

**BC Financial Services Authority
("BCFSA")**

**2023/24 – 2025/26
Service Plan**

February 2023



For more information on BC Financial Services Authority contact:
600-750 West Pender Street
Vancouver BC V6C 2T8

Phone: 1+(604) 660-3555
Fax: 1+(604) 660-3368
Toll Free: 1-866-206-3030

General Email:
BCFSA@BCFSA.ca

Or visit our website at
<http://www.bcfsa.ca>

Published by BC Financial Services Authority

Board Chair's Accountability Statement



The 2023/24 – 2025/26 BC Financial Services Authority (“BCFSA”) Service Plan was prepared under the Board’s direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government’s strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 2023, have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BCFSA’s mandate and goals, and focus on aspects critical to the organization’s performance. The targets in this plan have been determined based on an assessment of BCFSA’s operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

A handwritten signature in black ink that reads "Stanley Hamilton". The signature is written in a cursive, flowing style.

Stanley Hamilton
Board Chair, BC Financial Services Authority
February 14, 2023

Table of Contents

Board Chair’s Accountability Statement..... 3

Strategic Direction..... 5

Purpose of the Organization and Alignment with Government Priorities..... 6

Operating Environment..... 6

Annual Economic Statement..... 8

Performance Planning..... 9

Financial Plan 24

Appendix A: Mandate Letter from the Minister Responsible 26

Appendix B: (RECBC) Letter of Direction from the Minister Responsible..... 33

Strategic Direction

In 2023/24, public sector organizations will continue working to make life better for people in B.C., improve the services we all rely on, and ensure a sustainable province for future generations. Government will focus on building a secure, clean, and fair economy, and a province where everyone can find a good home – whether in a rural area, in a city, or in an Indigenous community. B.C. will continue working toward true and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in an inclusive and sustainable province. The policies, programs and projects developed over the course of this service plan period will focus on results that people can see and feel in four key areas: attainable and affordable housing, strengthened health care, safer communities, and a secure, clean, and fair economy that can withstand global economic headwinds.

This 2023/24 service plan outlines how BC Financial Services Authority (“BCFSA”) will support the government’s priorities and selected action items identified in the [Crown Agency Mandate Letter](#) and [letter of direction](#).

BCFSA is a Crown agency of the Government of British Columbia headquartered in Vancouver. BCFSA oversees the financial services sector which includes pension plans, mortgage brokers, real estate services, real estate development marketing, and financial institutions (including credit unions, insurance, and trust companies). BCFSA also administers the Credit Union Deposit Insurance Corporation of British Columbia (“CUDIC”).

BCFSA was established by the Financial Services Authority Act (“FSAA”) and has accountabilities under the following ten statutes (which are accessible via the applicable hyperlink) and associated regulations:

- [Financial Services Authority Act, 2019](#)
- [Credit Union Incorporation Act](#)
- [Financial Institutions Act](#)
- [Insurance Act](#)
- [Insurance \(Captive Company\) Act](#)
- [Mortgage Brokers Act](#)
- [Pension Benefits Standards Act](#)
- [Real Estate Services Act](#)
- [Real Estate Development Marketing Act](#)
- [Strata Property Act](#)

BCFSA’s operations are aligned with the priorities set out in its Mandate Letter issued by the Minister of Finance of British Columbia (“Minister of Finance”).

A properly functioning and efficient financial services sector in which British Columbians can place their trust and confidence is essential to the Province’s economy. To achieve this

objective, BCFSA safeguards the interests of depositors, policyholders, beneficiaries, pension plan members, and participants in the real estate market, while at the same time allowing the financial sector to take reasonable risks and compete effectively. BCFSA's goal is to balance sector competitiveness with financial stability as well as federal and international standards with local market realities.

Purpose of the Organization and Alignment with Government Priorities

In support of the Government of British Columbia's priority to help build a better Province for everyone, BCFSA oversees many of the most important financial services used by British Columbians by regulating credit unions, trust companies, insurance companies, pension plans, mortgage brokers and real estate licensees. BCFSA focusses on the safety and soundness of the sector and its participants as well as consumer protection for the prosperity of both individual British Columbians and the province of B.C. Through modern, effective, efficient oversight, enforcement, and guidance, BCFSA works to make B.C. a place where people can have confidence in the financial services they receive.

BCFSA serves the public by regulating financial services and is accountable to the public through the Minister of Finance.

Operating Environment

BCFSA began operations as a new Crown agency on November 1, 2019, by assuming the regulatory accountabilities of the Financial Institutions Commission ("FICOM"). The transition was driven by the need to create a modern, effective, and efficient regulator with the independence and flexibility necessary to regulate a financial services sector that has grown both in importance and complexity.

On August 1, 2021, BCFSA assumed accountability for regulation of real estate services, including the licensing, conduct, investigations, and discipline of real estate licensees, and real estate development marketing.

The Employee Engagement goal has been removed from this year's Annual Service Plan as BCFSA has effectively addressed the employee issues that precipitated the need for such a goal in the past. Through the effective operationalization of a range of people practices, it has significantly lowered its vacancy and employee attrition rates compared to those experienced by FICOM. Further, last year which was its first full year as an integrated regulator following integration with the Real Estate regulators, BCFSA achieved Great Place To Work® status. Employee Engagement is now a strength of the organization, contributing to its success delivering against its mandate. Looking forward, BCFSA will continue to focus on Employee Engagement through ongoing dialogue and action plans.

Financial Services Landscape

The scope of BCFSAs regulatory mandate reflects the size and complexity of the financial services sector in B.C. which, as of December 31, 2022, included:

- 34 credit unions with more than \$77.6 billion in assets;
- 636 pension plans with approximately \$212.2 billion in assets;
- Over 215 insurance and trust companies (including extra-provincials);
- Over 7,000 mortgage brokers and brokerages; and
- Over 37,000 real estate licensees, brokerages, branches, and personal real estate corporations.

Central 1 Credit Union, which undertakes various centralized activities such as clearing and payments for credit unions, acts as a “central” in both B.C. and Ontario. Some pension plans with members in B.C. also have members in other provinces. Many of the insurance and trust companies BCFSAs oversees operate in other provinces. Mortgage brokers and real estate licensees may be authorized to do business in other provinces.

