

**BC Financial Services Authority  
(BCFSA)**

**2024/25  
Annual Service Plan Report**

**August 2025**



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## Board Chair's Accountability Statement



The BC Financial Services Authority 2024/25 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2024/25 – 2026/27 Service Plan published in 2024. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in blue ink that reads "S. Heath".

Sandra Heath  
Board Chair, BC Financial Services Authority  
July 30, 2025

# Table of Contents

Board Chair's Accountability Statement.....	3
Letter from the Board Chair & CEO .....	5
Purpose of the Annual Service Plan Report .....	6
Strategic Direction.....	6
Purpose of the Organization .....	6
Operating Environment.....	7
Economic Statement .....	8
Report on Performance: Goals, Objectives, and Results .....	9
Financial Report.....	24
Appendix A: Progress on Mandate Letter Priorities.....	26
Appendix B: Auditor's Report and Audited Financial Statements .....	28

## Letter from the Board Chair & CEO

On behalf of all of us at BCFSA, we are pleased to submit our Annual Service Plan Report for the year ending March 31, 2025. The goals and objectives described in this report were established in our 2024/25 – 2026/27 Service Plan and align with our 2023 Mandate Letter.


BC Financial Services Authority (BCFSA) had a successful year, substantially delivering against our Service Plan to instill confidence in British Columbia's financial services sector. Throughout 2024/25, BCFSA honoured the Government of British Columbia's direction in advancing and protecting the public interest and strengthening trust in public institutions. In doing so, we continued working towards putting people first, lasting and meaningful reconciliation, equity and anti-racism, a better future through fighting climate change and meeting our greenhouse gas commitments, and a strong, sustainable economy that works for everyone.

In 2024/25, BCFSA continued to proactively engage with the Ministry of Finance to ensure strategic alignment with the Ministry's objectives and policy expectations and regularly communicated with the Ministry on key initiatives. In 2024/25, we continued to modernize B.C.'s regulatory regime in accordance with the priorities contained in BCFSA's Regulatory Roadmap. BCFSA also received both internal and external validation of our work to make BCFSA an employer of choice once again with a highly engaged team.

We are proud of our accomplishments this year and our work as a modern, effective, and efficient regulator overseeing British Columbia's rapidly changing and evolving financial services sector.



Sandra Heath  
Chair, Board of Directors  
July 30, 2025



Tolga Yalkin  
Chief Executive Officer  
July 30, 2025

## Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting, and accountability for government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

## Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's 2023 Mandate Letter from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the BC Financial Services Authority 2024/25 – 2026/27 Service Plan and the actual results reported on in this annual report.

## Purpose of the Organization

BC Financial Services Authority (BCFSA) is the province's regulator for the financial services sector that helps to protect British Columbians during some of the most important financial decisions of their lives. As a Crown agency of the Government of British Columbia, BCFSA oversees credit unions, trust companies, insurance companies, pension plans, mortgage services, real estate services, real estate development marketing, and money services. BCFSA also administers the Credit Union Deposit Insurance Corporation of British Columbia (CUDIC). BCFSA reports to the Minister of Finance and is governed by a Board of Directors. The board members appoint the chief executive officer, who manages the regulatory, financial, and administrative operations of BCFSA.

BCFSA was established in 2019 by the Financial Services Authority Act and has accountabilities under the following twelve statutes and associated regulations:

- Financial Services Authority Act
- Credit Union Incorporation Act
- Financial Institutions Act
- Insurance Act
- Insurance (Captive Company) Act
- Money Services Businesses Act<sup>1</sup>
- Mortgage Brokers Act<sup>2</sup>
- Mortgage Services Act<sup>3</sup>
- Pension Benefits Standards Act
- Real Estate Development Marketing Act

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<sup>1</sup> Enacted but not in force.

<sup>2</sup> Anticipated to be in force until the Mortgage Services Act comes into force.

<sup>3</sup> Anticipated to replace Mortgage Brokers Act upon coming into force.

- Real Estate Services Act
- Strata Property Act

A properly functioning and efficient financial services sector in which British Columbians have trust and confidence is essential to the province's economy. BCFSA's mandate is to safeguard the interests of consumers such as depositors, policyholders, beneficiaries, pension plan members and those undertaking real estate transactions, while at the same time allowing the financial services sector to take reasonable risks and compete effectively.

Through modern, effective, and efficient oversight, enforcement, education and guidance, BCFSA works to make B.C. a place where people can continue to have confidence in the financial services they receive.

## Operating Environment

BCFSA, in operation for over five years, works closely with the Ministry of Finance to evaluate and assist with the development of policy, regulations, and legislation in support of a thriving financial services sector which has grown both in importance and complexity. The organization also continues to support the province through the regulation of real estate services, including the licensing, education, conduct, investigation and discipline of real estate licensees and of real estate developers in respect of marketing activities.

### Financial Services Landscape

The scope of BCFSA's regulatory mandate reflects the size and complexity of the financial services sector in B.C. which, as of March 31, 2025, included:

- 31 credit unions with more than \$80.5 billion in assets
- Over 600 pension plans with more than \$200 billion in assets
- Over 215 insurance and trust companies (including extra-provincials)
- Over 7,000 mortgage brokers and brokerages
- Over 38,000 real estate licensees, brokerages, branches and personal real estate corporations

B.C.'s financial services sector is connected to financial services sectors in other provinces. Central 1 Credit Union, which undertakes various centralized activities such as clearing and payments for Credit Unions, acts as a "central credit union" 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 BCFSA 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. BCFSA is 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 Real Estate Regulators of Canada (RERC).

## **BCFSA's Approach to Supervision and Consumer Protection**

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

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

British Columbia is navigating a complex and evolving economic landscape. While declining interest rates provided some relief from mortgage payment shocks, broader macroeconomic pressures persisted. These included elevated shelter costs, global economic uncertainty, and ongoing challenges related to housing affordability and labour market adjustments. Such dynamics increase the potential for heightened risk and volatility within the financial services sector. Despite these challenges, the sector has thus far demonstrated resilience.

As the British Columbia economy continues to adjust to macroeconomic uncertainty, BCFSA continues its focus on the safety and soundness of the financial services sector protecting consumers from unfair practices. Throughout 2024/25, BCFSA continued to monitor the marketplace to ensure that: (i) consumer expectations were met by the products and services they purchased; (ii) misconduct was addressed, particularly when targeted towards vulnerable British Columbians; and (iii) new and innovative products and services were understood and appropriately regulated.

## **Economic Statement**

After several years of strong growth, economic activity in British Columbia moderated in 2024 amid high interest rates, persistent price pressures, and ongoing global economic uncertainty. B.C.'s real GDP increased by 1.2 per cent in 2024 and ranked 8th (tied with Ontario) among the provinces following growth of 2.4 per cent in 2023. Last year, economic growth was driven by B.C.'s service producing industries such as real estate, rental and leasing; health care and social assistance services; transportation and warehousing; public administration; and educational services. Output for goods-producing industries declined in 2024 due to lower construction and manufacturing activity, which was partly offset by growth in the mining, quarrying and oil and gas extraction; utilities; and agriculture, forestry, fishing and hunting sectors.

B.C.'s labour market continued to expand in 2024. Employment in B.C. increased by 66,100 jobs (+2.3 per cent), supported by high immigration, and wages and salaries rose by 6.3 per cent. B.C.'s unemployment rate averaged 5.6 per cent in 2024, up from 5.2 per cent in 2023 as strong population and labour force growth outpaced job gains. Elevated interest rates, rising construction costs, and ongoing labour shortages weighed on the construction sector last year. Housing starts totaled 45,828 units in 2024, down 9.2 per cent from the record high in

2023, but remained above the ten year historical average. B.C. home sales increased by 2.1 per cent and the average home sale price increased by 1.0 per cent compared to 2023. Price pressures in B.C. continued to broadly moderate last year, but shelter price growth remained elevated. Overall, B.C.'s inflation rate averaged 2.6 per cent in 2024, down from 3.9 per cent in 2023. Despite strong population growth, nominal retail sales increased by just 0.6 per cent in 2024, following a 0.1 per cent decline in 2023. On the trade front, weak global demand and lower commodity prices (primarily natural gas and coal prices) last year contributed to a 2.7 per cent decline in B.C.'s merchandise exports relative to 2023 despite increased exports to non-U.S. destinations including China, South Korea, and Australia.

## Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2024/25 – 2026/27 Service Plan. For forward-looking planning information, including current and future performance targets, please see BCFSAs [latest service plan](#).

### 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 sector while addressing these risks in a proportional manner relative to severity and impact.

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

BCFSAs supervisory mandate relates to the safety and soundness of the sector and includes overseeing financial institutions and pension plans. Consumer protection is a key part of this mandate. A proportionate approach to supervision is required to protect consumers while recognizing that registrants vary in size and complexity. BCFSAs framework for risk-based supervision is informed by federal and international standards as adjusted for local market realities.

#### Key results

- Revised and published the Supervisory Framework for Pension Plans Registered in British Columbia which incorporates a tiered supervision approach based on pension plan size and complexity.
- Supervisory staff reviewed the Supervisory Framework for the credit union, insurance and trust company segments and deemed it appropriate for continued use in 2024/2025.

- The capital framework, under the credit union segment, has been undergoing a modernization process since 2022; there was significant progress made during 2024/2025 in its development and in consultations with industry. The modernization of the capital framework supports the effective supervision of the financial services by aligning capital adequacy requirements with emerging risks and industry developments.
- Specific tools were developed, and advanced analytics applied, to more effectively detect forward-looking risks of Provincially Regulated Financial Institutions (PRFIs) and Pension Plans. In addition, enhanced data collection throughout 2024/25 helped supervisors perform risk assessments more effectively.
- Continuous monitoring activities were conducted with PRFIs, with more frequent meetings held for those assessed as higher risk. For the credit union segment, conducted in-person meetings with regulated entities to review each institution's long-term viability and strategic plan.

### **Summary of progress made in 2024/25**

Ensuring the Supervisory Framework reflects current and emerging risk drivers is foundational to modern, effective, and efficient supervision of the sector. BCFSAs Supervisory Framework continued to provide the methodology which BCFSAs followed in assessing the risk profiles of regulated entities and was key to achieving its regulatory objectives. In 2024/25, the Supervisory Framework for Pension Plans was updated. While the Supervisory Framework for credit unions, insurance, and trust institutions remained suitable in 2024/25, it was concluded at the end of 2024/25 that a renewal of the Framework will support BCFSAs going forward to more effectively address emerging risks in a rapidly evolving environment. Additionally, specific tools were developed, and enhanced data collection was implemented, which enabled supervisors to more effectively conduct forward-looking risk monitoring of PRFIs.

Through engagement with the PRFIs, there was a shared accountability in ensuring regular dialogue and that BCFSAs was notified at an early stage when a PRFIs risk profile changed. This was instrumental in ensuring the ongoing strength and viability of the financial services system. These meetings were often facilitated with the use of virtual meeting platforms, which enhanced the effectiveness and efficiency of these engagements for both the PRFIs and BCFSAs.

## Performance measures and related discussion

Performance Measures	2023/24 Actual	2024/25 Target	2024/25 Actual
[1a] Review Supervisory Framework at least annually for applicability, with revisions as required, to reflect changes in the financial services environment (new risks) and evolution in BCFSAs tools and risk assessment processes or priorities. <sup>1</sup>	100% reviewed and revised as needed	100% reviewed and revised as needed	100% reviewed and revised as needed
[1b] Attend supervisory meetings (includes in person and virtual meetings) with 100% of PRFIs in the fiscal year. <sup>2</sup>	100%	100%	100%
[1c] Develop a fair, proactive, forward looking and proportionate risk assessment for each PRFI that reflects key risks. <sup>3</sup>	100%	100%	100%

Data source: BCFSAs Operational Data

<sup>1</sup>PM [1a] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as “100% reviewed and revised as needed” and “100% reviewed and revised as needed,” respectively.

<sup>2</sup>PM [1b] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as 100% and 100%, respectively.

<sup>3</sup>PM [1c] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as 100% and 100%, respectively.

Performance measure [1a] was achieved. Supervisory staff reviewed the Supervisory Framework and concluded that it continued to be adequate in providing the methodology BCFSAs follows to assess the risk profiles of regulated entities. The Supervisory Framework for Pension Plans Registered in British Columbia was revised and published.

Performance measure [1b] was achieved. Conducted at least one, per quarter, meeting with PRFIs with more frequent meetings for higher risk PRFIs. In addition, supervisory reviews were completed in accordance with the timelines stated in the service level agreements.

Performance measure [1c] was achieved. Each PRFI has a comprehensive risk profile that was updated monthly, at minimum, which incorporated recent data, supervisory findings, and emerging risk indicators, all of which helped to ensure our regulatory responses remain timely and targeted to current conditions.

## Goal 2: Provide effective consumer protection

BCFSA protects British Columbians by upholding conduct standards in the financial services sector which includes 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.

BCFSA supports effective consumer protection by administering a range of proactive monitoring activities (e.g., 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 BCFSA. In circumstances where there is non-compliance, the goal of BCFSA's compliance and enforcement model is to resolve compliance concerns and complaints efficiently using proportionate discipline actions to enforce regulatory requirements.

#### Key results

- BCFSA expanded the use of administrative penalties to support the efficient resolution of medium-risk complaint files. This resulted in increasing the number of administrative penalties that were issued by over 100%, from 54 in 2023/24 to 109 in 2024/25.
- A new complaint intake model for the real estate, real estate development, and mortgage broker segments was implemented to ensure that all complaints are risk-assessed within five business days of receipt.
- Decisions regarding applications for 'Orders in Urgent Circumstances' were issued within 3 business days of a hearing in response to circumstances in which there was ongoing risk of harm for consumers.
- To protect consumers, BCFSA pursued disciplinary action in instances of high-risk misconduct posing a potential risk of harm. Orders were issued to resolve 22 real estate segment files and 9 mortgage broker segment files.

#### Summary of progress made in 2024/25

As an integrated regulator, BCFSA strengthened consumer protection throughout 2024/25, through the implementation of targeted compliance and enforcement strategies that supported efficiency, fairness, and proportionality in responding to misconduct across all regulated segments. While there was a 10% increase in the number of complaints that were received compared to 2023/24, BCFSA continued to decrease the inventory of complaint files and to make progress towards achieving more efficient resolutions of complaint and investigation files. Targeted measures were implemented in 2024/25 to support efficient outcomes, to encourage compliance, and to support consumer protection and confidence in regulatory frameworks.

BCFSA takes a risk-based approach for the review of real estate developer disclosure statements to ensure that consumers can make informed decisions with making a strata purchase. In 2024/25 95% of high-risk disclosure statements were reviewed within 20 days, and 99% of low and medium risk disclosure statements were reviewed within 30 days.

In 2024/25 BCFSA established a dedicated team to support the continued implementation of the Good Reputation, Suitability, and Fitness guidelines for mortgage broker and real estate licensees. Internal guidelines have been developed to support consistent application of the guidelines across regulated segments and to ensure that appropriate referrals are made when concerns respecting an applicant's reputation, suitability, or fitness are identified.

