

# BC Securities Commission

## 2024/25 Annual Service Plan Report

August 2025



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Published by the BC Securities Commission

## Board Chair's Accountability Statement



The BC Securities Commission 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. I am accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in black ink, appearing to be 'B. Leong', written over a light blue horizontal line.

Brenda M. Leong  
Chair and CEO  
July 29, 2025

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## Letter from the Board Chair & CEO

The BC Securities Commission (BCSC) is an independent Crown agency committed to fair, efficient and innovative investment markets that foster participation by all investors and market participants.

Throughout 2024/25, the BCSC honoured Government's commitment to advance results that people can see and feel – in particular, in fostering a fair economy that delivers affordability and prosperity.

We operate in a world influenced by geopolitical issues, rapidly emerging technologies, social and environmental considerations, changing investor behaviours and a proliferation of online fraudulent investment schemes. The BCSC endeavours to understand the context in which we operate, so that we can evolve our regulatory approaches to protect investors, support innovation and foster competitive capital markets.

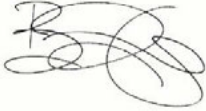
Investors continue to invest in crypto assets and are increasingly basing their investment decisions on social media or other online interactions. Collaborating with our regulatory partners, we continued to advance a regulatory framework for crypto assets and crypto trading platforms, including an interim approach to the regulation of stablecoins, and we encouraged investors to trade crypto assets on registered platforms.

Recognizing that traditional approaches to enforcement are not as effective in combatting online fraud, we are taking more disruptive actions against online fraudulent investment schemes. We also recognized that to reach investors with fraud warnings, we needed to find a way to cut through the noise on social channels. This is why we rolled out a bold, attention-getting advertising campaign aimed at helping investors protect themselves against fraudulent investment schemes that use artificial intelligence (AI) to lure investors. The campaign received overwhelmingly positive attention - locally, nationally and internationally.

Operating in a low-interest rate environment and with inflation under control, Canadian investment markets ended strong at the end of 2024/25. Since then, the outlook is uncertain given the recent unpredictability of U.S. trade policy and the magnitude of its impact. In the last quarter of the fiscal year, the BCSC, together with its partners in the Canadian Securities Administrators (CSA), began the work to respond to this uncertainty by considering initiatives to support a more competitive, efficient, and resilient Canadian investment market. This included measures to support market participants that choose to go public, maintain a listing, and contribute to capital formation in Canada. The CSA also considered pausing work on the development of a new mandatory climate-related disclosure rule and diversity-related disclosure requirements, anticipating that both projects would be revisited in future years to finalize requirements for issuers.

We are working towards lasting and meaningful reconciliation with Indigenous Peoples by continuing to build partnerships and participating in Indigenous job fairs and conferences. We also continue work with the Canadian Securities Administrators' Taskforce on Indigenous Peoples in the Capital Markets.

The BCSC proactively engages with the Ministry of Finance at all levels to ensure strategic alignment with the Ministry's priorities and objectives. Ongoing and regular dialogue with the Ministry about emerging policy issues and our enforcement actions is critical to our success in meeting our strategic objectives.

A handwritten signature in black ink, appearing to be 'B. Leong', with a stylized, cursive script.

Brenda M. Leong  
Chair and Chief Executive Officer  
July 29, 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 BCSC's [2024/25 – 2026/27 Service Plan](#) and the actual results reported on in this annual report.

## Purpose of the Organization

The BCSC is the independent provincial government agency responsible for regulating capital markets in British Columbia (B.C.). Its enabling legislation is the [Securities Act, RSBC 1996, c. 418](#), and its mission is to protect and promote the public interest by fostering:

- A capital market that is fair and warrants public confidence.
- A dynamic and competitive securities industry that provides investment opportunities and access to capital.

The BCSC benefits the public by protecting investors and the integrity of B.C.'s capital markets. It aims to deliver effective regulation of rapidly evolving investment markets. The BCSC:

- Reviews businesses' offering documents and continuous disclosure, so investors have the information they need to make informed investment decisions.
- Reviews applications for registration from those that trade securities, provide advice, or manage portfolios or investment funds, to ensure they are qualified, ethical, and solvent.
- Takes action against those who contravene securities laws to deter misconduct and mitigate investor losses.
- Educates investors to protect themselves and educates industry participants to understand how to comply with securities law requirements.
- Advances regulatory policy initiatives to support capital formation and innovation, and mitigate risk to B.C.'s capital markets and investors.

## Operating Environment

The BCSC works collaboratively with other Canadian securities regulators to protect investors from unfair, improper, or fraudulent practices and to foster fair and efficient capital markets under the umbrella of the Canadian Securities Administrators (CSA). Operating under a national and largely harmonized system influences and impacts how the BCSC approaches securities regulation. While it endeavours to achieve highly harmonized regulations within the CSA, in some cases, local priorities and imperatives may lead to the adoption of different regulations or approaches to regulatory decisions in the jurisdictions.

Capital markets and the wealth management industry are rapidly evolving. Innovation and technology are continually presenting new opportunities and new challenges for the BCSC and other financial regulators. To keep up with this rapid pace of change, the BCSC is focused on four areas: building capacity, enhancing investor protection, calibrating regulation to innovation, and modernizing the regulatory framework.

- **Building Capacity** – The evolution of capital markets, including the proliferation of new investment products, new platforms for trading investment products, and new channels for disseminating investment-related communications, is generating billions of data points. To manage and optimize its use of this information, the BCSC has embarked on a digital transformation of its internal information systems, which it views as critical to regulatory responsiveness. This digital transformation is foundational to the BCSC’s ability to manage and analyze information, improve the efficiency and effectiveness of regulatory processes, and continually deliver value to the capital markets it regulates and to the investing public. These specialized regulatory systems require considerable human and financial resources to develop and maintain, consuming significant BCSC resources in 2024/25.

- **Enhancing Investor Protection** – The BCSC continues to focus significant resources on combatting market misconduct, including complex multi-party schemes that are abusive to the capital markets, and brazen frauds perpetrated on unsuspecting investors. Rapid changes in technology – including the increasing prevalence of AI and the proliferation of the use of social media – heightens the risk for investors. The BCSC has seen a significant rise in complaints from victims of online investment frauds perpetrated by offshore organized crime, beyond the reach of the BCSC or any Canadian law enforcement agency.

To aid its enforcement efforts against market misconduct, the BCSC’s whistleblower program has been providing the BCSC with more actionable intelligence about misconduct that would otherwise be difficult to obtain. The BCSC is also leading a CSA task force that is identifying regulatory and technological impediments to addressing abusive promotions and trading and examining ways of overcoming those obstacles. It has been pursuing innovative methods to identify, prevent, and analyze improper activity carried out on the internet, including on social media platforms.

To strengthen investor redress, it is co-leading a CSA effort to strengthen the Ombudsman for Banking Services and Investments (OBSI) – an independent dispute resolution service – with



the authority to make binding investor compensation awards in disputes between investment firms and clients.

