate to one or more committees composed of 3 or more members of the council any duty of the council that is required under this Act to
  - (a) hold a hearing, and
  - (b) decide on the matter that is the subject of the hearing. , **and**

**(b) by repealing subsection (4) and substituting the following:**

- (4) If, under subsection (1), the council delegates to a committee the duty to hold a hearing and decide on the matter that is the subject of the hearing, the committee must hold the hearing and may decide on the matter on behalf of the council.

**59 Section 225 (1) is repealed.**

**60 Section 225.1 (2) is amended by adding the following paragraphs:**

- (e.1) respecting the remuneration of licensees;
- (i.1) respecting restricted insurance agent licences issued under section 174.1 and restricted insurance agent licensees and their employees and agents, including, without limitation, rules
  - (i) respecting the education, experience or other qualifications of applicants for those licences and their employees and agents, including rules conferring the discretion to determine equivalent education, experience or qualifications,

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- (ii) respecting or adopting a continuing professional education program that is required of those licensees, employees and agents,
- (iii) restricting post-claim underwriting by those licensees, employees and agents, and
- (iv) specifying disclosures that those licensees, employees and agents must make, and standardized wording they must use, in the solicitation, negotiation or procurement of insurance; .

**61** *Section 227 (c) is amended by striking out “, and” and substituting “and may publish those records online, and”.*

**62** *Section 230 is amended by adding “and 232.6” after “232.1”.*

**63** *Section 231 (1) (k) is amended*

*(a) in subparagraph (i) by striking out “\$20 000” and substituting “\$50 000”,*

*(b) in subparagraph (i) by adding “or a partnership” after “corporation”, and*

*(c) in subparagraph (ii) by striking out “\$10 000” and substituting “\$25 000”.*

**64** *Section 232 is amended*

*(a) in subsection (1) by striking out “appoint a person” and substituting “appoint, as an investigator, a person”, and*

*(b) in subsection (2) by striking out “a person” and substituting “an investigator”.*

**65** *Section 232.1 (1) is amended by striking out “person appointed by the council to conduct the investigation,” and substituting “the investigator”.*

**66** *The following sections are added:*

**Powers of entry**

**232.2** For the purposes of an investigation under section 232, the investigator may at any reasonable time enter any of the following places:

- (a) any place of business of a licensee or former licensee, or of any officer, director, controlling shareholder, partner or nominee of a licensee or former licensee;
- (b) any place where records are kept relating to a licensee or former licensee, or to any officer, director, controlling shareholder, partner or nominee of a licensee or former licensee;

- (c) any place where the investigator reasonably believes records are being held that relate to whether a person is or has been in compliance with this Act, the regulations, the rules made by the council under section 225.1 or the requirements of a licence;
- (d) subject to section 232.3, a private dwelling where the investigator reasonably believes evidence is present that is relevant to the purposes of the investigation;
- (e) any other place the investigator reasonably believes to contain evidence relevant to the purposes of the investigation.

**Warrant to enter residence**

- 232.3** (1) For the purposes of an investigation under section 232, the investigator must not enter premises that are occupied as a residence unless
- (a) an occupant of the premises gives consent to enter, or
  - (b) a warrant under subsection (2) authorizing the entry is issued.
- (2) On being satisfied by evidence on oath that there are reasonable grounds to believe that records or other things relevant to the purposes of an investigation under section 232 are present in premises that are occupied as a residence, a justice may issue a warrant authorizing a person named in the warrant to enter the residence in accordance with the warrant in order to exercise the powers referred to in section 232.4.

**Powers on investigation**

- 232.4** On entering a place under section 232.2 or 232.3, the investigator may do any of the following:
- (a) examine records or any other things that may be relevant to the purposes of the investigation;
  - (b) remove the records or things referred to in paragraph (a) for the purposes of examination or making copies or extracts;
  - (c) require any person to produce or provide access to records or things in the person's possession or control that may be relevant to the purposes of the investigation;
  - (d) require a person who may have information related to the purposes of the investigation, including personal information, to provide that information.

**Certified copies of records as evidence**

- 232.5** If the investigator appointed under section 232 certifies as a true copy a copy or extract of a record examined under section 232.4, the certified true copy is admissible in evidence to the same extent as, and has the same evidentiary value as, the record of which it is a copy, without proof of the signature of the investigator.

**Obstructing or interfering with investigation**

**232.6** When an investigation is conducted under section 232, a person must not

- (a) obstruct the council or the investigator, or withhold, destroy, conceal or refuse to provide or produce information, a record or other thing required by the council or the investigator or that is otherwise related to the investigation,
- (b) provide false or misleading information,
- (c) interfere with the exercise by the council or the investigator of any of the powers under sections 232 to 232.4, or
- (d) prevent or attempt to prevent the council or the investigator from exercising any of the powers under those sections.