This landscape makes cooperation and harmonization with other regulators in Canada a priority. BCFSAs an active partner in national regulatory associations including: the Canadian Council of Insurance Regulators (“CCIR”); Credit Union Prudential Supervisors Association (“CUPSA”); Canadian Association of Pension Supervisory Authorities (“CAPSA”); Mortgage Broker Regulators’ Council of Canada (“MBRCC”); and the Real Estate Regulators of Canada (“RERC”).

BCFSAs Approach to Supervision and Market Conduct

BCFSAs uses a risk-based prudential supervisory framework to identify imprudent or unsafe business practices and intervenes on a timely basis, as required. The rationale, principles, concepts, and core processes in the supervisory framework apply to all the BCFSAs regulated financial entities in British Columbia. The primary focus of BCFSAs supervisory work is to determine the impact of current and potential future financial events, both within British Columbia and externally.

BCFSAs is focused on protecting and achieving fair outcomes for consumers of financial services in British Columbia. BCFSAs works to ensure that regulated entities and individuals provide British Columbians with the information and advice they need to make the right decisions from them.

The COVID-19 pandemic has brought increased risk and uncertainty to the financial services sector. As the B.C. economy moves forward from the pandemic, BCFSAs will continue its focus on the safety and soundness of the financial services sector and ensuring that consumers are protected from unfair practices.

To date, the financial entities regulated by BCFSFA, as a whole, have shown resilience in the face of the risks posed by the pandemic. BCFSFA will continue to monitor the marketplace to ensure: (i) consumer expectations are met by the products they have purchased; (ii) misconduct is addressed particularly when targeted towards vulnerable British Columbians; and (iii) that new and innovative products are understood and appropriately regulated.

Annual Economic Statement

B.C.'s economy has been resilient to pandemic, geopolitical and climate-related disruptions. However, higher interest rates are expected to weigh on the economy in the coming years. Following a rapid recovery from the economic impacts of the COVID-19 pandemic, high inflation led to successive interest rate increases from the Bank of Canada in 2022. The impact of higher interest rates has been evident in housing markets and there is uncertainty over its transmission to the rest of the economy in B.C. and among our trading partners. B.C. is heading into this challenging period in relatively strong position, with a low unemployment rate. The Economic Forecast Council (EFC) estimates that B.C. real GDP expanded by 3.0 per cent in 2022 and expects growth of 0.5 per cent in 2023 and 1.6 per cent in 2024. Meanwhile for Canada, the EFC estimates growth of 3.4 per cent in 2022 and projects national real GDP growth of 0.5 per cent in 2023 and 1.5 per cent in 2024. As such, B.C.'s economic growth is expected to be broadly in line with the national average in the coming years. The risks to B.C.'s economic outlook center around interest rates and inflation, such as the risk of further inflationary supply chain disruptions, the potential for more interest rate increases than expected, and uncertainty around the depth and timing of the impact on housing markets. Further risks include ongoing uncertainty regarding global trade policies, the emergence of further COVID-19 variants of concern and lower commodity prices.

Performance Planning

BCFSA will engage in regular communications with the Ministry of Finance toward the achievement of the goals as well as on matters within its regulatory accountabilities.

Goal 1: Enhance Risk Based Supervision

Risk based supervision forms the foundation for a modern, effective, and efficient supervisory approach. Specifically, the approach is to ensure risk assessments are forward-looking and focused on key risks facing the system while addressing these risks in a proportional manner relative to severity and impact.

Objective 1.1: Advance BCFSA's risk-based and proportionate supervision of the financial services sector and efforts to enhance the overall safety and soundness of the sector.

BCFSA's supervisory mandate relates to the safety and soundness of the sector and includes overseeing financial institutions and pension funds. Protecting the public is a key part of this mandate. A proportionate approach to supervision is required to protect the public while recognizing that sector participants vary in size and complexity. BCFSA's framework for risk-based supervision is informed by federal and international standards as adjusted for local market realities.

Key Strategies

- Continual review of BCFSA's supervisory framework (the "Supervisory Framework") ensures a consistent and modern approach to supervision of the financial services sector that evolves with the changing macro-economic environment risk drivers to remain a relevant tool overseeing the B.C. financial services sector.
- Revise the Supervisory Framework as required to reflect and align advancements in BCFSA's regulatory approach with other federal and provincial regulators including the management of risks related to cyber, anti-money laundering, and retail credit.
- Develop an internal operational playbook for supervisory activities to enable a consistent methodology and approach to proportionate monitoring and risk assessment reviews reflective of varying size, scope, and complexity of regulated entities in BC.
- Design and pilot of monitoring processes to complete risk assessments for pension plans. This risk assessment process, based on application of the risk framework, will include both desk and on-site reviews.

Discussion

In order to deliver against BCFSA's key strategic imperatives for safety and soundness of the financial services sector, developing, maintaining, and implementing an agile Supervisory Framework that can reflect the changing financial service and market environments is critical.

Fundamental elements of risk-based, proportional, and forward-looking oversight methodologies are imbedded within the Supervisory Framework. BCFSA will focus on the key risks including credit, market, and operational risk such as interest rates and climate change, while ensuring the sector has an awareness of current, emerging, and potential risk drivers requiring effective governance and risk management oversight by each regulated Financial Institution. Supporting this, at least one (1) meeting per quarter (in-person or virtual) with each financial institution (credit union, insurance company, and trust company) will be conducted and supervisory letters will be delivered no later than 60 days from the exit meeting.

Performance Measures

| Performance Measure[s] | 2022/23 Forecast | 2023/24 Target | 2024/25 Target | 2025/26 Target |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| [1a] Supervisory Framework to be reviewed at least annually for applicability with revisions as required to reflect changes in the financial services environment (new risks) and evolution in BCFSA tools and risk assessment processes or priorities. | 100% reviewed and revised as needed | 100% reviewed and revised as needed | 100% reviewed and revised as needed | 100% reviewed and revised as needed |
| [1b] Percentage of supervisory meetings (includes in person and virtual meetings) with financial institutions (credit unions, insurance companies and trust companies) in the fiscal year. | 100% | 100% | 100% | 100% |

Data source: BCFSA Operational Data

Discussion

Ensuring the Supervisory Framework reflects current and emerging risk drivers is foundational to modern, effective, and efficient supervision of the financial services sector. The Supervisory Framework provides the methodology which BCFSA follows in assessing the risk profiles of regulated entities.