The BCSC has also been vigorously pursuing sanctioned individuals for unpaid penalties, including using the tools in the 2020 Securities Act amendments. Efforts to collect financial sanctions by the BCSC and other securities regulators were set back by a July 2024 ruling by the Supreme Court of Canada, which held that the federal [Bankruptcy and Insolvency Act](#) does not allow for survival of securities regulators' administrative penalties once a person is discharged from bankruptcy. On behalf of the CSA, the BCSC is engaging with the federal government to seek an amendment to that law that would add securities regulators' financial sanctions to the list of debts that survive bankruptcy.

• **Calibrating Regulation to Innovation** – Applications of decentralized ledger technology are constantly evolving, introducing new products and business models at an unprecedented pace. New forms of crypto assets are trading over a growing number of novel trading platforms, with heightened risk to investors. To mitigate these risks, the BCSC has been working with the CSA to regulate certain platforms as they relate to securities and derivatives legislation, and to regulate value-referenced crypto assets, also known as stablecoins.

In addition, traditional investment services are being transformed by technology, including mobile trading applications and the prospect of AI-based trading advice. The BCSC has been closely monitoring these innovations to determine an appropriate securities regulatory framework that would support innovation and investor protection.

• **Modernizing the Regulatory Framework** – The Canadian Investment Regulatory Organization (CIRO) continues its work to bring together the operations of its predecessor self-regulatory organizations. The BCSC jointly coordinated the CSA's oversight of CIRO in its first two years, a period that included CIRO's consolidation of its member rules, integration of enforcement teams and procedures, and implementation of updated governance policies. The BCSC has also co-led the creation of a new CSA mechanism to explore, with industry, the market impact and regulatory implications of new technologies and business models, and when warranted, to test those innovations in a controlled regulatory space; its first project is the portability of client data in the investment market.

The BCSC continues to consider meaningful ways to include the issues affecting Indigenous peoples, as well as their perspectives, in its policy and operational work. It has begun this work through the creation of a CSA Task Force on Indigenous Peoples in the Capital Markets and local engagement with B.C. Indigenous peoples and organizations.

The environment in which the BCSC operates is dynamic, and it works diligently to meet the demands of this rapidly changing environment. Capital-raising in B.C. was very strong in 2024/25 resulting in a record level of distributions revenue. However, given recent developments in the economic environment, it seems unlikely that those levels will be repeated.

# 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 the latest [Service Plan](#).

## Goal 1: Support fair, efficient, and innovative Canadian capital markets

### Objective 1.1: Promote a culture of compliance

Investors expect that the firms and individuals that trade or advise in securities will treat them honestly and fairly. Investors also expect the businesses and investment funds raising money in the capital markets to provide accurate and transparent information. BCSC regulatory activities, including examining registered firms and reviewing listed company continuous disclosure, promote a culture of compliance. The BCSC encourages market participants to build processes and organizational cultures that help them to proactively comply with securities law requirements.

#### Key results

- Reviewed and developed responses to public comments regarding the 2023-2024 consultation on a proposed framework that anticipates that the Ombudsman for Banking Services and Investments (OBSI) would have the authority to make binding final decisions. The responses developed include information on the CSA's contemplated approach to oversight over OBSI.
- Published an update to market participants with the near-final drafts of the modernized NI 43-101 Standards of Disclosure for Mineral Projects, and related Form 43-101F1 Technical Report and Companion Policy 43-101, to begin early discussions with the mining industry on the proposed amendments at the Prospectors and Developers Association of Canada Convention in March 2025. The project aims to update and enhance the CSA's current mineral disclosure requirements to provide investors with more relevant and improved disclosure, while continuing to foster fair and efficient capital markets for mining issuers.
- The CSA, including the BCSC, paused work on developing a mandatory climate-related disclosure rule and diversity-related disclosure requirements. This was done to support Canadian market competitiveness given recent developments in the U.S. and globally.

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

To promote a culture of compliance, the BCSC worked diligently to ensure firms and individuals understand their principles-based obligations and specific legal requirements. It performed compliance reviews and published its findings and supported them with

educational outreach. It also regulated trading of over-the-counter derivatives and private placements of securities by companies required to report to the BCSC.

In many cases, the BCSC took decisive action to correct non-compliance with securities regulations. It issued cease trade orders for late filings and later revoked them when the issuer or individual subsequently complied with its standards.

The BCSC also imposed administrative penalties to address less serious violations of investment market rules that require more than a warning to deter future non-compliance.

To enhance compliance in emerging areas, in partnership with the CSA and CIRO, the BCSC worked with unregistered crypto asset trading platforms (CTPs) to complete the process to ensure that all CTPs operating in Canada are registered or recognized, as applicable.

To reinforce expectations for investor relations disclosure, the BCSC issued a notice to raise awareness of a 2023 BCSC decision about promotional disclosure, and how it must be presented to comply with the law.

To help public companies and their advisors understand and comply with their continuous disclosure obligations, the CSA, including the BCSC, published the biennial report on its Continuous Disclosure Review Program. This report provides an overview of the Program results and highlights key findings and outcomes over the past two fiscal years.

## Objective 1.2: Advance cost-effective regulation

The BCSC aims to provide strong investor protection and foster market integrity at an appropriate cost by focusing on:

- Emphasizing practical solutions that provide significant benefits that exceed costs.
- Using its resources efficiently through risk management, teamwork, and relevant performance measures.
- Delivering regulatory services reliably on a timely basis, recognizing that delay adds costs for market participants.

### Key results

- As part of the BCSC's digital transformation project, completed development and launched a new internal centralized system for storing information on market participants from a variety of national systems. Additionally, completed the development of management dashboards and the workflow system for continuous disclosure reviews of reporting issuers, and made progress on the development of the workflow system for compliance reviews of registered firms, scheduled for release in 2025/26.
- Worked with crypto asset trading platforms, including large global platforms, to complete their authorization processes to enable them to offer their services in British Columbia, and supported emerging financial technologies through consultation with its Fintech Advisory Forum.

- In partnership with the CSA, launched a new initiative called the CSA Collaboratory to engage with industry on emerging fintech issues, and launched the first test under the CSA Collaboratory on data portability.
- Announced final rules modernizing the prospectus filing model for investment funds that reduce regulatory burden without affecting the quality or timeliness of information available to investors.
- Published for comment proposed amendments that would allow non-investment fund reporting issuers to provide investors with electronic access to annual financial statements, interim financial reports and related management's discussion and analysis, without impacting investors' ability to request, or provide standing instructions to receive, those documents in electronic or paper form.

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

Under the new rules to modernize the investment fund prospectus regime, investment funds in continuous distribution will now be able to file prospectuses every two years instead of annually. Investors continue to have access to continuous disclosure documents, as well as the Fund Facts and the ETF Facts, which are updated annually, and will still be able to request the prospectus or access it online.

Following the publication last fiscal year of guidance relating to value-referenced crypto assets (VRCAs), also known as stablecoins, the BCSC implemented an interim framework for VRCAs to permit limited client transactions relating to VRCAs on crypto asset trading platforms until a longer-term framework is implemented.