**67** *Section 235 is amended*

- (a) in subsection (1) (a) by striking out “197,” and “214,”*
- (b) in subsection (1) (b) by adding “214,” after “211,” and*
- (c) in subsection (2) by adding “139.1 (1),” after “99 (3).”*

**68** *Section 237 (2) (a) is amended*

- (a) by striking out “197,” and*
- (b) by adding “241.1 (1) (a),” after “231 (1).”*

**69** *Section 241.1 (1) is repealed and the following substituted:*

- (1) If an investigation or hearing is held under this Act, the Authority, the superintendent or the council may by order require the financial institution, licensee, former licensee or other person subject to the investigation or hearing to pay, in accordance with the regulations, the costs, or part of the costs, of one of the following:
  - (a) the investigation;
  - (b) the hearing;
  - (c) the investigation and the hearing.

**70** *Sections 242 (1) (a) and 242.4 (1) (a) are amended by striking out “197.”*

**71** *Section 244 (2) is amended*

- (a) in paragraphs (a) and (c) (i) by striking out “or the regulations” and substituting “, the regulations or the rules made by the Authority”,*

**(b) by adding the following paragraphs:**

(a.03) does not comply with the *Societies Act* as that Act applies to societies referred to in section 191 of this Act,

(a.04) does not comply with the *Insurance Act* as that Act applies to insurers, , *and*

**(c) in paragraph (c) by striking out “or” at the end of subparagraph (ii) and by adding the following subparagraphs:**

(iv) the *Societies Act* as that Act applies to societies referred to in section 191 of this Act, or

(v) the *Insurance Act* as that Act applies to insurers, .

**72** *Section 245 (1) (b) is amended by striking out “or the regulations” and substituting “, the regulations or the rules made by the Authority”.*

**73** *Section 251 (1) is repealed and the following substituted:*

(1) The Authority may apply to the Supreme Court for the appointment of a receiver or receiver manager of all or any part of the assets of a trust company or insurance company if

(a) in the case of a trust company or insurance company, the company’s business authorization is revoked under section 249, or

(b) in the case of an insurance company, the company has failed to comply with an order under section 244 and, in the opinion of the Authority,

(i) the company is conducting its affairs in a manner that may reasonably be expected to harm the interests of its insureds, and

(ii) the appointment is in the public interest.

**74** *Section 252 is amended*

**(a)** *in subsection (1) by striking out “or to the regulations” and substituting “, the regulations or the rules made by the Authority”,*

**(b)** *in subsection (2) (a) by adding “92.2,” after “91,” and by striking out “162 or 164 (1)” and substituting “162, 164 (1), 216.5 or 232.6”,*

**(c)** *in subsection (2) (b) by adding “12.1,” after “section” and by striking out “, 196”,*

**(d)** *in subsection (2) (b.1) by striking out “the regulations” and substituting “the regulations or the rules made by the Authority”, and*

**(e)** *in subsection (2) by adding “or” at the end of paragraph (f), by striking out “or” at the end of paragraph (h) and by repealing paragraph (i).*

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**75 Section 253 is amended**

- (a) in subsections (1) and (2) by striking out “of the regulations” and substituting “of the regulations or the rules made by the Authority”,*
- (b) in subsection (1) (a) by striking out “\$100 000” and substituting “\$500 000” and by striking out “\$200 000” and substituting “\$1 000 000”,*
- (c) in subsection (1) (b) (i) by striking out “\$100 000” and substituting “\$500 000”,*
- (d) in subsection (1) (b) (ii) by striking out “\$200 000” and substituting “\$1 000 000”,*
- (e) in subsection (2) by striking out “(d), (h) or (i)” and substituting “(d) or (h)”,*
- (f) in subsection (2) (a) by striking out “\$5 000” and substituting “\$50 000”, and*
- (g) in subsection (2) (b) by striking out “\$2 000” and substituting “\$25 000”.*

**76 Section 253.1 (1) (b) is amended by striking out “of the regulations” and substituting “of the regulations or the rules made by the Authority”.****77 Section 260 (1) is amended in the definition of “deposits”**

- (a) in paragraph (b) by adding “before January 1, 2020” after “issued by the credit union”, and*
- (b) in paragraph (c) by adding “referred to in paragraph (b)” after “the non-equity shares”.*

**78 Section 266 is amended by adding the following subsections:**

- (2.1) Payment out of the fund of the following deposits in a credit union is not guaranteed:
  - (a) a deposit made by or on behalf of a savings institution or a subsidiary of a savings institution;
  - (b) a deposit in which a savings institution or a subsidiary of a savings institution has a beneficial interest.
- (2.2) Despite subsection (2.1) (a), if a savings institution or a subsidiary of a savings institution makes a brokered deposit in a credit union and no savings institution or subsidiary of a savings institution has any beneficial interest in the deposit, payment out of the fund of the deposit is guaranteed under subsection (2).