The goal for increasing supervisory meetings is to establish a mutual understanding of issues facing B.C. financial institutions and foster a better understanding of the issues by BCFSA. Through the expanded engagement with the Provincially Regulated Financial Institutions, there is a shared accountability for ensuring regular dialogue between stakeholders remains key to ensuring the ongoing strength and viability of the financial services system. These quarterly meetings have been facilitated with the use of virtual meeting platforms, greatly

enhancing the effectiveness and efficiency of these engagements for both the Provincially Regulated Financial Institutions and BCFSAs.

Goal 2: Provide effective consumer protection

BCFSAs protect British Columbians by upholding conduct standards in the financial services sector including credit unions, insurance companies, trust companies, pension plans, mortgage brokers, real estate licensees, and real estate developers.

Objective 2.1: Modern, effective, and efficient consumer protection regulation.

BCFSAs support effective consumer protection by administering a range of proactive monitoring activities (i.e., audit/examination programs, and industry data calls and surveys) to identify and respond to emerging risks, and by setting robust requirements for registration or licensing with BCFSAs. In circumstances where there is non-compliance, the goal of BCFSAs' compliance and enforcement model ensures that BCFSAs resolve complaints efficiently using proportionate discipline actions to enforce regulatory requirements.

Key Strategies

- Assess each complaint for risk, assign a priority, and act appropriately to provide a timely and responsive resolution.
- Proactively monitor market conduct activities to identify and intervene to address harmful business practices in the financial services sector.
- Entry standards to apply more focus on identifying and responding to higher risk applications, which require more information gathering and investigation to adequately assess an individual's or entity's suitability to do business in B.C.
- Review all real estate developer disclosures for completeness and risk ensuring that consumers can make informed decisions when purchasing strata properties.
- Explore opportunities to expand the use of the regulatory toolbox (e.g., administrative penalties) to take proportionate and meaningful enforcement action to address non-compliance across all regulated segments.

Discussion

BCFSAs protect consumers through the implementation of a multipronged approach of setting entry-to-practice requirements, proactive monitoring of compliance, and taking proportionate enforcement action for non-compliance.

BCFSAs will continue to ensure that all applicants that are licensed or registered have the knowledge and skills that are required so that their practice meets high standards of professionalism. A focus on entry standards will ensure suitable applicants undergo appropriate examination to ensure they do not pose a risk to consumers.

Regulated entities will continue to be proactively monitored to ensure that they are complying with regulatory requirements. Where issues are identified, BCFSAs may intervene to address

harmful business practices in the financial services sector. BCFSa will also risk-assess all allegations for non-compliance, and action complaints appropriately to provide a timely and responsive resolution.

Where required, BCFSa may require more complete disclosure from developers, or exercise regulatory powers including orders to cease marketing.

Objective 2.2: Support industry to adopt best practice conduct standards

BCFSa provides industry with resources, knowledge, and education to support regulated entities to understand regulatory requirements and obligations and to ensure that they maintain a high conduct of standards, at all times, in their practice. Many regulated entities are required to complete continuing education courses as part of the licence or registration renewal cycle to ensure that they maintain and enhance their skills and that they understand their role in the protection of the public.

Key Strategies

- Develop and expand continuing education standards.
- Develop and deliver continuing education for mortgage brokers by 2024.
- Equip industry with the information, tools, and practices to help it comply with its market conduct accountabilities.

Discussion

Consumers rely on financial services at key moments in their life – buying a home, obtaining a loan, protecting their health and possessions and retirement – and must have trust and confidence in the services they are receiving.

Consumers are protected by having services delivered by competent and ethical regulated entities and individuals. The availability of relevant resources that address emerging risks across the sector is critical to ensuring that regulated entities and individuals have the tools that they need to properly service consumers in accordance with regulatory requirements. Continuing education supports consistency in knowledge and high standards of professionalism and service delivery among regulated entities and individuals.

BCFSa is committed to continuous improvement in industry education. That commitment includes a focus on key competencies and current issues (for example, anti-money laundering) and exploration of opportunities to leverage infrastructure to service the needs of other regulatory sectors.

In 2023/24, BCFSa will continue to publish resources and guidelines to respond to new regulatory requirements or emerging industry risks and trends. This will include education and resources to support the implementation of new rules for real estate teams.

Objective 2.3: Work collaboratively with government to improve financial crisis preparedness and in particular, ensure a sustainable and effective deposit insurance program is in place.

CUDIC is a statutory corporation continued under the *Financial Institutions Act* ("FIA") and administered by BCFSa. CUDIC is responsible for administering and operating the credit union deposit insurance fund. CUDIC guarantees the deposits and non-equity shares (issued before January 1, 2020) of British Columbia incorporated credit unions.

As part of maintaining the deposit insurance fund and guarantee, CUDIC pro-actively plans for unlikely credit union failures which requires depositors to be paid out from the fund. Financial crisis preparedness requires CUDIC and BCFSa to work across the entire credit union system and with other regulatory agencies.

BCFSa and CUDIC are committed to working collaboratively with government to maintain preparedness and confidence in the credit union system, in the face of changes such as credit union consolidations and federal continuance, new technologies, climate impacts, and economic landscape.

Key Strategies

- Implement the approved BCFSa Differential Premium System ("DPS"). BCFSa and CUDIC are committed to maintaining a modern, effective, and efficient methodology in determining deposit insurance premiums that responds to the needs of a rapidly changing credit union system and its depositors.
- Review and set Deposit Insurance Fund Size, reflecting international best practices, to ensure the Fund size is credible and contributes to depositor confidence and system stability.
- Review, every four years, the approach, and parameters used to determine the adequacy of the current target Fund range, target point and funding timeline leveraging research of cross-jurisdictional best practices regarding the establishment of deposit insurance fund targets and consult with credit union system and industry associations.
- BCFSa will review and update as necessary the Manual and Playbook as matters evolve.
- Work collaboratively with Government in continuous improvement in payout readiness, including contingent funding provisions.