In response to the increasing prevalence of AI, in collaboration with the CSA, the BCSC published a guidance and consultation paper on the applicability of securities laws to the use of AI in the capital markets.

**Performance measure(s) and related discussion**

<b>Performance Measure</b>	<b>2022/23 Baseline</b>	<b>2023/24 Actual</b>	<b>2024/25 Target</b>	<b>2024/25 Actual</b>
1a Percentage of reviewed issuers that reduce deficiencies <sup>1</sup>				
i. Improved disclosure subsequent to a continuous disclosure review	87.5%	100%	>90%	92%
ii. Improved disclosure to minimum standards	87.5%	100%	>90%	92%
1b Percentage of issuers reviewed that are non-compliant with standards for technical disclosure <sup>2</sup>				
i. Percentage of issuers' technical reports reviewed that were required to be amended and refiled	22.2%	27.5%	<30%	27.8%
ii. Percentage of issuers reviewed placed in default for non-compliant technical disclosure in documents other than technical reports	21.6%	18.7%	<25%	16.9%
1c Average number of repeat deficiencies per examination in Capital Markets Regulation <sup>3</sup>	0.13	0.86	0.64	1.14
1d Average score on cost-effective regulation scorecard <sup>4</sup>	98%	92%	>90%	92%

Data source: <sup>1</sup>Internal evaluation of subsequent disclosure. <sup>2</sup>Data recorded in established tracking systems. <sup>3</sup>Data recorded in established tracking systems. <sup>4</sup>Internal evaluation based on staff and management judgement and project documents.

<sup>1</sup>PM 1a targets for 2025/26 and 2026/27 were stated in the 2024/25 - 2026/27 Service Plan as >90% and >90%, respectively. These targets were revised in the latest Service Plan.

<sup>2</sup>PM 1b targets for 2025/26 and 2026/27 were stated in the 2024/25 - 2026/27 Service Plan as <30% and <25%, respectively.

<sup>3</sup>PM 1c targets for 2025/26 and 2026/27 were stated in the 2024/25 - 2026/27 Service Plan as 0.64 and 0.64, respectively. These targets were revised in the latest Service Plan.

<sup>4</sup>PM 1d targets for 2025/26 and 2026/27 were stated in the 2024/25 - 2026/27 Service Plan as >90% and >90%, respectively.

(1a) The BCSC met this target. All issuers who received a comment letter have improved their subsequent disclosure, and the improved disclosure met or exceeded minimum standards.

(1b) This measure reflects material compliance with the mineral project disclosure standards in both technical reports and in all other disclosures including websites and social media. The BCSC met both target percentages. It will consider lowering target measure 1b (ii) for 2026/27

as it continues to see fewer issuers being placed in default for non-compliant technical disclosure.

(1c) Although only two out of the seven firms the BCSC reviewed in 2024/25 had repeat deficiencies, those two firms had an unusually high number of repeat deficiencies. As a result, the BCSC did not meet this performance measure target.

(1d) The BCSC met this target. The target of greater than 90% is set so that, on average, the BCSC achieves its objectives if it hits the standards on the scorecard in all but one area. This year, it scored six completed policy initiatives that went into effect in 2024/25.

## Goal 2: Inspire investor confidence

### Objective 2.1: Act decisively against misconduct

The BCSC's Enforcement Division focuses on cases with a strong B.C. connection. These include:

- Illegal distributions and fraud.
- Market misconduct, including market manipulation and insider trading.
- Regulatory compliance, including non-compliance by dealers and companies.

The BCSC works to deter misconduct and mitigate investor losses through early disruption and timely enforcement. To this end, it:

- Disrupts misconduct by issuing temporary orders and distributing investor alerts.
- Issues preservation orders to preserve assets.
- Investigates and prosecutes misconduct, and seeks administrative orders from its panels, or refers criminal cases to Crown Counsel to be prosecuted.
- Pursues the collection of financial sanctions and returns money to harmed investors when possible.

### Key results

- In a joint operation with the RCMP's Integrated Market Enforcement Team (IMET) in May 2024, identified and delivered warnings to 10 suspected "money mules" to combat offshore investment fraud that targets British Columbians.
- Led a coordinated operation in March 2025 aimed to disrupt online investment schemes, known as pig butchering. The group, composed of Canadian securities regulators, police agencies, crypto trading platforms, and a blockchain analysis firm, worked to identify compromised crypto wallets and warn the owners of the threat in real time so they could take steps to prevent losses.
- Issued eight preservation orders using the powers added to the [Securities Act](#) in 2020, issued five decisions after hearings, entered into 12 settlement agreements, and initiated three administrative penalties imposed by notices.

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

The BCSC acted decisively against misconduct through its early disruption strategies, such as issuing investor alerts and cautions, alone or in conjunction with CSA members. The BCSC aims to stop illegal investment schemes before they start and prevent further participation in existing schemes. Disruptive action provides a visible, valuable benefit to the public.

The BCSC took various actions to collect outstanding sanctions from debtors who refused to pay, including successfully pursuing court proceedings and using a new tool it has had since 2021 that requires ICBC to not issue or renew driver's licences and registration to debtors, and the BCSC ran several claims processes to return money to harmed investors.

The BCSC's Criminal Investigations Branch referred two cases to the Crown for prosecution and obtained charges against five individuals in five cases previously referred.

Working with its CSA colleagues, the BCSC solicited proposals for investment scam website detection and takedown services, and it is currently finalizing the contract with the successful bidder.

## **Objective 2.2: Educate investors**

The BCSC wants British Columbians to understand how investing can help them achieve their financial goals, but also to be cautious of emerging investment trends and aware of the warning signs of investment fraud. Through strategic outreach, including targeted advertising campaigns, it promotes awareness of investment fraud and instills financial confidence in investors to help them make informed decisions.

### **Key results**

- Developed and launched a new AI fraud prevention campaign, "We're Not All F\*\*ked". This educational campaign is the BCSC's boldest yet and was developed to help British Columbians identify the signs of an AI investment scam. The campaign includes assets developed for TV, radio, Spotify, and social media (TikTok, Facebook, Instagram, and YouTube.)
- Promoted short videos on Facebook and YouTube about investment misconduct and BCSC's efforts to stop it, leading to more than 14,232 views and 6,586 click-throughs to the BCSC's enforcement microsite, called "Guardians of British Columbia's Investment Market", and to 20 new followers of the BCSC's social media channels.
- Increased use of social media and email newsletters to strengthen reach with younger British Columbians and educate them about investment fraud. The BCSC's social media channels used trending audio and video to increase awareness of topics such as pig butchering, money mule scams, crypto scams, and AI fraud.

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

During 2024/25 the BCSC maintained its approach to sharing investor education and investment fraud warning signs through multiple channels – social media, newsletters, BCSC

websites, and in-person outreach. The BCSC's work to educate investors means it must be responsive to emerging issues in the marketplace. The increasing fraud associated with AI and crypto is one of the key issues facing investors today.