**79 Section 289 is amended***(a) in subsection (3) by adding the following paragraphs:*

- (a.1) authorizing the Authority to establish forms for the purposes of a regulation,

- (p.31) requiring a credit union or extraprovincial credit union to be a member of a prescribed organization to deal with complaints that are not dealt with to the satisfaction of complainants under section 94.3, ,
- (b) in subsection (3) (b) by adding** “or established under paragraph (a.1)” **after** “forms prescribed under paragraph (a)” ,
- (c) in subsection (3) (e) by adding** “or extraprovincial corporation” **after** “a financial institution” ,
- (d) by repealing subsection (3) (f) (iii) and substituting the following:**
- (iii) prescribing the proportion of the value of those prescribed types of assets, and the proportion of the extent of those prescribed types of liabilities, that constitutes an adequate capital base for a financial institution or extraprovincial corporation, ,
- (e) by repealing subsection (3) (f.1) and substituting the following:**
- (f.1) for the purpose of section 67 (2.1), prescribing a percentage, or a range of percentages, of the calculated value of the risk weighted assets of a credit union or extraprovincial credit union,
- (f.2) for the purpose of section 67 (2.2),
- (i) prescribing activities, circumstances and consequences, and
- (ii) establishing matters about which the Authority must be satisfied before giving its consent,
- (f.3) establishing formulae or other methods of determining the amount referred to in sections 64 (8) and 65 (3) (b) of the *Credit Union Incorporation Act*, ,
- (f) in subsection (3) (m) by striking out** “investment and loan committee” **and substituting** “committees appointed or elected under section 135” ,
- (g) in subsection (4) by adding the following paragraphs:**
- (e.1) prohibiting denial of insurance claims based on innocent misrepresentation or omission,
- (e.2) establishing grounds for voiding a contract of insurance entered into without the involvement of an insurance agent licensed under Division 2 of Part 6 and prohibiting such voiding in the absence of those grounds,
- (e.3) prescribing, for the purposes of section 92.2, requirements of insurance companies, insurance agents and insurance salespersons in relation to the issuance, delivery or undertaking of contracts of insurance through the use of an electronic agent, including, without limitation, requirements
- (i) specifying documents and information that must be provided to a consumer before and after the consumer enters into the contract of insurance,

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- (ii) specifying disclosures that must be made to a consumer, and standardized wording that must be used, during the solicitation, negotiation or procurement,
  - (iii) granting consumers a right of rescission for a specified period of time after entering into contracts of insurance or classes of contacts of insurance, and
  - (iv) respecting the collection, use and storage of the information of consumers who use an electronic agent,
- (e.4) prohibiting post-claim underwriting for contracts of insurance issued, delivered or undertaken through the use of an electronic agent as defined in section 92.2,
- (i.1) providing that a provision of this Act that applies to insurance companies also applies to reciprocal exchanges as defined in section 186,
- (k.1) providing that the guarantee under section 266 applies to either or both of the following:
- (i) deposits in a credit union made by depositors who are not ordinarily resident in British Columbia;
  - (ii) deposits in an extraprovincial credit union that has a business authorization made by depositors who are ordinarily resident in British Columbia,
- (k.2) providing that a provision of this Act that applies to credit unions also applies to extraprovincial credit unions,
- (o.21) providing that a provision of section 17, 51, 52, 111 or 112 of the *Insurance Act*, or Statutory Condition 1 set out in section 29 of that Act, does not apply to or in respect of a person, entity, thing or transaction, and prescribing circumstances in which or conditions on which the provision or the Statutory Condition is disappplied under this paragraph, ,
- (h) in subsection (4) (o) and (o.2) by striking out “a provision” and substituting “any or all provisions”, by striking out “does not apply” and substituting “do not apply” and by striking out “the provision is” and substituting “the provisions are”, and**
- (i) by adding the following subsections:**
- (9) A regulation made under this Act may adopt by reference, in whole or in part and with any changes the Lieutenant Governor in Council considers appropriate, the following:
- (a) a law of another jurisdiction, including a foreign jurisdiction;
  - (b) a code, standard or rule enacted as or under a law of another jurisdiction, including a foreign jurisdiction;
  - (c) a code, standard or rule set by a provincial, national or international body or any other body that may make codes, standards or rules.

- (10) A law, code, standard or rule referred to in subsection (9) may be adopted as it stands at a specific date or at the time of adoption, or as amended from time to time.

**80** *Section 290 (a) is amended by adding “and 232.6” after “232.1”.*

### ***Credit Union Incorporation Act Related Amendments***

**81** *Section 1 (1) of the Credit Union Incorporation Act, R.S.B.C. 1996, c. 82, is amended by repealing the definition of “depositor” and substituting the following:*

“**depositor**” means a person

- (a) who has money on deposit with a credit union, or
- (b) who holds non-equity shares in a credit union issued before January 1, 2020; .

**82** *Section 2.1 (1) is amended by striking out “class of shares” wherever it appears and substituting “class or series of shares”.*

**83** *Section 6 (1) (e) is repealed and the following substituted:*

- (e) meeting the requirements of section 40 (1) if a common bond of membership is adopted, and .