Discussion

Maintenance of an appropriate Deposit Insurance Fund Size, a fair and equitable assessment of insurance premiums, and continuous improvement in payout readiness are critical elements in protecting depositors in B.C. BCFSa and CUDIC are committed to maintaining a modern, effective, and efficient methodology in determining deposit insurance premiums that responds to the needs of a rapidly changing credit union system and its depositors.

This is a forward-looking process that involves data collection, analysis, forecasts, and scenario modelling. In 2023/2024, BCFSFA will implement an updated differential premium system that was approved in June 2021. BCFSFA will continue to communicate and engage with the credit unions and industry associations until implementation occurs and premiums are collected and processed by CUDIC.

BCFSFA is committed to reviewing the CUDIC Deposit Insurance Fund (the “Fund”) target size at least every four years, or after a shock event (e.g., economic shocks, changes to credit union system composition due to material consolidations or federal continuance). This reflects, reflecting international best practices, to ensure the Fund size is credible and contributes to depositor confidence and system stability. Actions undertaken can include reviewing of the approach and parameters used to determine the adequacy of the current target Fund range, target point and funding timeline, leveraging research of cross-jurisdictional best practices regarding the establishment of deposit insurance fund targets as well as consulting with the credit union system and industry associations.

CUDIC is committed to continuous improvement of the CUDIC Deposit Payout Program and the CUDIC Deposit Payout Program Policy Manual and Playbook which outline the policies, processes, and procedures to be followed in an event of a credit union deposit payout. A prompt deposit payout of most deposits is required to ensure financial stability of the credit union system and to protect depositors from undue loss.

Performance Measures

| Performance Measure[s] | 2022/23 Baseline | 2022/23 Forecast | 2023/24 Target | 2024/25 Target | 2025/26 Target |
|---|----------------------|---|---------------------------------------|---------------------------------------|---------------------------------------|
| [2a.i] Percentage of complaints resolved within 3 months of receipt ¹ resulting in timely & responsive outcomes | Establish Baseline | 75% | 75% | 75% | 75% |
| [2a. ii] Increase monitoring of market conduct activities ¹ to proactively identify and prevent harmful business practices | Establish Baseline | 132 monitoring activities | 130 monitoring activities | 130 monitoring activities | 130 monitoring activities |
| [2a.iii] Percentage of complete applications (requiring no further investigation) for new licensees processed within 15 business days of receipt ² | 90% | 90% | 90% | 90% | 90% |
| [2a. iv] Mortgage broker relicensing continuing education required for relicensing is developed and delivered by BCFSA ² | Develop Project Plan | 50% of courses developed & delivered by BCFSA | 100% of courses developed & delivered | 100% of courses developed & delivered | 100% of courses developed & delivered |
| [2a.v] Real estate development and strata rental disclosures are reviewed and responded to within 20 business days of receipt ² | 90% | 90% | 90% | 90% | 90% |

Data source: BCFSA operational data

¹No baseline available, given 2.a.i and ,2a.ii are combined measures that will include operations of BCFSA, Real Estate Council of BC, and Office of the Superintendent of Real Estate prior to their integration on August 1, 2021

² New measures from calendar days to business days.

Discussion

Shorter average turnaround times on complaints demonstrates responsiveness to public interest in timely resolution of the issues they raise with the regulator. In 2022/23, BCFSA will establish a baseline that reflects the higher volume of complaints that BCFSA is managing and the alignment of systems, processes, and file management practices that has occurred since the integration of the real estate regulators in 2021/22.

An increase in market conduct monitoring activities demonstrates BCFSA's commitment to resourcing and growing its proactive market conduct supervision capabilities. Monitoring

activities across BCFSAs regulated sectors may include audits, targeted examinations of specific regulated entities and individuals, increased data collection and reporting requirements, thematic reviews of products or business practices, the issuance of regulatory expectations, and implementation of industry codes of conduct.

BCFSA is committed to efficient and effective processing of real estate and mortgage broker applications to do business in B.C., without compromising the need to undertake a thorough review and investigation of high-risk applications to prevent unsuitable individuals and entities from doing business in B.C.

Consumers should be able to expect consistent levels of competence and ethics from real estate licensees and mortgage brokers. There is an established and robust continuing education program for real estate licensees consisting of two mandatory regulated courses. By adopting this program for mortgage brokers, BCFSA will raise standards for this sector by building off BCFSA's integrated approach to regulating the financial services sector.

Timely review of filed disclosures helps to ensure that deficiencies and risks are identified early, and addressed by developers, to better protect the purchasers of multi-unit developments.

| Performance Measure[s] | 2022/23 Forecast | 2023/24 Target | 2024/25 Target | 2025/26 Target |
|---|------------------------------------|----------------------------------|-------------------------|----------------------------|
| [2b.i] Complete implementation of the Differential Premium System. | Target 100% | 100% of implementation completed | N/A | N/A |
| [2b. ii] Review and set Deposit Insurance ¹ fund size. | Completed for current review cycle | N/A | N/A | Commence next review cycle |
| [2b.iii] Continuous review and update of the CUDIC Deposit Payout Program | 25% of material updated | 75% of material updated | 95% of material updated | Continuous improvement |

Data source: BCFSA operational data

¹Previous references to Deposit Insurance assessment methodology have been updated to Differential Premium System.

Discussion

CUDIC and BCFSA are committed to maintaining a modern, efficient, and effective methodology for setting deposit insurance premiums that respond to the needs of a rapidly changing credit union system and its depositors. Industry consultation and engagement is an ongoing cornerstone of that commitment. BCFSA will build on consultations that led to approval of the methodology in June 2021 and continues to engage the credit unions prior to implementation in 2023/24.

Reflecting international best practices, BCFSA is committed to reviewing the Fund target size every four years, or after a shock event, to ensure the Fund size is credible and contributes to depositor confidence and system stability. In 2020/21, BCFSA engaged an actuarial firm to provide independent actuarial analysis and advice to the BCFSA and CUDIC Boards of Directors on the Fund target range, target point, and funding timeline. The actuarial modelling is part of a comprehensive internal review of both quantitative and qualitative factors, including regulatory powers and practices. The current cycle of Fund size review was completed in 2022/23.