Fraud knows no boundaries, so the BCSC seeks to reach all British Columbians regardless of age, gender, demographic, and language. Research shows that younger adults have lower investment literacy and are taking on more risk through speculative investing habits, so the BCSC's social media channels focus on those audiences. Protecting seniors remains a focus year-round, and the BCSC marks World Elder Abuse Awareness Day each June 15.

The BCSC used research to build investor personas to inform its content strategy and work. It focused on the following:

- reaching seniors and their loved ones to protect seniors from investment fraud;
- sharing in-language resources in six languages through paid social media campaigns in multiple languages;
- increasing newsletter subscribers to diversify its ability to reach British Columbians outside social media, and
- delivering mini campaigns on various investor education topics.

The BCSC continued a Google search campaign which aimed to share its resources when a variety of terms related to investing and regulation were searched.

### Performance measure(s) and related discussion

Performance Measure	2022/23 Baseline	2023/24 Actual	2024/2025 Target	2024/2025 Actual
2a Percentage of files where a disruptive step was taken within 30 days of receipt of the file <sup>1</sup>	81.3%	82.2%	>80%	89.7%
2b Percentage of Notice of Hearings, settlement agreements, Reports to Crown Counsel and APIN notices completed within 40 months of receipt of the file <sup>2</sup>	66.7%	56.5%	>70%	95.8
2c Number of views of investment fraud video <sup>3</sup>	5,802	5,875	5,587	7,342
2d Percentage of B.C. public aware of the BCSC <sup>4</sup>	39%	43%	51%	48%

Data source: <sup>1</sup>Data recorded in established tracking systems, primarily the BCSC Enforcement Case Tracking system and in official documents. <sup>2</sup>Data recorded in established tracking systems, primarily the BCSC Enforcement Case Tracking system and in official documents. <sup>3</sup>BCSC InvestRight YouTube channel. <sup>4</sup>Independent survey. Question: As you may know, there is a provincial agency in British Columbia responsible for regulating securities investments called the BC Securities Commission. Now that we have mentioned the BC Securities Commission, how familiar would you say you are with this agency?

<sup>1</sup>PM 2a targets for 2025/26 and 2026/27 were stated in the 2024/25 - 2026/27 Service Plan as >80% and >80% respectively.

<sup>2</sup>PM 2b targets for 2025/26 and 2026/27 were stated in the 2024/25 - 2026/27 Service Plan as >70% and >70% respectively.



<sup>3</sup>PM 2c targets for 2025/26 and 2026/27 were stated in the 2024/25 - 2026/27 Service Plan as 5,866 and 6,159, respectively.

<sup>4</sup>PM 2d targets for 2025/26 and 2026/27 were stated in the 2024/25 - 2026/27 Service Plan as 54% and 57%, respectively. These targets were revised in the latest Service Plan.

(2a) This measure focuses on reporting on disruptive actions taken during active misconduct. The BCSC, along with other securities regulators, has increased its focus on disruptive action against securities misconduct in recent years, particularly because of the significant rise in misconduct related to crypto assets promoted through social media, and the significant challenges in investigating and prosecuting this type of misconduct. Its goal is to take some form of disruptive action in 80% of Enforcement files in which it takes a disruptive step, within 30 days of the Enforcement Division receiving the file. In 2024/25, the BCSC surpassed its goal by taking disruptive action within 30 days of receipt of the file in 89.7% of files.

(2b) This measure encompasses administrative cases, criminal and quasi-criminal cases, and Administrative Penalties Imposed by Notice (APIN). The BCSC strives to finalize 70% of Notices of Hearings, settlement agreements, reports to crown counsel and APIN notices within 40 months of the Enforcement Division receiving the file. This is the first year it has used and reported this measure. It finalized 23 out of 24 matters (or 95.8%) within 40 months of the matter being received by Enforcement.

(2c) The BCSC met this target. Views are a result of an online advertising campaign targeted at British Columbians. This measure reflects the importance of educating British Columbians about fraud and reporting it to the BCSC. Targets are set through a five-percent increase in year-over-year targets.

(2d) The BCSC did not meet this target. However, awareness continued climbing throughout the year and it achieved its highest percentage since 2014. This success could be attributed to its consistent “always-on” approach to public advertising and the launch of its new AI fraud prevention campaign in Q4. This target has been revised in the [2025/26-2027/28 Service Plan](#) and set at 45% to acknowledge that increasing targets may not be possible due to various factors including budget.

## Financial Report

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

## Discussion of Results

The BCSC prepared this discussion of financial position and results of operations of the BCSC on May 8, 2025. Read it in conjunction with the BCSC's audited financial statements for the year ended March 31, 2025.

The BCSC reports in Canadian dollars. It rounds totals and percentages. Year references are to fiscal years ending March 31.

The BCSC is the provincial crown corporation responsible for regulating B.C. investment market activity. Results include 25 percent of a government partnership (Partnership) that operates certain shared information systems. It refers to all other operating results as local.

The BCSC incurred an operating deficit of \$1.6 million comprised of an operating surplus of \$3.8 million for local operations and an operating deficit of \$5.4 million for Partnership operations.

The key operating budget variances were:

- Distribution revenue was \$7.2 million (20%) higher than budget due primarily to higher than budgeted exempt distributions fees and percentage-of-proceeds fees, reflecting a favourable distributions market in calendar year 2024.
- Registration revenue was \$0.5 million (2%) lower than budget due to a steady number of registrants compared to a modest budgeted increase.
- Realized gains on local investments were \$1.3 million compared to nil budgeted.
- National systems user fees were \$0.6 million (9%) lower than budget due to a lower number of filings than assumed for budget.
- Local operations expenses were \$2.6 million (3%) lower than budget primarily due to:
  - Salaries and benefits were \$1.2 million (2%) lower than budget due primarily to lower than planned adjustments to compensation.
  - Professional fees were \$0.8 million (15%) lower than budget due primarily to delays in spending on information technology projects.
  - Payments for the whistleblower program were nil compared to the \$0.7 million budget.
- Partnership operations expenses were \$0.6 million (6%) higher than budget primarily due to costs relating to the SEDAR+ national filing system for professional services, information management, and administration.

Local capital spending was \$5.8 million compared to the budget of \$7.2 million, with the variance of \$1.4 million primarily due to slower than planned spending on information technology projects.

Partnership capital spending on information technology of \$2.0 million was very close to the budget of \$2.1 million.