**84** *Section 8 is amended*

*(a) in paragraph (b) by adding “if any,” after “common bond of membership,” and*

*(b) by adding “, if any,” after “must file the constitution, common bond of membership”.*

**85** *Sections 9, 11 (3) (a) (i) and (h), 16 (2) (b), 20 (2) (a) (vii) and 41 (2) (a) are amended by adding “, if any,” after “common bond of membership”.*

**86** *Sections 11 (3) (b) (i) and 20 (2) (a) (iv) are amended by striking out “addresses” and substituting “prescribed addresses”.*

**87** *Section 11 (3) (e) is amended by striking out “submitted to the Authority a personal information return in the prescribed form and disclosing the prescribed information” and substituting “submitted to the superintendent a personal information return in the form established by the Authority that discloses the information required by the Authority”.*

**88** *Sections 14 (1) and (2), 14.1, 14.2 and 39.77 are amended by striking out “name” wherever it appears and substituting “corporate name”.*

**89** *The following section is added:*

**Other name**

**14.3** Subject to section 14.2 and the regulations, a credit union may carry on business under or identify itself by a name other than its corporate name.

**90** *Sections 16 (2) (d), (4) (b) (ii) and (5) and 20 (2) (a) (ix), (4) (b) (ii) and (5) are amended by striking out “class” wherever it appears and substituting “class or series”.*

**91** *Sections 16 (4) and 20 (4) are amended by striking out “classes” and substituting “classes or series”.*

**92** *Section 16.1 (1) (a), (2) and (3), as enacted by section 39 of the Trade, Investment and Labour Mobility Agreement Implementation Act, S.B.C. 2008, c. 39, is amended by striking out “commission” wherever it appears and substituting “Authority”.*

**93** *Section 20.1, as enacted by section 41 of the Trade, Investment and Labour Mobility Agreement Implementation Act, S.B.C. 2008, c. 39, is amended*

*(a) in subsections (2) (b) and (3) by striking out “commission” and substituting “Authority”, and*

*(b) in subsection (2) (c) (ii) by striking out “classes” and substituting “classes or series” and by striking out “class” wherever it appears and substituting “class or series”.*

**94** *Section 24 is amended by adding the following subsection:*

(1.1) A notice under subsection (1) may be delivered

(a) by prepaid post to the latest address shown for the recipient on the register of members and auxiliary members, or

(b) in any other manner agreed to by the intended recipient.

**95** *Section 30.1 (a) is amended by striking out “class meeting” and substituting “class meeting, series meeting”.*

**96** *Section 39.42 (e) is amended by striking out “general meeting and class meeting” and substituting “general meeting, class meeting and series meeting”.*

**97** *Section 39.46 (2) is amended by striking out “must be kept in a bound or looseleaf book” and substituting “may be kept in any manner set out in subsection (1) for preparing and maintaining records and registers”.*

**98** *Section 39.48 (1) (b) is repealed and the following substituted:*

(b) in any other manner agreed to by the intended recipient.

**99 Section 39.54 is amended**

**(a) in subsections (2) and (3) by striking out “mailing” and substituting “sending”, and**

**(b) in subsection (2) (a) by striking out “mailed” and substituting “sent”.**

**100 Section 39.55 is amended**

**(a) in subsection (2) (a) and (b) by striking out “mailing” and substituting “sending”, and**

**(b) in subsection (2) (a) by striking out “mailed” and substituting “sent”.**

**101 Section 39.62 (3) (b) is repealed and the following substituted:**

(b) in any other manner agreed to by the intended recipient.

**102 Section 39.72 is amended**

**(a) by repealing subsection (1) and substituting the following:**

(1) Subject to section 39.77, a credit union may alter its constitution by special resolution. , **and**

**(b) in subsections (2) and (3) by striking out “resolution” wherever it appears and substituting “special resolution”.**

**103 Section 39.76 is repealed.****104 Section 40 (1) is amended by striking out “must” and substituting “may”.****105 Section 41 is amended**

**(a) in subsection (1) by striking out everything after “as a member only” and substituting the following:**

(a) persons who are eligible under any of subsections (2) to (6), and

(b) unincorporated associations that are eligible under subsection (7). , **and**

**(b) by adding the following subsection:**

(7) An unincorporated association that meets both of the following requirements is eligible to be a member of a credit union:

(a) the unincorporated association applies for membership and the application is approved by the directors, a committee of the directors or a nominee of the directors;

(b) the unincorporated association subscribes and pays for at least the minimum number of membership shares required under the rules of the credit union.

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**106** *Section 54 (1) (d) is amended by striking out “kind and class” and substituting “kind, class and series”.*

**107** *The following section is added to Division 1 of Part 3:*

**Number of members**

**54.1** On request by a member of a credit union, the credit union must provide the member with the number of members of the credit union.

**108** *Section 55 (2) is repealed and the following substituted:*

- (2) In its constitution or rules, a credit union may provide for
  - (a) one or more classes of shares, with or without par value, with differing rights and restrictions among classes, and
  - (b) the inclusion of one or more series of shares in any class of shares, other than membership shares, if the special rights or restrictions attached to the shares of that class provide for that inclusion.