Continuous improvement of the Deposit Payout Program is an important component of BCFSA's crisis preparedness initiatives in the case of Credit Union deposit payout. A prompt deposit payout of most deposits is required to ensure financial stability of the credit union system and to protect depositors from undue loss.

Goal 3: Stakeholders are consistently and purposefully engaged by BCFSA.

In order to regulate effectively, including in a proportionate manner, BCFSA needs to engage with regulated entities and individuals to understand their views, challenges, and opportunities. External engagement supports BCFSA's understanding of risks to industry and consumers of financial services.

Objective 3.1: Maintain strong and active collaboration with stakeholders.

BCFSA is focused on engaging with stakeholders, which enables the organization to have a better understanding of how to develop and advance its regulatory priorities, as well as continually monitoring risks in the financial services sector.

Key Strategies

- Consult with sector participants on regulatory projects identified in BCFSA's regulatory roadmap.
- Develop best practices for these consultations in 2023/24 to ensure consultations are comprehensive and appropriate to risk and complexity.
- Report against the timely delivery of roadmap projects to stakeholders as measured by activities occurring within two quarters of their planned timeframe.

Discussion

BCFSA uses different strategies to maintain strong and active engagement with stakeholders. It uses the regulatory roadmap as a primary means to communicate, and increasingly, receive feedback on regulatory priorities. The roadmap outlines BCFSA's regulatory agenda for the coming three fiscal years. As these are priority projects, sector participants can expect to be consulted in a comprehensive manner with respect to the project's impacts on the sector.

Objective 3.2: Stakeholder engagement strategy is operationalized.

BCFSA is building its capacity in external engagement and has expanded existing tools and strategies to encompass a cross-financial services sector approach. A cross-financial services approach is one which includes the entire financial services sector regulated by BCFSA to ensure consistency of approach across the sector. BCFSA has developed and has operationalized a stakeholder engagement strategy and will advance deliverables against that strategy.

Key Strategies

- Focus on standing up industry advisory groups to ensure that sector input and feedback is captured at both a technical and strategic level.
- Implement strategic roundtables for segments regulated by BCFSA.
- Formalize use of technical working groups for feedback from sector participants on regulatory initiatives; and
- Deliver on an inaugural cross-financial services sector with relevance for all of BCFSA's regulated entities and individuals.

Discussion

BCFSA will operationalize its stakeholder engagement strategy by standing up industry advisory groups and delivering on an inaugural cross-financial services sector event. These activities are anticipated to become part of BCFSA's steady-state operations.

Objective 3.3: Strategic communications plan activated

Stronger forward-looking communications efforts will support BCFSA's goals to build stronger relationships with all external stakeholders, ensure important regulatory measures are followed, increase consumer awareness, and allow for refinement of content to make it more relevant and available to stakeholders.

Key Strategies

- Enhance current communications activities and planning measures by operationalizing the approved strategic communications plan,
- Ensure deliverables are on-time and completed to a high standard.
- Operationalize use of data analytics and reporting to drive external activities, commencing internal communications reporting measures by sector to increase website visitor numbers, email open rates, survey participation and adjust content/vehicles where required to ensure greater sector engagement.

Discussion

To ensure effective communication by BCFSA to all regulated entities, stakeholders as well as consumers through its newly developed strategic communications plan, will enhance strategic planning, implement new ways of working through technology, and boost data analysis to allow for effective and targeted content development.

Performance Measures

| Performance Measure[s] | 2022/23 Forecast | 2023/24 Target | 2024/25 Target | 2025/26 Target |
|---|--|--|--|--|
| [3a] Significant regulatory projects are included Develop BCFSA's consulted on with sector participants reporting on how accurate the roadmap planning is by reporting on whether activities occur within two quarters of when planned on the roadmap | 100% of roadmap items consulted; 60% of activities happening within two quarters | 100% of roadmap items consulted; 75% of activities happening within two quarters | 100% of roadmap items consulted; 75% of activities happening within two quarters | 100% of roadmap items consulted; 80% of activities happening within two quarters |

Data source: BCFSA operational data

Discussion

Significant regulatory projects should be included on the regulatory roadmap and the subject of consultations with sector participants. Use of the regulatory road map demonstrates consistency and transparency in planning and communicating BCFSA's external engagement objectives regarding its regulatory program.

| Performance Measure[s] | 2022/23 Forecast | 2023/24 Target | 2024/25 Target | 2025/26 Target |
|--------------------------------------|-----------------------------------|----------------------------------|---|---|
| [3b] Industry Advisory Groups formed | Advisory group strategy developed | Stand-up advisory group strategy | Maintain and refine advisory group strategy | Maintain and refine advisory group strategy |
| [3c] Cross-sector event established | Plan cross-sector event | Deliver cross-sector event | Deliver cross-sector event | Deliver cross-sector event |

Data source: BCFSA operational data

Discussion

Operationalizing a stakeholder engagement strategy which encompasses all BCFSA of the financial services sectors will promote consistency across the organization, allow for consideration of best practices and build on existing tools. It will promote consistent and purposeful engagement and communications with stakeholders.

| Performance Measure[s] | 2022/23 Forecast | 2023/24 Target | 2024/25 Target | 2025/26 Target |
|--|------------------|-------------------------------------|-------------------------------------|--|
| [3d.i] Execute against multi-year communications strategy and update annually. All external sector activities identified and action plan underway. | N/A | 80% completion of annual activities | 90% completion of annual activities | Renewed communications audit undertaken, and strategy updated |
| [3d. ii] Data analysis and reporting used to make improvements to communications activities. | N/A | Benchmarking and KPIs set | Quarterly reporting established | Reset baseline and new KPIs set to align with organizational goals |

Data source: BCFSAs operational data

Discussion

Executing against the multi-year communications strategy will build upon current tools, successes, and best practices to enhance external regulatory content and boost awareness of BCFSAs in the public environment. Strategy will be evaluated and updated annually. Work will begin in 2025/26 to plan for a consumer strategy. Alongside strategy execution, commence reporting practices and use of analytical data to allow BCFSAs to modernize, target and ensure communications activities are effective. These activities are anticipated to become part of BCFSAs's steady-state operations.

Goal 4: Timely Response to Legislative Changes and Priorities

BCFSAs is responsive to a changing regulatory environment and to government priorities in relation to protection of consumers of financial services in B.C.