## Financial Summary

<i>(millions)</i>	2023/24 Actual	2024/25 Budget	2024/25 Actual	2024/25 Variance
<b>Revenue</b>				
Regulatory and other local fees:				
Distributions	\$ 32.6	\$ 35.8	\$ 43.0	\$ 7.2
Registration	\$ 20.3	\$ 20.7	\$ 20.2	\$ (0.5)
Financial filings	\$ 4.6	\$ 5.7	\$ 5.8	\$ 0.1
Derivatives and Other fees	\$ 0.7	\$ 1.2	\$ 1.0	\$ (0.2)
	\$ 58.2	\$ 63.4	\$ 70.0	\$ 6.6
Other revenue:				
National systems user fees	\$ 5.7	\$ 6.4	\$ 5.8	\$ (0.6)
Enforcement sanctions	\$ 2.7	\$ 1.0	\$ 1.1	\$ 0.1
Investment income	\$ 3.4	\$ 2.8	\$ 2.6	\$ (0.2)
Realized gains on investments	\$ –	\$ –	\$ 1.3	\$ 1.3
	\$ 11.8	\$ 10.2	\$ 10.8	\$ 0.6
<b>Total Revenue</b>	<b>\$ 70.0</b>	<b>\$ 73.6</b>	<b>\$ 80.8</b>	<b>\$ 7.2</b>
<b>Expenses</b>				
Local salaries and benefits	\$ 45.0	\$ 49.9	\$ 48.7	\$ (1.2)
Other local operations expenses	\$ 19.7	\$ 23.4	\$ 22.1	\$ (1.3)
National systems expenses	\$ 11.2	\$ 11.0	\$ 11.6	\$ 0.6
Realized losses on investments	\$ 3.4	\$ –	\$ –	\$ –
<b>Total expenses</b>	<b>\$ 79.3</b>	<b>\$ 84.3</b>	<b>\$ 82.4</b>	<b>\$ (1.9)</b>
<b>Annual (Deficit) Surplus</b>	<b>\$ (9.3)</b>	<b>\$ (10.7)</b>	<b>\$ (1.6)</b>	<b>\$ 9.1</b>
<b>Supplementary Information</b>				
Unrestricted surplus & accumulated remeasurement gains/losses	\$ 74.7	\$ 65.9	\$ 79.9	\$ 14.0
Restricted surplus	\$ 46.0	\$ 42.3	\$ 40.6	\$ (1.7)
Local capital expenditures	\$ 8.3	\$ 7.2	\$ 5.8	\$ (1.4)
Partnership capital expenditures	\$ 12.1	\$ 2.1	\$ 2.0	\$ (0.1)
Debt	\$ –	\$ –	\$ –	\$ –

## Variance and Trend Analysis

### Revenues

The BCSC does not receive taxpayer funding. Most of its revenue comes from local filing, registration, and application fees paid by market participants under the [Securities Act](#). Its revenue also includes 25 percent of the national systems user fees earned by the Partnership. The remainder of its revenue is enforcement sanctions and investment income.

#### Proportion of total revenue by source and year

	2020/21	2021/22	2022/23	2023/24	2024/25
Distributions	53%	46%	50%	47%	53%
Registration	26%	34%	27%	29%	25%
Financial filings	7%	6%	7%	6%	7%
Exemptive orders and other fees	1%	1%	1%	1%	1%
National systems user fees	10%	8%	9%	8%	7%
Enforcement sanctions	0%	2%	2%	4%	2%
Investment income	2%	3%	4%	5%	3%
Realized gains on investments	1%	-	-	-	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Local revenue

(thousands)	2024/25 Actual versus Budget				2024/25 Actual versus 2023/24			
	Actual	Budget	Variance	%	2024/25	2023/24	Variance	%
Distributions	\$ 42,954	\$ 35,780	\$ 7,174	20%	\$ 42,954	\$ 32,556	\$ 10,398	32%
Registration	20,232	20,710	(478)	(2%)	20,232	20,276	(44)	(-%)
Financial filings	5,755	5,730	25	0%	5,755	4,629	1,126	24%
Derivatives and Other fees	989	1,233	(244)	(20%)	989	690	299	43%
Enforcement sanctions	1,110	1,000	110	11%	1,110	2,692	(1,582)	(59%)
Investment income	2,189	2,200	(11)	(1%)	2,189	2,683	(494)	(18%)
Realized gains on investments	1,333	-	1,333	100%	1,333	-	1,333	100%
	\$ 74,562	\$ 66,653	\$ 7,909	12%	\$ 74,562	\$ 63,526	\$ 11,036	17%

The BCSC collects the following fees:

- *Distribution fees*, from companies and investment funds, to file offering disclosure documents, which includes fees related to proceeds of the offering
- *Registration fees*, from firms and individuals, to register with the BCSC to sell or advise on investments
- *Financial filings fees*, from public companies and investment funds, to file annual and interim financial statements
- *Other fees*, from market participants, primarily to request [Securities Act](#) exemptions

Distribution revenue was \$7.2 million (20%) higher than budget due primarily to exempt distributions fees exceeding the budget by \$3.7 million, and percentage-of-proceeds fees exceeding the budget by \$3.5 million (\$1.9 million for mutual funds and \$1.6 million for non-mutual funds). These positive budget variances are similar to the increases over the preceding year and reflect the volatility of capital markets.

Registration revenue was \$0.5 million (2%) lower than budget due to a steady number of registrants compared to a modest budgeted increase.

Unbudgeted realized gains of \$1.3 million occurred relating to local investments.

## Enforcement sanctions

The BCSC vigorously pursues outstanding sanctions arising from its enforcement actions. It registers all its decisions with the Supreme Court and uses a myriad of tools to collect outstanding sanction amounts. For example, it seizes and sells assets, garnishes bank accounts, and compels debtors to enter into court ordered payment plans. The BCSC initiates legal proceedings as appropriate to recover assets and participates in other court proceedings that return money to investors.

Sanctions include administrative penalties, disgorgement orders, and amounts owing under settlement agreements. When monies are recovered, the BCSC takes steps to return those monies to investors through its disgorgement process and court proceedings.

Enforcement sanctions revenue depends on the timing of enforcement actions completed during the year and on the BCSC's ability to collect assessed amounts. During the year, it assessed sanctions of \$23.9 million. It collected \$1.4 million of which \$1.0 million related to sanctions imposed in the current year and \$0.4 million related to sanctions imposed in prior years. In the preceding year, it collected \$3.7 million.

The BCSC has a claims process for investors for any money that it obtains in payment of BCSC disgorgement orders. The Commission allocates to a reserve within the accumulated operating surplus, amounts collected for disgorgement orders that the Commission has not paid to investors after adjudicating all claims, as well as revenue from administrative penalties, and settlement agreements. It uses the reserve to:

- educate securities market participants and the public about investing, financial matters, or the operation or regulation of securities markets,
- benefit third parties the Commission considers appropriate,
- enforce (including collecting on) these orders, and
- process claims to proceeds from disgorgement orders.

## Operating Expenses

Salaries and benefits and occupancy costs account for about 74 percent of local operating expenses.

Partnership expenses include fees paid to contracted IT service providers, the compensation of Partnership employees, and depreciation of the national filing systems.

Local and Partnership operations are exempt from income taxes. Locally, the BCSC pays PST (7%) and GST (5%) on taxable purchases but recovers the GST. Partnership fees are HST-exempt, and the Partnership pays recoverable HST on taxable purchases.

### Local operations expenses

Employee compensation accounts for approximately 69 percent of local expenses. The BCSC competes for professional staff with other regulators, law and accounting firms, and the securities industry. It awards performance-based salary increases, and when appropriate, makes targeted market adjustments, all subject to provincial compensation guidelines.