## Objective 2.2: Support industry to adopt best practice conduct standards.

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

### Key results

- Transitional education for the implementation of the [Mortgage Services Act](#) (MSA) was developed.
- 'Legal Update 2025' course for mortgage broker registrants was developed and delivered.
- A knowledge base of regulatory resources for the mortgage broker segment was developed. Publication is pending government approval of regulations and rules.
- The development of three new Applied Practice Courses for Managing Brokers, Rental Property Managers and Strata Managers was started. BCFSA consulted with Technical Working Groups consisting of industry members from each of the three licensing categories to determine content and delivery methodology.

### Summary of progress made in 2024/25

In 2024/25, BCFSA efforts centred on enhancing consumer protection and assisting licensees and registrants with succession planning, professionalism and skill development by initiating the development of Applied Practice Courses for Managing Brokers, Strata Managers and Rental Property Managers as well as a Legal Update course required as part of the renewal cycle for registrants and licensees. BCFSA also developed comprehensive transition education and resources, along with the implementation of a service centre and enquiries model, designed to help industry understand the new regulatory framework and provide the information and resources needed to comply and adopt best practice standards.

**Objective 2.3: Work collaboratively with the provincial government to improve financial crisis preparedness and 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 (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 Fund and guarantee, CUDIC proactively plans for unlikely credit union failures, which requires depositors to be paid out from the Fund. The CUDIC Deposit Payout Program is the framework that governs the payout process. Financial crisis preparedness requires BCFSa and CUDIC to work across the entire credit union segment and with other regulatory agencies.

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

### **Key results**

- The target of updating 95% of the CUDIC Deposit Payout Program material, including the Policy Manual and Playbook, was achieved. The multi-year review process began in 2022/23 with planned completion in 2025/26.

### **Summary of progress made in 2024/25**

In 2024/25, the CUDIC Deposit Payout Program documentation update focused on streamlining processes and procedures, incorporating procedural enhancements to its deposit payment determination technology, and incorporating learnings from its crisis preparedness tabletop testing.

## Performance measures and related discussion

Performance Measures	2023/24 Actual	2024/25 Target	2024/25 Actual
[2a.i] Risk-assess complaints within 5 business days of receipt. <sup>1</sup>	91%	75%	83%
[2a.ii] Monitor conduct activities to proactively identify and prevent harmful business practices. <sup>2</sup>	220 monitoring activities	130 monitoring activities	158 monitoring activities
[2a.iii] Process completed applications (requiring no further investigation) for new real estate licensees within 15 business days of receipt. <sup>3</sup>	94%	90%	38%
[2a.iv] Develop and deliver mortgage broker relicensing continuing education that is required for relicensing. <sup>4</sup>	100% of courses developed and 50% of courses delivered	100% of courses developed and delivered	100% of courses developed and delivered
[2a.v] Review and respond to real estate development and strata rental disclosures within 20 business days of receipt. <sup>5</sup>	99%	90%	96%

Data source: BCFA Operational Data

<sup>1</sup>PM [2a.i] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as 75% and 75%, respectively.

<sup>2</sup>PM [2a.ii] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as “130 monitoring activities” and “130 monitoring activities,” respectively.

<sup>3</sup>PM [2a.iii] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as 90% and 90%, respectively.

<sup>4</sup>PM [2a.iv] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as “100% of courses developed and delivered” and “100% of courses developed and delivered”, respectively.

<sup>5</sup>PM [2a.v] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as 90% and 90%, respectively.

With the exception of application processing times, consumer protection performance measures were met or exceeded. These results demonstrate BCFA's commitment to utilizing the full range of consumer protection tools to proactively monitor market activity and to apply proportionate responses when contraventions of regulatory requirements were observed.

The processing of licensing application results (38%) was negatively impacted this past year by the fact that 50% of the licensing team was transitioned to the newly implemented BCFA Service Centre. This movement of resources placed considerable pressure on the remaining team members with no corresponding decrease in application volumes. Contingency plans for resource redeployment included HR backfill planning and related work undertaken in early fall 2024 to coincide with these departures. A staged recruitment plan and transition of impacted team members had not anticipated the fact that successful backfill candidates would withdraw

their candidacy. These withdrawals resulted in unanticipated delays to the backfill process. The delays required re-prioritization of applications (transfers, renewals) to the detriment of other applications (first-time applications). These challenges were addressed and rectified as BCFSAs transitioned into Q1 of 2025/2026.

Performance Measures	2023/24 Actual	2024/25 Target	2024/25 Actual
[2b.i] Complete implementation of the Differential Premium System. <sup>1</sup>	100% of implementation completed	N/A	N/A
[2b.ii] Review and set Deposit Insurance Fund Size. <sup>2</sup>	N/A	N/A	N/A
[2b.iii] Review and update the CUDIC Deposit Payout Program. <sup>3</sup>	75% of material updated	95% of material updated	95% of material updated

Data source: BCFSAs Operational Data

<sup>1</sup>PM [2b.i] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as N/A and N/A " respectively. This measure will be revisited in future service plans given that it is completed.

<sup>2</sup>PM [2b.ii] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as "Commence next review cycle" and completed N/A, respectively.

<sup>3</sup>PM [2b.iii] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as "Continuous improvement" and "Continuous improvement," respectively.

The multi-year review of the CUDIC Payout Program material reflects efforts to update and streamline processes based on best practice research, according to the International Association of Deposit Insurers. The enhancements also address gaps identified during a simulated tabletop exercise of the Payout Playbook.

## Goal 3: Engage with Stakeholders Consistently and Purposefully

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

### Objective 3.1: Maintain strong and active collaboration with stakeholders.

BCFSAs is focused on engaging with stakeholders, which enables the organization to have a better understanding of how to develop and advance its regulatory priorities and to continually monitor risks in the financial services sector. BCFSAs uses the [Regulatory Roadmap](#) (Roadmap) to lay out anticipated regulatory priorities for the next three fiscal years. It is intended to increase transparency and enable regulated entities to prepare for consultations and implementation of upcoming regulatory initiatives. It aligns with the commitments outlined in BCFSAs's Service Plan.

## Key results

- BCFSa consulted on 100% of Roadmap items that were pursued in 2024/25; 87% of the planned regulatory initiatives set out in the 2024/25 Roadmap were launched within two quarters of the anticipated timeline outlined in the Roadmap.
- BCFSa held 18 technical working and focus group meetings, convening 97 external subject matter experts invited to provide their perspectives on proposed regulatory initiatives.
- BCFSa launched five consultations, engaging stakeholders in the credit union, insurance, trust, pension, real estate and real estate development segments.

## Summary of progress made in 2024/25

BCFSa continued to ensure that consultations on Roadmap items were comprehensive and appropriate to risk and complexity. Key stakeholder-informed regulatory highlights from 2024/25 included:

- Implemented the Insurer Code of Market Conduct
- Released the Anti-Money Laundering Guideline for Mortgage Brokers
- Updated the Real Estate Services Act Administrative Penalty Framework
- Published updated Information Security Guidelines for Pension Plan Administrators and for Provincially Regulated Financial Institutions, and an Information Security Incident Reporting Guideline for extra-provincial insurance and trust companies
- Implemented a new Summary of Pre-Sale Risks and Buyer Rights Form for residential pre-sale condo purchasers
- Initiated the real estate development marketing pilot extending the early marketing period for 100+ unit developments from 12 to 18 months

## Objective 3.2: Stakeholder engagement strategy is operationalized.

BCFSa is building its capacity in external engagement and has expanded existing tools and strategies across the financial services sector. In 2024/25 BCFSa continued to operationalize its stakeholder engagement strategy and advanced deliverables against that strategy.

## Key results

- Expanded Segment Roundtables to include Pensions, with roundtable members confirmed in March 2025. The existing Roundtables for Credit Unions and Real Estate continue into their second term.
- Determined sector event strategy with planning initiated for the next biennial sector-wide forum in fall 2025.
- Distributed the second biennial Sector Insights Survey in Q4 2024/25, with results to be published.

