

# Regulatory Statement

## Obtaining a Business Authorization to Operate an Extraprovincial Trust Corporation in British Columbia

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<b>Regulatory Statement Number</b>	23-025
<b>Legislation:</b>	<i>Financial Institutions Act</i>
<b>Related Forms:</b>	Application for Business Authorization for Extraprovincial Trust Corporations
<b>Date:</b>	December 19, 2023
<b>Distribution:</b>	All Interested Applicants

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### PURPOSE

This Regulatory Statement establishes the form and content of an application to the Superintendent of Financial Institutions (“Superintendent”) under section 160 of the *Financial Institutions Act* (“FIA”) for a business authorization to carry on trust business as an extraprovincial trust corporation in the province of British Columbia (“B.C.”).

This Statement replaces Regulatory Statement TR-18-001 “Obtaining a Business Authorization to Operate an Extraprovincial Trust Corporation in British Columbia.”

### BACKGROUND INFORMATION

An extraprovincial trust corporation is a corporation authorized to carry on trust business under the laws of its primary jurisdiction other than B.C. Under sections 70 and 159(1) of the FIA, an extraprovincial trust corporation is not permitted to carry on trust business in B.C. unless it has received a business authorization from the Superintendent.

Extraprovincial trust corporations may apply for a business authorization in the form established by the Superintendent under section 160(1) of the FIA. Section 160(6) of the FIA provides, among other things, that the Superintendent must issue a business authorization to an extraprovincial trust corporation whose primary jurisdiction is Canada—i.e., federally regulated trust corporations/regulated by the Office of the Superintendent of Financial Institutions (“OSFI”)—once it has submitted information in support of its application that is satisfactory to the Superintendent.

Under section 159(2)(b), a business authorization for a federally regulated extraprovincial trust corporation may also authorize the extraprovincial trust corporation to carry on deposit business in B.C., provided it maintains deposit insurance with the Canada Deposit Insurance Corporation (“CDIC”). Section 160(3) of the FIA provides that the Superintendent may issue a business authorization to an extraprovincial trust corporation that is not federally regulated upon receipt of an application that meets the requirements outlined in section 160(3) unless the Superintendent believes on reasonable grounds that it is not in the public interest to do so.

Prior to submitting an application, the extraprovincial trust corporation must apply to register with the B.C. Registrar of Companies (“the B.C. Registrar”) as an extraprovincial corporation. Information regarding this process can be found on the B.C. Registrar’s website.

Classification: **Public**

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Section 158 of the FIA delineates the provisions of the Act that apply to and in respect of an extraprovincial trust corporation dependent upon the primary jurisdiction of the entity. Applicants are encouraged to review and conduct a self-assessment against the guidelines that BC Financial Services Authority (“BCFSA”) has adopted from OSFI when submitting an application for business authorization.

## REQUIREMENTS

Under section 160(1)(a), (1)(b), (3), (5), and (6) of the FIA, all extraprovincial trust corporations applying for a business authorization in B.C. must submit the following materials:

- non-refundable [application fee](#) payable to BCFSA;
- completed [Application for Business Authorization for Extraprovincial Trust Corporations Form](#);
- evidence that the corporation is authorized by its primary jurisdiction:
  - federally regulated corporations must include a certified copy of the Order to Commence and Carry-on Business and a certified copy of the Letters Patent of Incorporation, or
  - non-federally regulated corporations must include a certified copy of the Certificate of Authorization and a certified copy of the Certificate of Incorporation from the corporation’s primary jurisdiction;
- corporate profile and history of the corporation;
- proof of membership with CDIC where a federally regulated extraprovincial trust corporation is wishing to add deposit business to its business authorization;
- proposed plan of operations that contains the following information:
  - business plan that includes a detailed description of the business to be carried on in B.C.,
  - description of intended products and distribution channels,
  - description of management expertise in respect of proposed products and services to be offered to the public and general trust business,
  - analysis of key risks and risk mitigation strategies,
  - organizational chart showing a parent company (if applicable), all companies within the corporate group including affiliates and subsidiaries and ownership information including ownership percentages, and
  - description of material outsourcing arrangements with affiliates or third parties;
- pro-forma financial statements for the five-year forecast horizon, per line of business, with detailed supporting rationale for the key assumptions underlying the forecasts, including, where applicable, supporting calculations;
- proof that the corporation has liquid assets and a capital base that is at least equal to the applicable minimum required under section 67 of the FIA, and adequate to the business including those the corporation proposes to carry on;
- audited financial statements for the past three years including capital ratios;
- copy of the corporation’s investment policy;
- a list of the members of the following committees of the Board of Directors: Audit, Investment and Lending and Conduct Review, and/or any statutory board committees required under the laws of the corporation’s home jurisdiction;
- current curriculum vitae for each director, senior officer; and

- any other information or documents as requested by the Superintendent.

## INSTRUCTIONS

For questions or to request a meeting with BCFSA staff in respect of an application, please contact the Approvals Branch at [statapprovals@bcfsa.ca](mailto:statapprovals@bcfsa.ca) or at (604) 398-5034.

All notices, information, or documentation referenced in this Statement are to be submitted via the [Integrated Regulatory Information System](#) (“IRIS”), a secure portal through which regulated entities may provide information to BCFSA. IRIS, as well as [instructions](#) on how to set up an account and submit an application, may be accessed on BCFSA’s website.

Application fees may be paid in IRIS by credit card (Visa or Mastercard). Payment by credit card through IRIS is integrated into the application process. Please contact [statapprovals@bcfsa.ca](mailto:statapprovals@bcfsa.ca) for instructions on how to pay the application fee by electronic fund transfer, wire, or cheque.

## LEGISLATION

FIA, ss. 1(1) “extraprovincial trust corporation,” 67, 70, 158, 159, 160

Copies of the legislation are available from [www.bclaws.gov.bc.ca](http://www.bclaws.gov.bc.ca)

*Regulatory Statements establish the form and content of a regulatory submission; prescribe the manner of meeting or enforcing a requirement existing in an enactment; and/or provide the regulator’s view of the laws that BC Financial Services Authority administers. Regulatory Statements are made pursuant to a requirement or power contained in provincial legislation. Compliance with a Regulatory Statement is therefore mandatory. Regulatory Statements may refer to law, practice, or background existing at the time of publication. If relying on the legal information contained in a Regulatory Statement, confirm that any references to the law, including enabling legislation, are up to date and obtain independent legal advice, when needed. Regulatory statements are effective on the date of their publication, unless stated otherwise.*