The BCSC engages consultants when it needs specialized services, or when outsourcing is more cost-effective than performing the work itself. Fiscal 2025 professional service costs related primarily to advanced analytics and information technology consulting, legal services including collections support, the BCSC's share of CSA project and management costs, legislative counsel services, internal and external audit services, and HR consulting.

The BCSC runs local operations from an office in downtown Vancouver. Its leasing arrangements expire in November 2031.

The BCSC educates the public and market participants about investing, financial matters, and the operation or regulation of investment markets. Almost all of the education spending in 2025 was on investor education.

Local information management costs include fees for software licensing and maintenance, and electronic information services. Depreciation expense is primarily for the BCSC's local information technology. Other operating expenses include administration, telecommunications, business travel, training, and external communications.

	2024/25 Actual versus Budget				2024/25 Actual versus 2023/24			
<i>(thousands)</i>	Actual	Budget	Variance	%	2025	2024	Variance	%
Salaries and benefits	\$ 48,675	\$ 49,870	\$ (1,195)	(2%)	\$ 48,675	\$ 44,961	\$ 3,714	8%
Information management	4,801	4,840	(39)	(1%)	4,801	4,323	478	11%
Investor education	4,700	4,100	600	15%	4,700	3,777	923	24%
Professional services	4,550	5,350	(800)	(15%)	4,550	4,078	472	12%
Occupancy	3,835	3,795	40	1%	3,835	4,144	(309)	(7%)
Depreciation	2,273	2,480	(207)	(8%)	2,273	1,738	535	31%
Other	1,991	2,947	(956)	(32%)	1,991	1,708	283	17%
	<b>\$ 70,825</b>	<b>\$ 73,382</b>	<b>\$ (2,557)</b>	<b>(3%)</b>	<b>\$ 70,825</b>	<b>\$ 64,729</b>	<b>\$ 6,096</b>	<b>9%</b>

Total expenses for local operations were \$2.6 million (3%) lower than budget primarily due to the following:

- Salaries and benefits were \$1.2 million (2%) lower than budget due primarily to lower than planned adjustments to compensation.
- Professional services expenses were \$0.8 million (15%) lower than budget due primarily to delays in spending on information technology projects.
- Payments for the whistleblower program, included in “Other” in the above table, were nil compared to the \$0.7 million budget.
- Depreciation expense was \$0.2 million (8%) lower than budgeted due to later-than-planned place-in-service dates on a key information technology project.
- Partially offsetting the above factors, investor education expenditures were \$0.6 million (15%) higher than budgeted due to additional spending on media for the BCSC’s “Working For You” and AI campaigns.

Total expenses for local operations were \$6.1 million (9%) higher than the prior year due primarily to an increase in FTEs, merit-based salary increases, increased spending on investor education, the ongoing shift to subscription services resulting in higher information management expense, higher depreciation relating to recent information technology projects, and increased professional services spending on HR and collections matters, with the preceding factors partially offset by lower occupancy costs due to reducing office space in late fiscal 2024.



## Partnership

Effective April 2, 2013, the BCSC, the Alberta Securities Commission, the Ontario Securities Commission, and the Autorité des marchés financiers (collectively, the Principal Administrators or PAs), agreed to oversee certain shared information systems on behalf of the CSA. Each of the PAs has one vote on national systems matters. The Partnership is a government partnership under the Canadian Public Sector Accounting Standards. Accordingly, our financial statements include 25 percent of the assets, liabilities, net assets, revenues, and expenses of the Partnership.

(thousands)	2024/25 Actual versus Budget				2024/25 Actual versus 2023/24			
	Actual	Budget	Variance	%	2025	2024	Variance	%
National systems user fees	\$ 5,821	\$ 6,425	\$ (604)	(-9%)	\$ 5,821	\$ 5,749	\$ 72	1%
Partnership investment income	424	575	(151)	(-26%)	424	677	(253)	(-37%)
National systems expenses	11,630	11,000	630	6%	11,630	11,168	462	4%
<b>Annual (deficit) surplus</b>	<b>\$ (5,385)</b>	<b>\$ (4,000)</b>	<b>\$ (1,385)</b>	<b>35%</b>	<b>\$ (5,385)</b>	<b>\$ (4,742)</b>	<b>\$ (643)</b>	<b>14%</b>

The annual deficit for Partnership operations was \$5.4 million, \$1.4 million (35%) higher than the budgeted deficit. National systems user fees were \$0.6 million (9%) lower than budget due primarily to a lower-than-expected number of filings. Investment income was \$0.2 million (26%) lower than budgeted due to drawing down investments. National systems expenses were \$0.6 million (6%) higher than budget primarily due to professional services fees, and information management and administrative costs relating to the SEDAR+ filing system project.

The annual deficit for Partnership operations of \$5.4 million compares to a deficit of \$4.7 million in the prior year primarily due to lower systems user fee revenue and higher depreciation expense.

## Investment income and Realized losses on investments

The BCSC's four investment objectives for local investments are: ensure funds are available to withdraw as needed, protect against decreases in financial assets, avoid actual and perceived conflicts, and supplement local fee revenue by earning a positive real rate of return. It invests funds in bank deposits and in pooled investment funds managed by the British Columbia Investment Management Corporation.

At March 31, 2025, the BCSC had \$5.9 million in local demand deposits and \$57.2 million in pooled investment funds. The Partnership's investments of \$0.3 million as at March 31, 2025, are in a notice account.

Investment income was \$2.6 million compared to budget of \$2.8 million with the variance due to the Partnership, as investments were drawn down. Investment income excludes unrealized gains and losses relating to measuring investments at fair value; unrealized gains and losses are recorded in accumulated surplus.

## Capital Expenditures

Additions to local tangible capital assets of \$5.8 million were primarily for information technology infrastructure upgrades. Additions to the Partnership information technology of \$2.0 million related to the national filing system SEDAR+.

## Risks and Uncertainties

This section discusses risks that may impact BCSC financial results.

The BCSC practices enterprise risk management to identify and manage its risks and support its strategic planning process. It maintains a business continuity plan for its critical functions.

Investment markets activity can be volatile, causing local revenue to fluctuate. The BCSC's accumulated reserves are intended to ensure it has funds to operate through market downturns.

The Partnership funds operations primarily from fees paid by market participants and by drawing down its accumulated surplus. Budgeted and projected Partnership fee revenue and the accumulated surplus are sufficient to fund Partnership operations for several years.

Under an agreement with CGI Information Systems and Management Consultants Inc. (CGI) that ends on January 12, 2030, CGI hosts and operates several national systems through which the BCSC collects most of its fee revenue. CGI maintains a comprehensive business continuity plan for these systems.

## Internal Control Over Financial Reporting (ICFR)

During the year, the BCSC reviewed its ICFR processes and updated documentation where necessary. No changes were made during the year ended March 31, 2025, that materially affected, or are likely to materially affect, its ICFR. Internal auditors tested operating effectiveness of the BCSC's ICFR as at March 31, 2025, and concluded that the ICFR was operating effectively, and that there are no material weaknesses.