- Hosted a one-day National Earthquake Tabletop Exercise on July 3, 2024, which gathered industry participants, federal and provincial regulators as well as industry associations and insurance protection funds, to assess collective preparedness in managing a major natural catastrophe.
- Held the second Credit Union Summit on September 10, 2024, as a follow up to the first Credit Union Summit held in January 2024 and a province-wide credit union tour in spring 2024.

### **Summary of progress made in 2024/25**

BCFSA continued to make progress on its stakeholder engagement strategy in 2024/25 by expanding the use of segment roundtables and technical working groups and began planning on the second sector-wide forum in fall 2025. In early 2025, with the onboarding of BCFSA's new CEO, a targeted stakeholder engagement plan was developed to engage industry associations and key regulated entities from across the financial services sector. BCFSA continued to prioritize the importance of effective stakeholder engagement and relationships.

### **Objective 3.3: Optimize communications to strengthen stakeholder relationships and grow consumer brand awareness.**

Stronger forward-looking communications will support BCFSA's efforts to build relationships with external stakeholders, ensure adherence to regulatory measures, increase consumer awareness of BCFSA's mandate, and ultimately promote confidence in B.C.'s financial services sector.

#### **Key results**

- Conducted an annual consumer awareness survey in August 2024 to measure and understand awareness of BCFSA. The results of the 2024 consumer awareness survey showed that unaided awareness of BCFSA increased by three percentage points from 8% in 2023 to 11% in 2024.
- Conducted consumer awareness and education campaigns in summer 2024 and winter 2025, as well as a fraud prevention campaign in March 2025.

### **Summary of progress made in 2024/25**

BCFSA optimized its communications to strengthen stakeholder relationships and grow consumer brand awareness through activities such as public advertising and television commercials.

Results from the sector insights survey, conducted through January and February 2025, indicated significant increases in the usefulness and clarity of information both in digital communications and online content.

## Performance measures and related discussion

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
[3a] Consult on significant regulatory projects with sector participants and assess the accuracy of roadmap planning by reporting on whether activities occur within two quarters of when planned on the roadmap. <sup>1</sup>	100% of roadmap items consulted; 70% of activities happening within two quarters	100% of roadmap items consulted; 75% of activities happening within two quarters	100% of roadmap items consulted; 87% of activities happening within two quarters

Data source: BCFSa Operational Data

<sup>1</sup>PM [3a] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as “100% of roadmap items consulted; 80% of activities happening within two quarters” and “100% of roadmap items consulted; 80% of activities happening within two quarters,” respectively.

Performance measure 3a was fully achieved. BCFSa consulted on 100% of Roadmap items that were pursued in 2024/25 with 87% of planned activities occurring within two quarters of the published date. BCFSa continued to publish and track Roadmap activities.

Performance Measures	2023/24 Actual	2024/25 Target	2024/25 Actual
[3b] Form industry advisory groups. <sup>1</sup>	Advisory groups formed	Further implement strategic segment roundtables; use technical working groups	Expanded segment roundtables to Pensions segment; held 18 technical working and focus group meetings
[3c] Establish cross-sector event. <sup>2</sup>	Cross-sector event delivered	Develop approach to cross-sector event cadence; deliver segment specific events as appropriate	Developed sector event strategy with planning initiated for the next biennial cross-sector forum scheduled in fall 2025

Data source: BCFSa Operational Data

<sup>1</sup>PM [3b] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as “Complete implementation of strategic segment roundtables; use technical working groups” and “Maintain and refine advisory group strategy”

<sup>2</sup>PM [3c] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as “Deliver cross-sector event” and “Deliver segment specific events as appropriate”, respectively.

BCFSa further implemented its strategic segment roundtables through expansion to the pensions segment and expanded the use of technical working and focus groups for key regulatory and operational initiatives impacting stakeholders. BCFSa finalized a cross-sector event cadence and will be hosting its second cross-sector forum in fall 2025, building on the success of the 2023 forum.

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
[3d] Conduct an annual consumer awareness survey to track and understand awareness of BCFSa and its mandate.	N/A	8% of survey respondents have an awareness of BCFSa	11% of survey respondents have an awareness of BCFSa

Data source: BCFSa Operational Data

<sup>1</sup>PM [3d] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as “10% of survey respondents have an awareness of BCFSa” and “12% of survey respondents have an awareness of BCFSa”, respectively.

Results from BCFSa’s August 2024 survey of consumers showed that unaided awareness of BCFSa increased by three percentage points from 8% in 2023 to 11% in 2024. Throughout 2024/25, BCFSa launched several, multi-channel consumer awareness campaigns to increase its exposure.

## Goal 4: Deliver against Legislative Changes and Priorities

BCFSa is responsive to a changing regulatory environment and to government priorities in relation to protection of consumers of financial services in B.C. BCFSa continues to work closely with the provincial government to support its legislative agenda including the [Mortgage Services Act](#) and the [Money Services Businesses Act](#) (MSBA) which received Royal Assent in 2022 and 2023, respectively.

### Objective 4.1: Work with government to implement the new Mortgage Services Act.

The [Mortgage Services Act](#) received Royal Assent on November 3, 2022. Once the [Mortgage Services Act](#) is brought into force, the 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 or other forms of non-compliance. The Mortgage Services Act is responsive to several recommendations set out in the Cullen Commission Final Report on Money Laundering in BC which was released on June 15, 2022 (the Cullen Commission Final Report).

#### Key results

- BCFSa provided support in the ongoing development of a program for transitional education for current registrants to ensure that all registrants have the knowledge to comply with regulatory requirements under the [Mortgage Services Act](#).
- BCFSa developed guidelines and informational resources to assist industry in understanding and complying with regulatory requirements.

## Summary of progress made in 2024/25

BCFSA developed comprehensive transitional education programs to support designated individuals and sub-mortgage brokers to transition to a new regulatory framework ensuring that they have the information and resources to comply with regulatory requirements.

Throughout 2024/25, BCFSA continued to develop, and make progress against, a robust stakeholder engagement and change management plan to ensure that industry stakeholders were aware of new requirements and that information about the transition to the new regulatory framework is accessible once the new regulations and rules are approved by Government.

## Objective 4.2: Work with government to implement the new Money Services Business Act.

The [Money Services Businesses Act](#), which received Royal Assent on May 11, 2023, will introduce provincial regulation of money services businesses operating in B.C. once in-force. BCFSA's regulatory oversight of money services is intended to complement federal regulatory requirements administered by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and the Bank of Canada. BCFSA's mandate in respect to the regulation of money services businesses, under the [Money Services Businesses Act](#), is to ensure that only suitable individuals and businesses participate in the industry. The provincial regulation of money services businesses is a key recommendation set out in the Cullen Commission Final Report.

### Key results

- BCFSA continued to work with government to support the development of the regulations to the [Money Services Businesses Act](#).
- BCFSA began development of policies, procedures and processes related to registration, suitability assessment, and compliance and enforcement.
- BCFSA began development of educational materials to support money services businesses, law enforcement, industry associations, regulators, and the public to understand the new regulatory framework.

## Summary of progress made in 2024/25

BCFSA continued to work with the Ministry of Finance to support the development of the regulations for the [Money Services Businesses Act](#). While the government is responsible for developing the regulations, BCFSA team members continued to support the Ministry of Finance in realizing its policy goals in respect of the money services segment by contributing insight as to how legislative requirements may be operationalized and subject matter expertise regarding the money services segment.