Over the past year, BCFSAs concluded its follow-on work from its 2020 report: Strengthening Foundations: A Report on the State of Strata Insurance in British Columbia on the state of the strata insurance market.

BCFSAs also responded to the direction from the Minister of Finance to engage with industry and experts to provide advice to Government on the parameters of a cooling-off period for residential real estate transactions, as well as other measures that could enhance transparency and increase protection for real estate consumers in B.C. This contributed to the Government bringing the Home Buyer Rescission Period into effect in January 2023, with extensive work being undertaken by BCFSAs in preparing real estate licensees for the new regulatory requirements.

Objective 4.1: Work with Government to implement the new *Mortgage Services Act*.

The *Mortgage Services Act*, the new legislation, which received Royal Assent on November 3, 2022, is responsive to several recommendations set out of the Cullen Commission Report on Money Laundering in BC, released on June 15, 2022. The *Mortgage Services Act* will modernize the mortgage broker industry in B.C. and greatly expand BCFSA's tools to regulate the mortgage broker segment. BCFSA will have the ability to set standards of conduct and enhance disclosure and reporting obligations through new rule-making powers. BCFSA will also be able to leverage enhanced compliance and enforcement processes and issue greater penalties for misconduct.

Key Strategies

- Work with government on the development of regulations and rules to complete the regulatory framework and manage transition from the previous framework.
- Adapt BCFSA's compliance and enforcement program to accommodate new regulatory tools and requirements.
- Execute against a project plan to implement the *Mortgage Services Act*, including development of rules, regulations, education, and compliance processes, as well as the technology changes needed to support the new regulatory regime. develop education to support mortgage brokers, update pre-licensing education requirements, develop continuing education and related support material.

Discussion

This legislative change has a profound impact on the regulation of the mortgage broker segment in B.C. Operationalization of the change will be a phased, multi-year project and will involve resources across all departments of BCFSA, as well as engagement with stakeholders and a significant communications and education program.

Education will be developed to support mortgage brokers in understanding the new regulatory regime and the implications for their business practices and to provide appropriate educational resources for consumers to understand the new regime and their rights and responsibilities in it.

Pre-licensing education requirements will be reviewed and updated to incorporate regulatory changes.

Continuing education and related support material will be developed to ensure licensees understand and are compliant with new regulatory requirements

Technology changes to accommodate the new licensing regime will be implemented and compliance and enforcement processes will be adapted as required and appropriate.

Objective 4.2: Collaborate with government and stakeholders to improve the effectiveness of B.C.’s Anti-Money Laundering Regime

In 2023/24, BCFSa will continue with its efforts to strengthen B.C.’s Anti-Money Laundering (“AML”) regime by implementing new initiatives where appropriate, sustaining existing approaches and initiatives, and working with stakeholders to support a broad and integrated approach to AML in B.C.

Key Strategies

- Fully participate in all relevant activities supporting and strengthening the B.C. AML regime.
- Provide advice to government, where required, and participate on policy development and operational matters related to B.C.’s AML regime.
- Develop and implement, as appropriate, an AML strategy to further the government’s legislative and policy response to the Cullen Commission Report on Money Laundering in BC released on June 15, 2022 (the “Cullen Commission”).

Discussion

BCFSa will develop an AML strategy and implementation plan that responds to any future direction from the government following the Cullen Commission. of Inquiry into Money Laundering in B.C. AML awareness, reporting, and compliance are key obligations throughout the financial services sector and BCFSa looks to work with government to advance B.C.’s AML measures.

BCFSa will continue to identify and implement initiatives to strengthen B.C.’s AML regime where appropriate. This may include undertaking activities to raise industry awareness, expanded AML education programs, inter-agency collaboration, data collection and benchmarking, and targeted reviews.

BCFSa is an active participant in the Counter-Illicit Finance Alliance of B.C. as it strengthens strategic information exchange between law enforcement, industry, and regulators as well as ongoing collaboration with FINTRAC in accordance with the MOU between BCFSa and FINTRAC.

Performance Measures

| Performance Measure[s] | 2022/23 Forecast | 2023/24 Target | 2024/25 Target | 2025/26 Target |
|---|------------------------|--|--|---|
| [4a] Execute an implementation project plan for a phased approach to the new <i>Mortgage Services Act</i> . | Project plan in place. | Initial Regulations and Rules prepared and approved. | First phase of implementation completed. | Full implementation of <i>Mortgage Services Act</i> . |

Data source: BCFSa operational data

Discussion

The new *Mortgage Services Act* aligns more closely with other financial services legislation in B.C., including the current *Real Estate Services Act*, allowing for efficient regulation, and helping to encourage responsible business conduct with more than 7,000 registered mortgage brokers in B.C.

This will ultimately provide greater protection for both borrowers and lenders in British Columbia and harmonize our province with other jurisdictions who have modernized their mortgage broker legislation.

| Performance Measure[s] | 2022/23 Forecast | 2023/24 Target | 2024/25 Target | 2025/26 Target |
|--|------------------|----------------|----------------|----------------|
| [4b] Participation in ongoing activities supporting the strengthening of the B.C. AML regime | 100% | 100% | 100% | 100% |

Data source: BCFSAs operational data

Discussion

The performance measure demonstrates BCFSAs commitment to supporting the strengthening of the B.C. and Canadian AML regime.

BCFSAs may receive direction from the B.C. Government on AML in 2023/24 that informs development of a BCFSAs AML strategy.

Financial Plan

Financial Summary

| [\$000s] | 2022/23 Forecast | 2023/24 Budget | 2024/25 Plan | 2025/26 Plan |
|--------------------------------------|---------------------|-------------------|-----------------|-----------------|
| Revenue | | | | |
| Fees Licenses & Recoveries | 65,076 | 64,045 | 66,191 | 67,323 |
| Total Revenue | 65,076 | 64,045 | 66,191 | 67,323 |
| Expenses | | | | |
| Salary and Benefits | 41,327 | 42,666 | 44,721 | 45,846 |
| Other | 23,568 | 21,379 | 21,470 | 21,477 |
| Total Expenses | 64, 895 | 64,045 | 66,191 | 67,323 |
| Annual Surplus (Deficit) | 181 | - | - | - |
| Total Debt | 8,914 | 8,914 | 8,914 | 8,914 |
| Accumulated Surplus (Deficit) | 55,271 | 55,271 | 55,271 | 55,271 |
| Capital Expenditures | 7,039 | 1,000 | 1,000 | 1,000 |

Note: The above financial information was prepared based on current Generally Accepted Accounting Principles.