**109** *The following section is added:*

**Shares in series**

- 55.11** (1) The special rights or restrictions attached to the shares of a class of shares, other than membership shares,
- (a) may provide that the class of shares includes or may include one or more series of shares, and
  - (b) subject to subsections (3) and (4), may authorize the directors, by resolution, to do one or more of the following:
    - (i) determine the maximum number of shares of any of those series of shares that the credit union is authorized to issue, determine that there is no maximum number or alter any determination made, under this subparagraph or otherwise, in relation to a maximum number of those shares, and alter the constitution or rules accordingly;
    - (ii) alter the constitution or rules to
      - (A) create an identifying name by which the shares of any of those series of shares may be identified, or
      - (B) alter any identifying name created for those shares;
    - (iii) alter the constitution or rules to
      - (A) attach special rights or restrictions to the shares of any of those series of shares, or
      - (B) alter any special rights or restrictions attached to those shares.
- (2) Any rights provided to the directors under subsection (1) (b) are in addition to any rights available to shareholders under this Act to authorize or make the alterations

and determinations referred to in that subsection in relation to shares of a class of shares referred to in subsection (1) (a) to which the special rights or restrictions are attached.

- (3) If alterations or determinations contemplated by subsection (1) (b) are to be made in relation to a series of shares of which there are issued shares, those alterations and determinations must be made by the type of shareholders' resolution specified by the constitution or rules or, if the constitution or rules do not specify the type of resolution, by a special resolution.
- (4) Any alteration of the constitution or rules contemplated by subsection (1) (b) must be made in accordance with sections 39.71 to 39.75.
- (5) Each share of a series of shares must have attached to it the same special rights or restrictions that are attached to every other share of that series of shares, and the special rights or restrictions attached to the shares of a series of shares must be consistent with the special rights or restrictions attached to shares of the class of shares of which the series of shares is a part.
- (6) It is not inconsistent with subsection (5) for special rights or restrictions to be binding on or accessible to only some of the shareholders holding shares of a series of shares if those special rights or restrictions are attached to each of the shares of that series of shares.
- (7) No special rights or restrictions attached to a series of shares confer on the series priority over any other series of shares of the same class of shares respecting
  - (a) dividends, or
  - (b) a return of capital
    - (i) on the dissolution of the credit union, or
    - (ii) on the occurrence of any other event that entitles the shareholders holding the shares of all series of shares of the same class of shares to a return of capital.
- (8) Without limiting subsection (7),
  - (a) if cumulative dividends in respect of a series of shares are not paid in full, the shares of all series of shares of the same class of shares must, in a payment of accumulated dividends, participate rateably in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full, and
  - (b) if amounts payable on the dissolution of the credit union, or on the occurrence of any other event that entitles the shareholders holding the shares of all series of shares of the same class of shares to a return of capital, are not paid in full, the shares of all series of shares of the same class of shares must, in a return of capital in respect of that class of shares, participate rateably in accordance with the amounts that would be payable on the return of capital if all amounts so payable were paid in full.

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**110 Sections 56, 57, 58 (1) and (2), 59 (1) (b) and (c), 61 (1) and (2) (a) and 70 (2) are amended by striking out “class” wherever it appears and substituting “class or series”.**

**111 Sections 64 (8) and 65 (3) (b) are amended by striking out “the amount that constitutes an adequate capital base for that credit union in accordance with the regulations under section 289 (3) (f) of the *Financial Institutions Act*” and substituting “the amount determined in accordance with the regulations under the *Financial Institutions Act* or the rules made by the Authority under that Act”.**

**112 Section 70 is amended**

**(a) in subsection (1) by adding the following paragraphs:**

- (a.1) if an individual and the individual’s sole proprietorship are members, in accordance with rules that allow such an individual to vote both as an individual and on behalf of the individual’s sole proprietorship,
- (a.2) if the member is authorized in accordance with subsection (4) to vote on behalf of an unincorporated association, ,

**(b) in subsection (3) by adding “or an unincorporated association” after “who is not an individual”, and**

**(c) by adding the following subsection:**

- (4) A member of a credit union who is an unincorporated association may be represented and vote at meetings by an individual who
  - (a) is a member of the credit union, and
  - (b) by written authorization deposited with the credit union, is authorized to vote at the meetings on behalf of the unincorporated association.

**113 Section 76 is amended**

**(a) in subsection (3) by striking out “signed” and substituting “endorsed” and by striking out “signature” and substituting “endorsement”,**

**(b) by repealing subsection (4) (a) and substituting the following:**

- (a) be endorsed in accordance with subsection (4.1) by not fewer than the number of members determined in accordance with subsection (4.2), each of whom has been a member of the credit union, without interruption, for a prescribed minimum period before the member’s date of endorsement, ,

**(c) in subsection (4) (d) by striking out “signing” and substituting “endorsement”,**

**(d) by adding the following subsections:**

- (4.1) A member may endorse a requisition under subsection (3) by affixing to the requisition the member’s name and mailing address and the date of endorsement.