BCFSA commenced work on its strategies pertaining to stakeholder engagement, change management and communications, including initiating relationships with law enforcement and other regulatory bodies that have shared jurisdiction over the segment promoting parallel

work in the development of essential supporting policies and procedures that, once finalized, will support compliance and enforcement of regulations

### Performance measures and related discussion

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
[4a] Execute an implementation project plan for a phased approach to the <a href="#">Mortgage Services Act</a> . <sup>1</sup>	BCFSA provided technical support to Government on the substantive completion of the Regulations and Rules. Actions were undertaken in accordance with the project implementation plan.	Transitional education and licensing education are developed	<p>Transition plan completed.</p> <p>Transitional education 70% completed. (Principal and Sub-Mortgage Brokers)</p> <p>Licensing education is currently under development.</p>

Data source: BCFSA Operational Data

<sup>1</sup>PM [4a] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as “Phase 1 of the MSA is implemented” and Monitor implementation of Phase 1 of [Mortgage Services Act](#) and deliver against plan for Phase 2”, “ respectively. Note that 2025/26 and 2026/27 measures may need to be adjusted in future service plans based on when the MSA is brought into force.

A competency framework and job profiles for all new licensing categories were developed.

Designed [Mortgage Services Act](#) transition education to be rolled out to designated individuals in advance of sub-mortgage brokers to support a smoother transition for industry. This transition education for designated individuals will be offered one year prior to the implementation of the MSA and will be broken down into modules, with a virtual classroom option offered between modules in order to address some of the impacts on corporate structure that the MSA may place on brokerages.

An enquiries model was set up internally to address industry questions, with a knowledge base currently under development.

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
[4b] Execute an implementation project plan for the <a href="#">Money Services Businesses Act</a> . <sup>1</sup>	N/A	Support development of Regulations	BCFSA supported government in the development of the Regulations

Data source: BCFSA Operational Data

<sup>1</sup>PM [4b] targets for 2025/26 and 2026/27 were stated in the 2024/25 Service Plan as “Planning for implementation of [Money Services Businesses Act](#)” and “Implementation of [Money Services Businesses Act](#).” respectively.

BCFSA continued to consult with the Ministry of Finance to support the development of the Regulations for the [Money Services Businesses Act](#). While the government is responsible for the

development of the regulations, BCFSA contributed input in the form of subject matter expertise specifically in respect of operationalization, business models and trends, and risk typologies prevalent in the segment. BCFSA engaged KPMG to conduct an environment scan of the money services segment in B.C. in support of these efforts.

## Financial Report

For the auditor's report and audited financial statements, see [Appendix B](#). These documents can also be found on the BCFSa website.

## Discussion of Results

BCFSa saw revenue growth due to increased applications and education activity as well as higher penalties to deter non-compliance issued throughout the year. CUDIC has made progress on key projects to strengthen consumer protection. This has resulted in higher BCFSa recoveries from CUDIC for the support provided.

## Financial Summary

(\$000s)	2023/24 Actual	2024/25 Budget	2024/25 Actual	2024/25 Variance
<b>Revenues</b>				
Fees, Licenses & Recoveries	60,872	60,742	65,948	5,206
Education	8,854	10,109	10,751	642
<b>Total Revenue</b>	<b>69,726</b>	<b>70,851</b>	<b>76,699</b>	<b>5,848</b>
<b>Expenses</b>				
Salaries and Benefits	47,211	49,788	55,789	6,001
Other	22,422	27,049	25,488	(1,561)
<b>Total Expenses</b>	<b>69,633</b>	<b>76,837</b>	<b>81,277</b>	<b>4,440</b>
<b>Annual Surplus (Deficit)</b>	<b>93</b>	<b>(5,986)</b>	<b>(4,578)</b>	<b>1,408</b>
<b>Total Liabilities</b>	<b>9,493</b>	<b>7,739</b>	<b>12,063</b>	<b>4,324</b>
<b>Capital Expenditures</b>	<b>1,084</b>	<b>5,100</b>	<b>296</b>	<b>(4,804)</b>
<b>Accumulated Surplus</b>	<b>58,859</b>	<b>52,873</b>	<b>54,281</b>	<b>3,360</b>

<sup>1</sup> The above financial information was prepared based on current Generally Accepted Accounting Principles.

## Variance and Trend Analysis

In fiscal 2024/25, revenue exceeded the budget primarily due to increased applications and education activity as well as higher licensing fees in Credit Unions and Trust and Insurance segments. Expenses for the year were greater than budgeted, driven by higher activities and operating costs.

## Risks and Uncertainties

In accordance with BCFSa's Enterprise Risk Management Policy and Framework, risks were identified across the organization at both the strategic and operational levels, primarily aligned to planning and change cycles, but also at any time an emerging risk was identified.

Enterprise level risks were assessed with Senior Executive risk owners on a quarterly basis, and resulting updates reported to the Board. New risk information was added where appropriate.

The risk assessments were supported by several activities including environmental scans and guest speakers on strategic level risk topics, as well as SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis and other assessment tools used by BCFSA during its strategic planning and reporting processes.

## Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023 Mandate Letters from the Minister Responsible.

2021/22 and 2023 Mandate Letter Priority	Status as of March 31, 2025
Advance the BCFSA's risk-based and proportionate supervision of financial services sectors and efforts to enhance consumer protection.	<ul style="list-style-type: none"> <li>Work on this priority continues as part of day-to-day operations (refer to Objective 1.1, Objective 2.1 and 2.2).</li> </ul>
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.	<ul style="list-style-type: none"> <li>Work on this priority continues as part of day-to-day operations. Work and engagement associated with the COVID-19 pandemic is concluded (refer to <a href="#">Annual Service Plan Report 2023/24</a>).</li> </ul>
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.	<ul style="list-style-type: none"> <li>Work on this priority has been completed (refer to <a href="#">Annual Service Plan Report 2021/2022</a>).</li> </ul>
Work collaboratively with government to improve finance crisis preparedness and in particular, ensure a sustainable and effective deposit insurance program is in place.	<ul style="list-style-type: none"> <li>Work on this priority continues as part of day-to-day operations (refer to Objectives 2.3).</li> </ul>
Continue to work collaboratively with government, industry and other stakeholders to review issues related to the cost and availability of insurance for strata corporations.	<ul style="list-style-type: none"> <li>Work on this priority has been completed (refer to <a href="#">Annual Service Plan Report 2022/2023</a>).</li> </ul>
Collaborate with government to improve the effectiveness of B.C.'s Anti-Money Laundering Regime.	<ul style="list-style-type: none"> <li>Work on this priority continues as part of day-to-day operations (refer to Objectives 4.1 and 4.2).</li> </ul>

2023 Mandate Letter Priority	Status as of March 31, 2025
Continue working towards lasting and meaningful Reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province we are building together, and delivering on specific commitments as outlined in the <a href="#">Declaration on the Rights of Indigenous Peoples Act</a> action plan.	<ul style="list-style-type: none"> <li>• Work on this priority continues through BCFSA's Equity, Diversity and Inclusion Strategy.</li> </ul>
As required by the <a href="#">Climate Change Accountability Act</a> , ensure your organization implements targets and strategies for minimizing greenhouse gas emissions and managing climate risk, including achieving carbon neutrality each year and aligning with the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030.	<ul style="list-style-type: none"> <li>• BCFSA maintained its status as a Low Emitter through 2024 reporting cycle.</li> <li>• Offsets were reduced by 14% from the 2023 reporting cycle.</li> </ul>
Adopt the Gender-Based Analysis Plus (GBA+) lens to ensure gender equity is reflected in your operations and programs.	<ul style="list-style-type: none"> <li>• Work on this priority continues as part of day-to-day operations.</li> <li>• In 2024/25 BCFSA partnered with a consultant to develop a BCFSA-specific GBA+ framework and resource centre, as well as deliver training to all staff.</li> </ul>
Strategic stewardship of planning, operations, and policies in the areas of financial, risk, and human resource management including information security and privacy protection.	<ul style="list-style-type: none"> <li>• Work on this priority continues as part of day-to-day operations.</li> </ul>
Maintain up to date systems and effective cybersecurity practices, including maintaining current information management and cybersecurity policies, guidelines and standards; evaluating your organization against industry standards; and maintaining appropriate security and privacy practices.	<ul style="list-style-type: none"> <li>• Work on this priority continues as part of day-to-day operations.</li> </ul>
Implement and maintain an effective fraud risk management strategy.	<ul style="list-style-type: none"> <li>• Work on this priority continues as part of day-to-day operations.</li> </ul>