## 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
Protect B.C. investors through decisive enforcement and fine collection, delivering targeted education programs, and developing and using new regulatory tools.	Ongoing: <ul style="list-style-type: none"> <li>See summary of progress made in 2024/25 under <a href="#">Objective 2.1: Act decisively against misconduct</a>; and <a href="#">Objective 2.2: Educate investors</a>.</li> </ul>
Support strong public venture markets by streamlining and modernizing regulations.	Ongoing: <ul style="list-style-type: none"> <li>Work related to CSA policy development. See “Review and modernize regulations affecting reporting issuers” under <a href="#">Objective 1.2: Advance cost-effective regulation</a>.</li> </ul>
Maintain a modern regulatory framework and make best efforts to harmonize securities rules with other provinces and territories.	Ongoing: <ul style="list-style-type: none"> <li>The BCSC works with its CSA partners to harmonize securities rules across Canada to maximize streamlined processes and costs for reporting issuers and non-reporting issuers.</li> </ul>
Leverage expertise with other regulatory authorities to ensure regulatory actions are coordinated, targeted and effective.	Ongoing: <ul style="list-style-type: none"> <li>The BCSC continued to work in concert with other regulators regarding regulatory actions including the application of reciprocal orders across Canada.</li> </ul>
Foster financial and other technology innovations in B.C. by adopting flexible regulatory strategies.	Ongoing: <ul style="list-style-type: none"> <li>See “Regulate financial technologies to support innovation” under <a href="#">Objective 1.2: Advance cost-effective regulation</a>.</li> </ul>

2021/22 and 2023 Mandate Letter Priority	Status as of March 31, 2025
Collaborate with government to improve the effectiveness of B.C.'s Anti-Money Laundering Regime.	<p>Ongoing:</p> <ul style="list-style-type: none"><li>• The BCSC is a Principal Partner in the Counter Illicit Finance Alliance of British Columbia.</li><li>• The BCSC contributes to anti-money laundering efforts in the course of its ongoing registrant compliance and investigations work.</li></ul>
Collaborate with regulatory partners to provide appropriate relief to industry to address issues arising from the pandemic.	<p>Completed:</p> <ul style="list-style-type: none"><li>• The pandemic relief measures ended in 2020/21.</li></ul>

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

### ***Management's Responsibility for Financial Reporting***

Management is responsible for the integrity and fair presentation of the financial statements and other financial information included in this annual service plan report. Management has prepared the consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS).

We oversaw the design of internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with PSAS. We also directed the evaluation of the effectiveness of these internal controls and we are not aware of any material weakness in these controls.

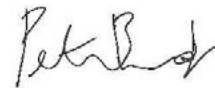
We believe that the consolidated financial statements and other financial information in this annual service plan report fairly present in all material respects the financial condition, results of operations and cash flows of the British Columbia Securities Commission (BCSC) as of the dates and for the periods presented. The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. It is possible that circumstances will cause actual results to differ. We do not believe it is likely that any differences will be material.

The Board is responsible for ensuring that management fulfills its financial reporting and control responsibilities, and has appointed an independent Audit & Risk Committee to oversee the financial reporting process. The Audit & Risk Committee meets regularly throughout the year with management, the internal auditors and the external auditors to review the consolidated financial statements, adequacy of internal controls relating to financial reporting, and internal and external audit functions. The external auditor has full and open access to the Audit & Risk Committee, with and without the presence of management.

BDO Canada LLP (BDO), the BCSC's independent auditor, has examined the consolidated financial statements and its report follows.



Brenda M. Leong  
*Chair and Chief Executive Officer*



Peter J. Brady  
*Executive Director*



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## Independent Auditor's Report

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To the Commissioners of the British Columbia Securities Commission  
And to the Minister of Finance, British Columbia

### Opinion

We have audited the consolidated financial statements of British Columbia Securities Commission (the "Commission"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and change in accumulated surplus, remeasurement gains and losses, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Commission as at March 31, 2025, and its consolidated results of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 our 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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

- Identify and assess the risks of material misstatement of the consolidated 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 Commission's internal control.
- 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 Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia

June 9, 2025





Consolidated Financial Statements  
For the Year Ended March 31, 2025

**Consolidated Statement of Financial Position**

As at March 31, 2025

	Notes	March 31, 2025	March 31, 2024
<b>Financial assets</b>			
Cash	4	\$ 13,005,576	\$ 14,408,407
Restricted cash - 161(1)(g) payments		2,824,474	2,788,496
Investments	5	57,468,409	59,771,346
Amounts receivable	6	2,986,688	4,827,435
		76,285,147	81,795,684
<b>Liabilities</b>			
Accounts payable and accrued liabilities	7	2,789,078	6,873,005
Accrued salaries and benefits		704,453	570,970
Employee vacation liability	8	1,462,605	1,515,330
161(1)(g) liabilities		2,824,474	2,788,496
Asset retirement obligation - leasehold improvements	9	1,004,839	957,550
		8,785,449	12,705,351
<b>Net financial assets</b>		67,499,698	69,090,333
<b>Tangible capital assets</b>	10	51,373,348	49,974,160
<b>Prepaid expenses</b>	11	1,668,141	1,700,469
		53,041,489	51,674,629
<b>Accumulated Surplus</b>		120,541,187	120,764,962
Accumulated Surplus is comprised of:			
Unrestricted operating surplus	12	76,832,274	73,095,945
Restricted operating surplus	12	40,646,297	46,031,329
		117,478,571	119,127,274
Accumulated remeasurement gains		3,062,616	1,637,688
		\$ 120,541,187	\$ 120,764,962

Commitments and contingencies (Note 19)

*The accompanying notes are an integral part of these consolidated financial statements.*

Brenda M. Leong  
Chair and Chief Executive Officer

Jim Kershaw  
Chair, Audit & Risk Committee

**Consolidated Statement of Operations and Change in Accumulated Surplus**

For the Year Ended March 31, 2025

	Notes	March 31, 2025 Budget (Note 20)	March 31, 2025 Actual	March 31, 2024 Actual
<b>Revenues</b>				
Regulatory and other local fees				
Prospectus and other distributions		\$ 35,780,000	\$ 42,954,061	\$ 32,556,175
Registration		20,710,000	20,232,043	20,276,118
Financial filings		5,730,000	5,755,479	4,629,053
Derivatives and Other fees		1,233,000	989,037	690,173
National systems user fees	13	6,425,000	5,821,443	5,748,901
Enforcement sanctions	14	1,000,000	1,109,542	2,691,522
Realized gains on investments	15	–	1,333,015	–
Investment income	15	2,775,000	2,612,118	3,360,057
		73,653,000	80,806,738	69,951,999
<b>Expenses</b>				
Local operations	16	73,381,867	70,825,492	64,728,648
Partnership operations	13 & 16	11,000,000	11,629,949	11,168,296
Realized losses on investments	15	-	-	3,368,777
		84,381,867	82,455,441	79,265,721
Annual deficit		\$ (10,728,866)	(1,648,703)	(9,313,722)
Accumulated operating surplus, beginning of year			119,127,274	128,440,996
Accumulated operating surplus, end of year			\$ 117,478,571	119,127,274