Key Forecast Assumptions, Risks and Sensitivities

The financial plan does not include any amounts for any further increase in the BCFSA mandate. For example, there may be future increased expenses related to improving the effectiveness of B.C.'s Anti-Money Laundering regime, the potential scope of which has yet to be determined.

Revenue is subject to fluctuation based on volumes or asset holdings of the regulated entities. Revenue projections are based on an assessment of segment specific historical trends and assumptions around changing market factors. Minimal to no growth is assumed across the Sector. Revenue from Real Estate Licencing and associated educational is a substantial component of revenue and is subject to uncertainty around licencing applications and renewal rates. There are no future fee changes approved at this time and as such no increases are included in the budget or plan.

Other expenses which include professional services, information systems, building occupancy charges and legal fees will be subject to inflationary pressures. These expenses are expected to reduce due to a moderation in the significant pace of change since 2019.

The financial services sector in B.C. and globally continues to rapidly evolve. BCFSA will need modern technology and processes to keep up with these changes and its ability to evolve will

influence its ability to respond in times of crisis. Complexity and interconnectedness across, and within sectors, necessitates a thoughtful, proportionate, and responsive regulatory approach.

The success of B.C. and Canada's AML framework rests on close cooperation and collaboration between various parts of the AML regime, and failure to work together would impact BCFSAs ability to fulfill its mandate and effectively regulate the financial services sector.

Management's Perspective on Financial Outlook

The ongoing funding model for BCFSAs does not include financial support from the Government of British Columbia. Most of BCFSAs revenue comes from filing, registration and application fees paid by regulated entities and individuals under the various statutes.

Management anticipates that revenue growth will slow in the next 2 years and that costs can be managed to maintain a balanced budget. BCFSAs will continue to monitor fees, and seek new or changes to fees, where the costs to regulate are not supported by revenue. If the mandate of BCFSAs expands then this will require new revenue sources.

Management is committed to protecting the rights of British Columbians by promoting high standards of market conduct within the financial services sectors we regulate. We are continually managing costs and looking for ways to operate our business more efficiently and effectively.

Appendix A: Mandate Letter from the Minister Responsible



March 24, 2021

480654

Stanley W. Hamilton, Chair
BC Financial Services Authority
2800 – 555 West Hastings Street
Vancouver BC V6B 4N6

Dear Dr. Hamilton:

On behalf of Premier Horgan and the Executive Council, I would like to extend my thanks to you and your board members for the dedication, expertise and skills with which you serve the people of British Columbia.

Every public sector organization is accountable to the citizens of British Columbia. The expectations of British Columbians are identified through their elected representatives, the members of the Legislative Assembly. Your contributions advance and protect the public interest of all British Columbians and through your work, you are supporting a society in which the people of this province can exercise their democratic rights, trust and feel protected by their public institutions.

You are serving British Columbians at a time when people in our province face significant challenges as a result of the global COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment and ongoing engagement between public sector organizations and government. It will require all Crowns to adapt to changing circumstances and follow Public Health orders and guidelines as you find ways to deliver your services to citizens.

This mandate letter, which I am sending in my capacity as Minister responsible for the British Columbia Financial Services Authority (BCFSA), on behalf of the Executive Council, communicates expectations for your organization. It sets out overarching principles relevant to the entire public sector and provides specific direction to the BCFSA about priorities and expectations for the coming fiscal year.

.../2

I expect that the following five foundational principles will inform your agency's policies and programs:

- **Putting people first:** We are committed to working with you to put people first. You and your board are uniquely positioned to advance and protect the public interest and I expect that you will consider how your board's decisions maintain, protect and enhance the public services people rely on and make life more affordable for everyone.
- **Lasting and meaningful reconciliation:** Reconciliation is an ongoing process and a shared responsibility for us all. Government's unanimous passage of the *Declaration of the Rights of Indigenous Peoples Act* was a significant step forward in this journey – one that all Crown agencies are expected to support as we work in cooperation with Indigenous peoples to establish a clear and sustainable path to lasting reconciliation. True reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move towards self-determination. Guiding these efforts, Crown agencies must also remain focused on creating opportunities that implement the Truth and Reconciliation Commission through your mandate.
- **Equity and anti-racism:** Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. All Crowns are expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure equity is reflected in your operations and programs. Similarly, appointments resulting in strong public sector boards that reflect the diversity of British Columbia will help achieve effective and citizen-centred governance.
- **A better future through fighting climate change:** Announced in December 2018, the CleanBC climate action plan puts our province on the path to a cleaner, better future by building a low-carbon economy with new clean energy jobs and opportunities, protecting our clean air, land and water and supporting communities to prepare for carbon impacts. As part of the accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization aligns operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk, including the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out on these plans and activities as required by legislation.

- **A strong, sustainable economy that works for everyone:** I expect that you will identify new and flexible ways to achieve your mandate and serve the citizens of British Columbia within the guidelines established by the Provincial Health Officer and considering best practices for conducting business during the pandemic. Collectively, our public sector will continue to support British Columbians through the pandemic and economic recovery by investing in health care, getting people back to work, helping businesses and communities, and building the clean, innovative economy of the future. As a public sector organization, I expect that you will consider how your decisions and operations reflect environmental, social and governance factors and contribute to this future.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2021/22. This will include online training and information about provincial government initiatives to foster engaged and informed boards.

As the Minister Responsible for the BCFSa, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2021/22 Service Plan:

- **Advance the BCFSa's risk-based and proportionate supervision of financial services sectors and efforts to enhance consumer protection.**
- **Engage and work with government, other B.C. regulators, sector participants, and applicable provincial and federal governments and regulators to identify and respond to priority issues in the financial services sector, including issues associated with the COVID-19 pandemic.**
- **Continue to work with the Superintendent of Real Estate, the Ministry of Finance Policy and Legislation Division, and the Real Estate Council of BC to complete integration of real estate regulation within the BCFSa.**
- **Work collaboratively with government to improve finance crisis preparedness and in particular, ensure a sustainable and effective deposit insurance program is in place.**
- **Continue to work collaboratively with government, industry and other stakeholders to review issues related to the cost and availability of insurance for strata corporations.**

- **Collaborate with government to improve the effectiveness of B.C.'s Anti-Money Laundering Regime.**

Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2021.