## **Appendix B: Auditor's Report and Audited Financial Statements**

**BC Financial Services Authority**  
**Financial Statements**  
**As at March 31, 2025, and**  
**for the year ended March 31, 2025**

# BC Financial Services Authority

## Management Report

For the year ended March 31, 2025

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The financial statements of BC Financial Services Authority ("BCFSA") were prepared by management in accordance with the financial reporting framework disclosed in note 2 to the financial statements, and include amounts based upon management's best estimates and judgments. In management's opinion, the financial statements have been properly prepared within the framework of the accounting policies summarized in the financial statements and incorporate, within reasonable limits of materiality, all information available at May 14, 2025.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded and that reliable financial information is available on a timely basis. These systems include formal written policies and procedures, careful selection and training of qualified personnel, and appropriate delegation of authority and segregation of responsibilities within BCFSA.

The Board of Directors has established an Audit and Finance Committee to provide oversight in the fulfillment by management of these responsibilities. The Audit and Finance Committee, comprising directors who are not employees, meets with management and external auditors regarding the proper discharge of management's responsibilities with respect to financial statement presentation, disclosure, and recommendations on internal control.

The financial statements have been examined by the Office of the Auditor General of British Columbia, BCFSA's independent external auditors. The external auditors' responsibility is to express their opinion on whether the financial statements present fairly, in all material respects, BCFSA's financial position, results of operations, changes in net financial assets and cash flows in accordance with Canadian public sector accounting standards. Their Auditor's Report, which follows, outlines the scope of their examination and their opinion.



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**Tolga Yalkin**  
Chief Executive Officer



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**Joanna Carson**  
Chief Financial Officer

**Vancouver, BC**  
**May 14, 2025**



## **Independent Auditor's Report**

*To the Board of Directors of BC Financial Services Authority, and  
To the Minister of Finance, Province of British Columbia*

### ***Opinion***

I have audited the accompanying financial statements of the BC Financial Services Authority ("the entity"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2025, and the results of its operations, change in its net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### ***Other Accompanying Information***

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in the Annual Service Plan Report and the Statement of Financial Information but does not include the financial statements and my auditor's report thereon. The Annual Service Plan Report and the Statement of Financial Information are expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained during the audit or otherwise appears to be materially misstated.

## Independent Auditor's Report

BC Financial Services Authority

When I read the Annual Service Plan Report and the Statement of Financial Information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

### ***Other Matters***

The financial statements of the entity for the year ended March 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on May 10, 2024.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the entity will continue its operations for the foreseeable future.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

My objectives are to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

## Independent Auditor's Report

BC Financial Services Authority

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Sheila Dodds, CPA, CA,  
Acting Auditor General of British Columbia

Victoria, British Columbia, Canada  
May 16, 2025

# BC Financial Services Authority

## Statement of Financial Position

As at March 31, 2025 (in \$000s)

	March 31, 2025	March 31, 2024
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 33,614	\$ 10,114
Investments (note 3)	-	25,000
Accounts receivable (note 4)	13,374	12,611
Due from government/other government organizations (note 5)	370	253
	<u>47,358</u>	<u>47,978</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	7,155	3,999
Deferred revenue	2,469	3,208
Employee future benefits (note 6)	1,216	1,125
Due to government/other government organizations (note 5)	1,223	1,161
	<u>12,063</u>	<u>9,493</u>
<b>Net financial assets</b>	<u>35,295</u>	<u>38,485</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 9)	17,073	19,589
Prepaid expenses	1,913	785
	<u>18,986</u>	<u>20,374</u>
<b>Accumulated surplus</b>	<u>\$ 54,281</u>	<u>\$ 58,859</u>

Commitments (note 10)

Approved by the Board of Directors



Chair



Director

The accompanying notes are an integral part of the financial statements.

# BC Financial Services Authority

## Statement of Operations

For the year ended March 31, 2025 (in \$000s)

	Annual Budget (note 13)	March 31, 2025	March 31, 2024
<b>Revenues</b>			
Licensing, registration, and other fees	\$ 46,947	\$ 49,079	\$ 46,667
Recovery	11,442	12,444	10,558
Education	10,109	10,751	8,854
Other	<u>2,353</u>	<u>4,425</u>	<u>3,647</u>
	<u>70,851</u>	<u>76,699</u>	<u>69,726</u>
<b>Expenses</b> (note 11)			
Regulatory operations	65,538	69,041	59,265
CUDIC administration	<u>11,299</u>	<u>12,236</u>	<u>10,368</u>
	<u>76,837</u>	<u>81,277</u>	<u>69,633</u>
<b>Annual (deficit) surplus</b>	(5,986)	(4,578)	93
<b>Accumulated surplus – Beginning of year</b>	<u>58,859</u>	<u>58,859</u>	<u>58,766</u>
<b>Accumulated surplus – End of year</b>	<u>\$ 52,873</u>	<u>\$ 54,281</u>	<u>\$ 58,859</u>

The accompanying notes are an integral part of the financial statements.

**BC Financial Services Authority**  
**Statement of Changes in Net Financial Assets**  
**For the year ended March 31, 2025 (in \$000s)**

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	Annual Budget (note 13)	March 31, 2025	March 31, 2024
<b>Annual (deficit) surplus</b>	\$ (5,986)	\$ (4,578)	\$ 93
Acquisition of tangible capital assets	(5,100)	(296)	(1,084)
Amortization of tangible capital assets	<u>3,074</u>	<u>2,812</u>	<u>2,970</u>
	<u>(2,026)</u>	<u>2,516</u>	<u>1,886</u>
Acquisition of prepaid expenses	(787)	(1,667)	(785)
Use of prepaid expenses	<u>785</u>	<u>539</u>	<u>787</u>
	<u>(2)</u>	<u>(1,128)</u>	<u>2</u>
<b>(Decrease) increase in net financial assets</b>	(8,014)	(3,190)	1,981
<b>Net financial assets – Beginning of year</b>	<u>38,485</u>	<u>38,485</u>	<u>36,504</u>
<b>Net financial assets – End of year</b>	\$ <u>30,471</u>	\$ <u>35,295</u>	\$ <u>38,485</u>

The accompanying notes are an integral part of the financial statements.

# BC Financial Services Authority

## Statement of Cash Flows

For the year ended March 31, 2025 (in \$000s)

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	March 31, 2025	March 31, 2024
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual (deficit) surplus	\$ (4,578)	\$ 93
Items not involving cash		
Amortization of tangible capital assets	<u>2,812</u>	<u>2,970</u>
	(1,766)	3,063
<b>Changes in non-cash assets and liabilities</b>		
Accounts receivable	(763)	(704)
Deferred revenue	(739)	1,321
Prepaid expenses	(1,128)	2
Accounts payable, accrued liabilities, and future employee benefits	3,247	81
Due to/from government/other government organizations	<u>(55)</u>	<u>323</u>
	562	1,023
<b>Investment activities</b>		
Change in investments, net	25,000	(10,000)
<b>Capital activities</b>		
Acquisition of tangible capital assets	(296)	(1,084)
<b>Increase (decrease) in cash</b>	<b>23,500</b>	<b>(6,998)</b>
<b>Cash and cash equivalents – Beginning of year</b>	<u><b>10,114</b></u>	<u><b>17,112</b></u>
<b>Cash and cash equivalents – End of year</b>	<b>\$ <u>33,614</u></b>	<b>\$ <u>10,114</u></b>

The accompanying notes are an integral part of the financial statements.