(4.2) The minimum number of members who must endorse a requisition under subsection (3) is equal to

- (a) in the case of a credit union with 6 000 members or fewer, 5% of the members, or
- (b) in the case of a credit union with more than 6 000 members, the sum of
  - (i) 300 members, and
  - (ii) 1% of the difference between the number of members and 6 000 members. ,

***(e) by repealing subsection (5) (b) (i) and substituting the following:***

- (i) the requisition was not deposited at the registered office of the credit union
  - (A) at least 90 days before the anniversary date of the last annual general meeting, or
  - (B) at least 90 days before the date on which it is proposed that the meeting be held; ,

***(f) in subsection (5) (b) (iii) by striking out “before the date of deposit at the registered office of the credit union” and substituting “before the date of deposit, at the registered office of the credit union,” and***

***(g) by repealing subsection (7) and substituting the following:***

- (7) If the directors call the requisitioned special general meeting under this section, then, at the request of the representative of the requisitioning members, the directors must attach to the proposal for circulation
  - (a) a statement, supplied by the requisitioning members, of not more than 400 words in support of the proposal, and
  - (b) the name and address of the representative of the requisitioning members.

***114 Section 77 is repealed and the following substituted:***

**Members’ special resolutions at general meetings**

- 77** (1) By a requisition that may be endorsed in several counterparts, each bearing the endorsement of one or more members of the credit union, the members may propose a special resolution for consideration at a general meeting.
- (2) A requisition under subsection (1) must
- (a) be endorsed in accordance with subsection (3) by not fewer than the number of members determined in accordance with subsection (4), each of whom has been a member of the credit union, without interruption, for a prescribed minimum period before the member’s date of endorsement,
  - (b) state the special resolution to be considered at the general meeting,

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- (c) state the name and mailing address of one of the members as a representative of all the requisitioning members, and
  - (d) be deposited at the registered office of the credit union within 60 days of the first endorsement of the requisition by a requisitioning member.
- (3) A member may endorse a requisition under subsection (1) by affixing to the requisition the member's name and mailing address and the date of endorsement.
- (4) The minimum number of members who must endorse a requisition under subsection (1) is equal to
  - (a) in the case of a credit union with 6 000 members or fewer, 5% of the members, or
  - (b) in the case of a credit union with more than 6 000 members, the sum of
    - (i) 300 members, and
    - (ii) 1% of the difference between the number of members and 6 000 members.
- (5) If the directors receive a requisition that complies with subsection (2), then, within 21 days after the date the requisition is deposited at the registered office of the credit union, the directors must
  - (a) allow consideration of the special resolution at the general meeting, or
  - (b) refuse to allow consideration of the special resolution at the general meeting on one or more of the following grounds:
    - (i) the requisition was not deposited at the registered office of the credit union
      - (A) at least 90 days before the anniversary date of the last annual general meeting, or
      - (B) at least 90 days before the date of the general meeting at which the special resolution is proposed to be considered;
    - (ii) it clearly appears that the special resolution is submitted by the members for the purpose of enforcing a personal claim or redressing a personal grievance against the credit union or its directors or officers or primarily for the purpose of promoting causes that are extraneous to the purposes of the credit union;
    - (iii) substantially the same special resolution was considered and defeated by the membership within the 2 years immediately before the date of deposit, at the registered office of the credit union, of the requisition containing the current special resolution.
- (6) The directors must give notice promptly to the representative of the requisitioning members of a decision under subsection (5) to allow or to refuse to allow consideration of the special resolution at the general meeting, and if the directors refuse, they must include in the notice their reasons for the refusal.

- (7) If the directors allow consideration of the special resolution at the general meeting, then the directors must
- (a) attach the special resolution to the notice of the meeting,
  - (b) at the request of the representative of the requisitioning members, attach to the notice of the meeting
    - (i) a statement, supplied by the requisitioning members, of not more than 400 words in support of the special resolution, and
    - (ii) the name and address of the representative of the requisitioning members, and
  - (c) provide a reasonable amount of time at the meeting for consideration of the special resolution.
- (8) No credit union or person acting on its behalf incurs any liability only because of circulating a special resolution or supporting statement in compliance with subsection (7).
- (9) Within 14 days after the representative of the requisitioning members receives the notice referred to in subsection (6) of the directors' decision under subsection (5) (b), the member may appeal to the Authority the directors' decision to refuse to allow consideration of the special resolution at the general meeting and, on receiving notice of the appeal, the Authority may
- (a) make an order confirming the directors' decision to refuse to allow consideration of the special resolution at the general meeting, or
  - (b) order the directors to allow consideration of the special resolution at the general meeting.
- (10) Without limiting the powers given under subsection (9), the Authority, in an order under that subsection, may
- (a) require amendments the Authority considers necessary or advisable to the special resolution, supporting statement or notice of the general meeting, and
  - (b) establish procedures for the conduct of the general meeting.
- (11) On receiving notice of an order made by the Authority under subsection (9) (b), the directors must, in accordance with the order, allow consideration of the special resolution at the general meeting.