I look forward to continuing to work with you and your Board colleagues to build a better B.C.

Sincerely,



Selina Robinson
Minister

Signed by:



Stanley W. Hamilton, Chair
B.C. Financial Services Authority

April 6, 2021

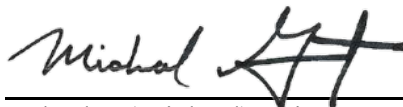
Date



Wilma Simone van Norden, Vice Chair
B.C. Financial Services Authority

April 6, 2021

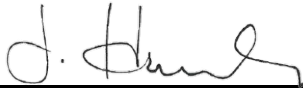
Date



Charles (Michael) Grist
B.C. Financial Services Authority

April 6, 2021

Date



Jo-Ann Shelley Hannah
B.C. Financial Services Authority

April 6, 2021
Date



Joanne Adele Hausch
B.C. Financial Services Authority

April 6, 2021
Date



Bruce Howell
B.C. Financial Services Authority

April 6, 2021
Date



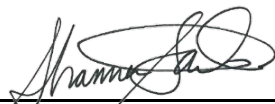
Jacqueline Anne Kelly
B.C. Financial Services Authority

April 6, 2021
Date



Gerald Matier
B.C. Financial Services Authority

April 6, 2021
Date



Shannon Nicola Salter
B.C. Financial Services Authority

April 6, 2021
Date



John Dundas Thwaites
B.C. Financial Services Authority

April 6, 2021

Date



Joel J. Whittemore
B.C. Financial Services Authority

April 6, 2021

Date

cc: Honourable John Horgan
Premier

Lori Wanamaker
Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service

Heather Wood
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Douglas S. Scott
Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Appendix B: (RECBC) Letter of Direction from the Minister Responsible



March 15, 2021

480091

Elaine Duvall, Chair
Real Estate Council of British Columbia
900 – 750 West Pender Street
Vancouver BC V6C 2T8

Dear Ms. Duvall:

I would like to extend my appreciation to you and your board members for the dedication, expertise and skills with which you serve the people of British Columbia.

Every public sector organization is accountable to the citizens of British Columbia. The expectations of British Columbians are identified through their elected representatives, the members of the Legislative Assembly. Your contributions advance and protect the public interest of all British Columbians and through your work, you are supporting a society in which the people of this province can exercise their democratic rights, trust and feel protected by their public institutions.

You are serving British Columbians at a time when people in our province face significant challenges as a result of the global COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment and ongoing engagement between public sector organizations and government. It will require all Crowns to adapt to changing circumstances and follow Public Health orders and guidelines as you find ways to deliver your services to citizens.

This letter of direction communicates expectations for your organization. It sets out overarching principles relevant to the entire public sector and provides specific direction on priorities and expectations for the coming fiscal year.

I expect that the following five foundational principles will inform your agency's policies and programs:

- **Putting people first:** We are committed to working with you to put people first. You and your board are uniquely positioned to advance and protect the public interest and I expect

.../2

that you will consider how your board's decisions maintain, protect and enhance the public services people rely on and make life more affordable for everyone.

- **Lasting and meaningful reconciliation:** Reconciliation is an ongoing process and a shared responsibility for us all. Government's unanimous passage of the *Declaration of the Rights of Indigenous Peoples Act* was a significant step forward in this journey – one that all Crown agencies are expected to support as we work in cooperation with Indigenous peoples to establish a clear and sustainable path to lasting reconciliation. True reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move towards self-determination. Guiding these efforts, Crown agencies must also remain focused on creating opportunities that implement the Truth and Reconciliation Commission through your mandate.
- **Equity and anti-racism:** Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. All Crowns are expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure equity is reflected in your operations and programs. Similarly, appointments resulting in strong public sector boards that reflect the diversity of British Columbia will help achieve effective and citizen-centred governance.
- **A better future through fighting climate change:** Announced in December 2018, the CleanBC climate action plan puts our province on the path to a cleaner, better future by building a low-carbon economy with new clean energy jobs and opportunities, protecting our clean air, land and water and supporting communities to prepare for carbon impacts. As part of the accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization aligns operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk, including the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out on these plans and activities as required by legislation.
- **A strong, sustainable economy that works for everyone:** I expect that you will identify new and flexible ways to achieve your mandate and serve the citizens of British Columbia within the guidelines established by the Provincial Health Officer and considering best practices for conducting business during the pandemic. Collectively, our public sector will continue to support British Columbians through the pandemic and economic recovery by investing in health care, getting people back to work, helping businesses and communities, and building the clean, innovative economy of the future. As a public sector organization, I expect that you will consider how your decisions and

operations reflect environmental, social and governance factors and contribute to this future.

As the Minister Responsible for the Real Estate Council of BC, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2021/22 Service Plan:

- Continue to work towards the transition to a single regulator of real estate under the BC Financial Services Authority (BCFSA). This will require coordinating with the Superintendent of Real Estate, the Ministry of Finance Policy and Legislation Division, and the BCFSA to align efforts to deliver seamless service to licensees and the public before during and after the transition.
- Prior to the amalgamation under the BCFSA, reduce the backlog of complaints and continue to reduce the time to disposition of complaints and process new licensee applications on a timely basis.
- Continue to work collaboratively with government as it improves the effectiveness of B.C.'s Anti-Money Laundering Regime.

As Board chair, please sign the Letter of Direction to acknowledge government's direction to your organization. The signed Letter of Direction is to be posted publicly on your organization's website in spring 2021.

I look forward to continuing to work with you and your Board colleagues to build a better B.C.
Sincerely,



Selina Robinson
Minister

Signed By:



Marian Elain Duvall, Chair
Real Estate Council of British Columbia

April 1, 2021

Date

cc: Heather Wood
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Douglas S. Scott
Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Erin Seeley
Executive Officer
Real Estate Council of British Columbia