# BC Financial Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2025 (in \$000s)

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### 1. Nature of operations

BC Financial Services Authority ("BCFSA") is a Vancouver-headquartered Crown regulatory agency of the Government of British Columbia. BCFSA oversees the financial services sector which includes pension plans, mortgage services, real estate services, real estate development, credit unions, insurance and trust companies. BCFSA is working with the Ministry of Finance to establish regulatory oversight of money services businesses ("MSBs") in B.C. BCFSA also administers the Credit Union Deposit Insurance Corporation of British Columbia ("CUDIC").

BCFSA was created effective June 4, 2019, pursuant to the *Financial Services Authority Act*. On November 1, 2019, BCFSA assumed the regulatory accountabilities of Financial Institutions Commission ("FICOM") which was originally established as part of the Ministry of Finance in 1989 to contribute to the safety and stability of the British Columbia financial sector. On August 1, 2021, the assets, liabilities, and accountabilities of Real Estate Council of British Columbia and the Office of the Superintendent of Real Estate were transferred to BCFSA under a restructuring.

BCFSA is exempt from income taxes under the *Income Tax Act*.

### 2. Summary of significant accounting policies

#### Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS"), as issued by the Canadian Public Sector Accounting Board ("PSAB").

#### Revenue recognition

BCFSA recognizes revenue in accordance with PS 3400 – Revenue and PS 3100 – Restricted Assets and Revenue. Revenue from exchange transactions, or revenue based on performance obligations, is recognized when the performance obligation is satisfied. Revenue from the issuance of a license or registration is recognized at the point in time when the license or registration is issued. Unilateral revenue, or revenue without performance obligations, is recognized when the authority to claim or retain an inflow of economic resources exists and collection is reasonably certain. Revenue from an annual filing fee, which is payable for a given operating period, is recognized at the commencement of the operating period to which the fee relates. Course fees are recorded as revenue when the service is provided, the amount to be received can be reasonably estimated, and collection is reasonably assured. Administrative penalties are initially deferred and recognized as revenue when they are expended in accordance with the requirements set out in relevant legislation.

#### Cash and cash equivalents

Cash and cash equivalents include cash in banks and on hand and demand deposits that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

# BC Financial Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2025 (in \$000s)

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### 2. Summary of significant accounting policies – continued

#### Government transfers

Government transfers are recognized as revenue when the transfer is authorized, and any eligibility criteria have been met but is reduced by any stipulations that result in a liability. Amounts deferred as a result of stipulations are recognized in the period the stipulations are met.

#### Trusts

BCFSA administers CUDIC, a related party of BCFSA that guarantees 100 per cent of deposits and non-equity shares (issued before January 1, 2020) of BCFSA authorized credit unions.

BCFSA appoints the majority of the board members for the Real Estate Compensation Fund Corporation (“RECFC”). RECFC provides protection for members of the public who have entrusted real estate licensees (or unlicensed individuals related to the brokerage) with money that was either misappropriated or wrongfully converted, intentionally not paid over, or accounted for, or obtained by the fraud of a licensee or individual. BCFSA appoints three of the five members of RECFC’s Board of Directors. BCFSA collects fees on behalf of RECFC and recovers the costs incurred to collect these fees.

Both CUDIC and RECFC meet the definition of a trust under administration and are not consolidated in BCFSA’s financial statements. The trusts’ assets, liabilities and equity balances are disclosed separately in note 12.

#### Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Cost includes overhead directly attributable to construction, development, and interest costs that are directly attributable to the acquisition or construction of the asset.

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Personal computer hardware	4 years
Computer servers and infrastructure hardware	5 years
Systems and software	2-10 years
Tenant improvements	lease term

Tangible capital assets are written down when conditions indicate that they no longer contribute to BCFSA’s ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Any write-downs are accounted for as expenses in the statement of operations as impairment losses. Impairments recorded are never reversed.

# BC Financial Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2025 (in \$000s)

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### 2. Summary of significant accounting policies – continued

#### Employee future benefits

##### a) Retirement allowance

Liabilities are recorded for employee retirement allowance benefits as employees render services to earn the benefits. The actuarial determination of the accrued benefit obligations uses the projected benefit method prorated based on service.

The cumulative unrecognized actuarial gains and losses on retirement allowance benefits are amortized over the expected average remaining service period of active employees covered under the plan. The discount rate used to measure the obligations is based on the Ministry of Finance's cost of borrowing.

##### b) Defined contribution plans and multi-employer benefit plans.

BCFSA and its employees contribute to the Public Service Pension Plan (the "Pension Plan"), a multi-employer defined benefit pension plan governed by the *BC Public Sector Pension Plans Act*. Defined contribution plan accounting is applied to multi-employer defined benefit plans and accordingly, contributions are expensed when they become payable.

#### Prepaid expenses

Prepaid expenses, which include rent and subscriptions for memberships, are expensed over the periods expected to benefit from them in the statement of operations.

#### Expenses

Expenses are recorded on an accrual basis. The cost of all goods consumed and services received during the year is expensed in the statement of operations.

#### Financial instruments

BCFSA's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and amounts due from/due to government and other government organizations. Financial instruments are initially recorded at fair market value and subsequently measured at cost.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

The fair values of the BCFSA's financial instruments generally approximate their carrying amounts due to their short terms to maturity.

# **BC Financial Services Authority**

## **Notes to the Financial Statements**

**For the year ended March 31, 2025 (in \$000s)**

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### **2. Summary of significant accounting policies – continued**

#### **Measurement uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period.

Significant areas requiring the use of estimates include the valuation of accounts receivable, estimated useful lives of tangible capital assets, contingent liabilities, and future costs to settle employee benefit obligations.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from the estimates.

#### **Future accounting standards**

##### **a) Conceptual Framework**

The Conceptual Framework was issued in December 2022 and established concepts on how to provide a meaningful foundation for formulating consistent reporting standards. Standards comprise the principles and other guidance applicable in specific situations or more generally in preparing financial reports. This is required to be applied prospectively for annual periods beginning on or after April 1, 2026 with early adoption permitted.

BCFSA is currently assessing the impact of the Conceptual Framework and plans to adopt the new standard on or before the required effective date.

##### **b) PS 1202 – Statement Presentation**

PS 1202 was issued in December 2022 and established general and specific requirements for presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework, and particularly respond to the financial statement objectives set out in Chapter 6 of the Conceptual Framework.

This is required to be applied prospectively for annual periods beginning on or after April 1, 2026 with early adoption permitted. Prior period amounts would need to be restated to conform to the presentation requirements for comparative information.

BCFSA is currently assessing the impact of PS 1202 and plans to adopt the new standard on or before the required effective date.