**Member's proposal at annual general meeting**

- 77.1** (1) A member of a credit union may propose a matter for consideration at an annual general meeting.
- (2) A proposal under subsection (1) must
- (a) state the proposal to be considered at the annual general meeting,

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- (b) state the name and mailing address of the member submitting the proposal, and
  - (c) be deposited at the registered office of the credit union.
- (3) If the directors receive a proposal that complies with subsection (2), then, within 21 days after the date the proposal is deposited at the registered office of the credit union, the directors must
  - (a) allow consideration of the proposal at the annual general meeting, or
  - (b) refuse to allow consideration of the proposal at the annual general meeting on one or more of the following grounds:
    - (i) the proposal was not deposited at the registered office of the credit union
      - (A) at least 90 days before the anniversary date of the last annual general meeting, or
      - (B) at least 90 days before the date of the next annual general meeting;
    - (ii) it clearly appears that the proposal is submitted by the member for the purpose of enforcing a personal claim or redressing a personal grievance against the credit union or its directors or officers or primarily for the purpose of promoting causes that are extraneous to the purposes of the credit union;
    - (iii) substantially the same proposal was considered by the membership within the 2 years immediately before the date of deposit, at the registered office of the credit union, of the current proposal.
- (4) The directors must promptly give to the member who submitted the proposal notice of a decision under subsection (3) to allow or to refuse to allow consideration of the proposal at the annual general meeting, and if the directors refuse, they must include in the notice their reasons for the refusal.
- (5) If the directors allow consideration of the proposal at the annual general meeting, then the directors must
  - (a) attach the proposal to the notice of the meeting,
  - (b) at the request of the member who submitted the proposal, attach to the notice of the meeting
    - (i) a statement, supplied by the member, of not more than 400 words in support of the proposal, and
    - (ii) the name and address of the member, and
  - (c) provide a reasonable amount of time at the meeting for consideration of the proposal.
- (6) No credit union or person acting on its behalf incurs any liability only because of circulating a proposal or supporting statement in compliance with subsection (5).

- (7) Within 14 days after the member receives the notice referred to in subsection (4) of the directors' decision under subsection (3) (b), the member may appeal to the Authority the directors' decision to refuse to allow consideration of the proposal at the annual general meeting and, on receiving notice of the appeal, the Authority may
- (a) make an order confirming the directors' decision to refuse to allow consideration of the proposal at the annual general meeting, or
  - (b) order the directors to allow consideration of the proposal at the annual general meeting.
- (8) Without limiting the powers given under subsection (7), the Authority, in an order under that subsection, may
- (a) require amendments the Authority considers necessary or advisable to the proposal, supporting statement or notice of the annual general meeting, and
  - (b) establish procedures for the conduct of the annual general meeting.
- (9) On receiving notice of an order made by the Authority under subsection (7) (b), the directors must, in accordance with the order, allow consideration of the proposal at the annual general meeting.

**115 Section 78 is amended**

**(a) by adding the following subsections:**

- (4.1) A notice of a general meeting or special resolution given under subsection (1) may be sent
- (a) by prepaid post to the latest address shown for the recipient on the register of members and auxiliary members, or
  - (b) in any other manner agreed to by the intended recipient.
- (5.1) If a notice of a general meeting or special resolution given under subsection (1) is sent in a manner agreed to by the intended recipient, the notice is deemed to have been received by the member on the day that it is sent. , **and**

**(b) by repealing subsection (6) and substituting the following:**

- (6) If mail service is not available and an intended recipient has not agreed to another manner for the sending of a notice given under subsection (1), the notice may be given
- (a) by advertising on 2 separate occasions not less than 5 days apart, inclusive of the day of publication, in a newspaper circulating in the area in which the credit union carries on its operations, or
  - (b) by posting it on a website maintained by or on behalf of the credit union.
- (7) A notice given in accordance with subsection (6) (a) is deemed to have been received by the member on the day of the last publication.

- (8) A notice given in accordance with subsection (6) (b) is deemed to have been received by the member on the day that it is posted on the website.

**116** *The following section is added:*

**Setting record dates**

- 78.1** (1) The rules of a credit union may
- (a) set a date as the record date for the purpose of determining members entitled to notice of a general meeting, and
  - (b) set a date as the record date for the purpose of determining members entitled to vote at a general meeting.
- (2) A record date set under subsection (1) (a) must not precede the date on which the general meeting is to be held
- (a) by more than 2 months, or, in the case of a special general meeting requisitioned under section 76 (3), by more than 4 months, or
  - (b) by fewer than the prescribed number of days.
- (3) A record date set under subsection (1) (b) must not precede the date on which the general meeting is to be held by more than 2 months, or, in the case of a special general meeting requisitioned under section 76 (3), by more than 4 months.
- (4) If no record date is set under subsection (1) (a), the record date for determining the members who are entitled to notice of a general meeting is
- (a) 5 p.m. on the day immediately preceding the first date on which notice is sent, or
  - (b) if no notice is sent, the beginning of the meeting.
- (5) If no record date is set under subsection (1) (b), the record date for determining the members who are entitled to vote at a general meeting is
- (a) 5 p.m. on the day immediately preceding the first date on which notice of the general meeting is sent, or
  - (b) if no notice is sent, the beginning of the meeting.