# BC Financial Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2025 (in \$000s)

### 3. Investments

	March 31, 2025	March 31, 2024
Guaranteed Investment Certificate – 4.6% - 4.9%	\$ -	\$ 14,000
Guaranteed Investment Certificate – 5.0% - 5.25%	-	11,000
	<u>\$ -</u>	<u>\$ 25,000</u>

### 4. Accounts receivable

	March 31, 2025	March 31, 2024
Regulated Entities/Individuals	\$ 10,632	\$ 10,561
Penalties and Enforcement	2,125	1,720
Recoverable from CUDIC	1,510	1,155
Other	1	6
	<u>14,268</u>	<u>13,442</u>
Provision for uncollectible amounts	<u>(894)</u>	<u>(831)</u>
	<u>\$ 13,374</u>	<u>\$ 12,611</u>

### 5. Due to/from government and other government organizations

Due From:

	March 31, 2025	March 31, 2024
Provincial Governments	\$ 71	\$ -
Federal Government of Canada	<u>299</u>	<u>253</u>
	<u>\$ 370</u>	<u>\$ 253</u>

Due To:

Provincial Governments	\$ 162	\$ 297
Federal Government of Canada	<u>1,061</u>	<u>864</u>
	<u>\$ 1,223</u>	<u>\$ 1,161</u>

# BC Financial Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2025 (in \$000s)

### 6. Employee future benefits

#### a) Retirement allowance

Information about BCFSA's retirement allowance is as follows:

	<b>March 31, 2025</b>	March 31, 2024
Accrued benefit obligation – Beginning of year	\$ 778	\$ 723
Current year benefit cost	78	63
Interest cost	37	27
Loss on accrued benefit obligation	86	2
Benefit payment	-	(37)
Accrued benefit obligation – End of year	<b>979</b>	778
Unamortized actuarial gain	<b>237</b>	347
Liability – End of year	<b>\$ 1,216</b>	\$ 1,125

The significant actuarial assumptions adopted in measuring BCFSA's retirement allowance were as follows:

	<b>March 31, 2025</b>	March 31, 2024
At beginning of period		
Discount rate	<b>3.60%</b>	4.50%
Rate of compensation increase	<b>3.00%</b>	3.00%
Expected Average Remaining Service Life (years)	<b>19</b>	19

The most recent full actuarial valuation was prepared as of March 31, 2024, with the next full valuation expected to be prepared as of March 31, 2026.

#### b) Public Service Pension Plan

Employer contributions to the Pension Plan of \$3,806 were expensed during the period. Every three years, an actuarial valuation is performed to assess the financial position of the Pension Plan and to report on the adequacy of employer and employee contribution rates. The most recent actuarial valuation for the Pension Plan at March 31, 2024, indicated a funding surplus of approximately \$4,491,000 for basic pension benefits. The valuation does not attribute portions of the surplus to individual employers. The Pension Plan covers approximately 75,821 active members as at March 31, 2024, of which approximately 340 were employees of BCFSA.

# BC Financial Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2025 (in \$000s)

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### 7. Inter-entity transactions

BCFSA administers CUDIC, which guarantees 100 per cent of deposits and non-equity shares (issued before January 1, 2020) of BCFSA authorized credit unions. A director on the BCFSA board of directors is also a director of the CUDIC board of directors. BCFSA has the ability to exercise control over CUDIC. BCFSA provides administrative services to CUDIC on a cost recovery basis. Recovery from CUDIC for the year ended March 31, 2025 was \$12,236 (2024 - \$10,368).

### 8. Risk management

As a result of its financial instruments, BCFSA is exposed to credit risk and liquidity risk. A qualitative and quantitative analysis of those risks is provided below.

#### Credit risk

Credit risk is the risk of loss resulting from failure of an individual or group to honour their financial obligations. BCFSA's accounts receivable are due primarily from credit unions, pension plans, related entities, and insurance companies. To mitigate this risk, BCFSA periodically reviews the collectability of its accounts receivable and establishes a provision based on its best estimate of potentially uncollectible amounts. As at March 31, 2025, the amount of provision for losses was \$894 (note 4). BCFSA's cash, which is held at a Schedule I Canadian financial institution, was not exposed to significant credit risk.

#### Liquidity risk

Liquidity risk is the risk that BCFSA will not be able to meet its financial operating obligations as they become due. It is BCFSA's intention to meet its financial obligations through the collection of: accounts receivable; cash on hand; and future licensing, registration, and other fee revenue.

BCFSA's principal source of revenue is from its licensing and registration accountabilities. All BCFSA's financial assets and liabilities mature within one year.

# BC Financial Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2025 (in \$000s)

### 9. Tangible capital assets

<b>March 31, 2025</b>	<b>Systems and Software</b>	<b>Tenant Improve- ments</b>	<b>Information Technology Hardware</b>	<b>Office Furniture</b>	<b>Total Assets</b>
<b>Cost</b>					
Opening balance	\$ 20,240	\$ 3,465	\$ 1,597	\$ 898	\$ 26,200
Additions	-	41	93	162	296
Closing balance	<u>20,240</u>	<u>3,506</u>	<u>1,690</u>	<u>1,060</u>	<u>26,496</u>
<b>Accumulated amortization</b>					
Opening balance	4,623	465	1,026	497	6,611
Amortization	<u>2,106</u>	<u>289</u>	<u>291</u>	<u>126</u>	<u>2,812</u>
Closing balance	<u>6,729</u>	<u>754</u>	<u>1,317</u>	<u>623</u>	<u>9,423</u>
<b>Net book value</b>	<b>\$ 13,511</b>	<b>\$ 2,752</b>	<b>\$ 373</b>	<b>\$ 437</b>	<b>\$ 17,073</b>

<b>March 31, 2024</b>	<b>Systems and Software</b>	<b>Tenant Improve- ments</b>	<b>Information Technology Hardware</b>	<b>Office Furniture</b>	<b>Total Assets</b>
<b>Cost</b>					
Opening balance	\$ 19,903	\$ 3,362	\$ 1,390	\$ 461	\$ 25,116
Additions	<u>337</u>	<u>103</u>	<u>207</u>	<u>437</u>	<u>1,084</u>
Closing balance	<u>20,240</u>	<u>3,465</u>	<u>1,597</u>	<u>898</u>	<u>26,200</u>
<b>Accumulated amortization</b>					
Opening balance	2,465	192	693	291	3,641
Amortization	<u>2,158</u>	<u>273</u>	<u>333</u>	<u>206</u>	<u>2,970</u>
Closing balance	<u>4,623</u>	<u>465</u>	<u>1,026</u>	<u>497</u>	<u>6,611</u>
<b>Net book value</b>	<b>\$ 15,617</b>	<b>\$ 3,000</b>	<b>\$ 571</b>	<b>\$ 401</b>	<b>\$ 19,589</b>

# BC Financial Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2025 (in \$000s)

### 10. Commitments

Major contract commitments and operating lease payments for the years ending March 31 are as follows:

		2026	2027	2028	2029	2030	2031-2036
Contract commitments	\$	10,683	2,124	322	61	34	-
Operating leases		1,159	1,202	1,231	1,256	1,271	6,059
Total commitments	\$	<b>11,842</b>	<b>3,326</b>	<b>1,553</b>	<b>1,317</b>	<b>1,305</b>	<b>6,059</b>

### 11. Expenses by type

The following is a summary of expenses by type:

	March 31, 2025	March 31, 2024
Compensation and benefits	\$ 55,789	\$ 47,211
Professional services	11,317	8,787
Office and administrative	11,359	10,665
Amortization	2,812	2,970
	<b>\$ 81,277</b>	<b>\$ 69,633</b>

### 12. Trust assets

BCFSA acts as the administrator of CUDIC and RECFC. The assets, liabilities, and operating results of CUDIC and RECFC have not been included in the statement of financial position or in the statement of operations. As at March 31, 2025, the balances of CUDIC were as follows:

	March 31, 2025	March 31, 2024
Assets	\$ 992,944	\$ 913,524
Liabilities	7,344	2,272
Equity	<b>\$ 985,600</b>	<b>\$ 911,252</b>

# BC Financial Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2025 (in \$000s)

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### 12. Trust assets - continued

As at March 31, 2025, the balances of RECFC were as follows:

	<b>March 31, 2025</b>	March 31, 2024
Assets	<b>\$ 26,535</b>	\$ 24,899
Liabilities	<b>1,261</b>	889
Equity	<b>\$ 25,274</b>	<b>\$ 24,010</b>

### 13. Budgeted figures

Budgeted figures have been provided for comparison purposes and are from the budget approved by the Board of Directors of BCFSa on January 5, 2024.