**117** *Section 81 is amended*

*(a) in subsection (1) by adding “, other than prescribed kinds of business,” after “business”, and*

*(b) by adding the following subsection:*

- (1.2) In determining whether to provide the consent referred to in subsection (1.1),
- (a) the Authority must consider the prescribed criteria, and
  - (b) the deposit insurance corporation must consider the prescribed criteria.

**118** *Section 84.14 (a) is amended by striking out “resident addresses” and substituting “prescribed addresses”.*

**119** *Section 93 (1) is amended by striking out “38 (1) or 76 (9) (a) or (b)” and substituting “38 (1), 76 (9) (a) or (b), 77 (9) (a) or (b) or 77.1 (7) (a) or (b)”.*

**120** *Section 98 is amended*

*(a) in subsection (1) (a) by striking out “76 (9) (a) or (b)” and substituting “76 (9) (a) or (b), 77 (9) (a) or (b) or 77.1 (7) (a) or (b)”, and*

*(b) in subsection (3) (c) by striking out “76 (9)” and substituting “76 (9) (a) or (b), 77 (9) (a) or (b) or 77.1 (7) (a) or (b)”.*

**121** *Section 102 is amended*

*(a) in subsection (1) (a) by striking out “\$100 000” and substituting “\$500 000” and by striking out “\$200 000” and substituting “\$1 000 000”,*

*(b) in subsection (1) (b) (i) by striking out “\$100 000” and substituting “\$500 000”,*

*(c) in subsection (1) (b) (ii) by striking out “\$200 000” and substituting “\$1 000 000”,*

*(d) in subsection (2) (a) by striking out “\$5 000” and substituting “\$50 000”, and*

*(e) in subsection (2) (b) by striking out “\$2 000” and substituting “\$25 000”.*

**122** *Section 108 (2) is amended*

*(a) by adding the following paragraph:*

*(c.1) for the purposes of section 14.3, prescribing requirements, conditions and restrictions to which a credit union is subject in carrying on business under or identifying itself by a name other than its corporate name; , and*

*(b) in paragraph (g) by striking out “section 81 (2) (b)” and substituting “section 81 (1) or (2) (b)”.*

**123** *Section 108 (2) (k) (i) to (iii), as enacted by section 49 of the Trade, Investment and Labour Mobility Agreement Implementation Act, S.B.C. 2008, c. 39, is amended by striking out “commission” wherever it appears and substituting “Authority”.*

**Consequential and Related Amendments***Business Corporations Act*

**124** *Section 1 (1) of the Business Corporations Act, S.B.C. 2002, c. 57, is amended*

*(a) by adding the following definition:*

“**Authority**” means the BC Financial Services Authority established under section 2 of the *Financial Services Authority Act*; , **and**

*(b) by repealing the definition of “commission”.*

**125** *Section 42 (1) (c) (v) is amended by striking out “commission” wherever it appears and substituting “Authority”.*

**126** *Section 324 (1) is amended by striking out “commission” and substituting “Authority”.*

*Financial Services Authority Act, 2019*

**127** *The title of the Financial Services Authority Act, 2019, S.B.C. 2019, c. 14, is repealed and the following substituted:*

**FINANCIAL SERVICES AUTHORITY ACT .**

**128** *Section 8 (5) is amended by adding the following paragraph:*

(d.1) any power or duty that the Authority is prohibited from delegating under section 201 (3) of the *Financial Institutions Act*, .

*Finance Statutes Amendment Act, 2011*

**129** *Section 19 (a) of the Finance Statutes Amendment Act, 2011, S.B.C. 2011, c. 29, is amended by striking out “purpose” and substituting “purposes”.*

*Real Estate Services Act*

**130** *Section 108 (1) of the Real Estate Services Act, S.B.C. 2004, c. 42, is amended by striking out “and 216 [immunities and witnesses]” and substituting “to 216.6 [immunities on special examination or investigation]”.*

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***Regulations Act***

**131** *The Schedule of the Regulations Act, R.S.B.C. 1996, c. 402, is amended by adding the following after “The commission rules as defined by the Securities Act;”:*

Rules of the BC Financial Services Authority under the *Financial Institutions Act*; .

***Trade, Investment and Labour Mobility Agreement Implementation Act***

**132** *Section 54 of the Trade, Investment and Labour Mobility Agreement Implementation Act, S.B.C. 2008, c. 39, is repealed.*

**Commencement**

**133** The provisions of this Act referred to in column 1 of the following table come into force as set out in column 2 of the table:

Item	Column 1 <b>Provisions of Act</b>	Column 2 <b>Commencement</b>
1	Anything not elsewhere covered by this table	The date of Royal Assent
2	Sections 1 to 91	By regulation of the Lieutenant Governor in Council
3	Sections 94 to 122	By regulation of the Lieutenant Governor in Council
4	Sections 124 to 126	November 1, 2019
5	Section 127	June 4, 2019
6	Section 128	November 1, 2019
7	Sections 130 and 131	By regulation of the Lieutenant Governor in Council