*The accompanying notes are an integral part of these consolidated financial statements.*

## Consolidated Statement of Remeasurement Gains and Losses

For the Year Ended March 31, 2025

	Notes	March 31, 2025	March 31, 2024
Accumulated remeasurement gains (losses), beginning of year		\$ 1,637,688	\$ (4,648,408)
Remeasurement gains on investments during the year	15	2,757,943	2,917,319
Realized (gains) losses on investments	15	(1,333,015)	3,368,777
Accumulated remeasurement gains, end of year		\$ 3,062,616	\$ 1,637,688

*The accompanying notes are an integral part of these consolidated financial statements.*

**Consolidated Statement of Change in Net Financial Assets**

For the Year Ended March 31, 2025

	<b>March 31, 2025 Budget (Note 20)</b>	<b>March 31, 2025 Actual</b>	<b>March 31, 2024 Actual</b>
Deficit, for the year	\$ (10,728,866)	\$ (1,648,703)	\$ (9,313,722)
Additions to tangible capital assets	(9,371,000)	(7,819,655)	(20,418,573)
Depreciation of tangible capital assets	6,630,000	6,385,050	4,141,919
Loss on disposal of tangible capital assets		35,417	1,894
	\$ (2,741,000)	(1,399,188)	(16,274,760)
Acquisition of prepaid expenses		(5,202,967)	(4,815,132)
Use of prepaid expenses		5,235,295	4,480,038
		32,328	(335,094)
Remeasurement gains on investments during the year		2,757,943	2,917,319
Realized (gains) losses on investments		(1,333,015)	3,368,777
		1,424,928	6,286,096
Decrease in net financial assets, for the year		(1,590,635)	(19,637,480)
Net financial assets, beginning of year		69,090,333	88,727,813
Net financial assets, end of year		\$ 67,499,698	\$ 69,090,333

*The accompanying notes are an integral part of these consolidated financial statements.*

**Consolidated Statement of Cash Flows**

For the Year Ended March 31, 2025

	March 31, 2025	March 31, 2024
<b>Operating transactions</b>		
Cash received from:		
Fees	\$ 77,633,664	\$ 62,042,633
Enforcement sanctions	1,091,442	2,749,722
Interest	795,332	1,238,495
	79,520,438	66,030,850
Cash paid to and on behalf of employees	(50,399,996)	(46,382,557)
Cash paid to suppliers and others	(29,581,285)	(27,538,436)
	(79,981,281)	(73,920,993)
Cash (used) provided by operating transactions	(460,843)	(7,890,143)
<b>Capital transactions</b>		
Cash used to acquire tangible capital assets	(7,819,655)	(20,418,573)
<b>Investing transactions</b>		
Proceeds from disposals of investments	16,138,478	81,057,230
Purchase of investments	(9,260,811)	(54,823,168)
	6,877,667	26,234,062
Decrease in cash	(1,402,831)	(2,074,654)
Cash, beginning of year	14,408,407	16,483,061
Cash, end of year	\$ 13,005,576	\$ 14,408,407

*The accompanying notes are an integral part of these consolidated financial statements.*

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

### 1. Nature of operations

The British Columbia Securities Commission (BCSC) is a Crown corporation created by the Province of British Columbia on April 1, 1995. We are responsible for the administration of the *Securities Act*. As a Crown corporation, the BCSC is exempt from income taxes. We pay PST (7%) and GST (5%) on taxable purchases but recover the GST.

### 2. Significant accounting policies

We have prepared these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards (PSAS). Significant accounting policies followed in the preparation of these financial statements are:

#### *a) Interest in national systems partnership (Partnership)*

The Canadian Securities Administrators (CSA) is an umbrella organization of Canada's ten provincial and three territorial securities regulators, whose objective is to improve, coordinate and harmonize regulation of the Canadian capital markets. BCSC, Alberta Securities Commission, Ontario Securities Commission, and Autorité des marchés financiers (collectively, the Principal Administrators or PAs) have agreed to oversee CSA's shared national information systems, on behalf of the CSA. Each of the PAs has one vote on shared national system matters.

We collect approximately 88 percent of our local fee revenue through the national systems. The Partnership contracted CGI Information Systems and Management Consultants Inc. (CGI) to provide IT services to January 12, 2030. CGI maintains a comprehensive business continuity plan for the national systems.

The Partnership charges user fees to recover systems development and operating costs. The Partnership has agreed to use its accumulated surpluses only for the benefit of systems users.

The national systems arrangement is a government partnership under PSAS. Accordingly, these financial statements include 25 percent of the assets, liabilities, net assets, revenues and expenses of the Partnership.

#### *b) Financial instruments*

Our financial instruments include cash, restricted cash, investments, amounts receivable, accounts payable and accrued liabilities, accrued salaries and benefits and 161(1)(g) liabilities.

We measure our financial instruments at fair value.

We report remeasurement gains and losses in the statement of remeasurement gains and losses. We report realized gains and losses in the statement of operations and change in accumulated surplus. We reinvest any investment earnings relating to investments in the portfolio and adjust the carrying value of the units we own accordingly.

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

### ***c) 161(1)(g) payments***

The BCSC can order respondents to pay it money obtained as a result of contravening the *Securities Act*. If the BCSC receives money under such an order, we receive and consider applications for payment to eligible claimants from the money collected. We disburse funds to eligible claimants after adjudicating all claims, and retain any funds not disbursed after adjudicating all claims.

### ***d) Tangible capital assets***

We record tangible capital assets at cost. We depreciate them using the straight-line method over their useful lives.

We estimate the useful lives of our tangible capital assets as follows:

- Local information technology – three to ten years
- Local leasehold improvements – the remaining lease term to November 30, 2031
- Local furniture and equipment – ten years
- Partnership information technology – three to ten years

### ***e) Asset retirement obligation***

We have recognized the BCSC's obligation to return its leased premises to its original state upon end of lease term, November 30, 2031. We implemented this policy April 1, 2022 by recording the liability and a corresponding increase in tangible capital assets at an amount equal to the present value of the estimated future obligation at that date. Estimated costs have been discounted to the present value using a discount rate of 3.76% per annum. The increase in tangible capital assets is being amortized in accordance with the accounting policies outlined in note 2d. The asset retirement obligation is adjusted yearly for accretion expense up to its ending value at the date the obligation is to be settled.

### ***f) Revenue recognition***

We recognize revenue for prospectus and other distributions, registration, financial filings, exemption orders and other statutory filing fees when filings are made and collectability is assured.

We recognize revenue for National Systems user fees when filings are made and collectability is assured.

We recognize enforcement sanctions revenue when we determine sanctions are collectible.

### ***g) Expenses***

We recognize expenses on an accrual basis. We expense the cost of goods consumed and services received during the year.



## **Notes to the Consolidated Financial Statements**

For the Year Ended March 31, 2025

### ***h) Employee future benefits***

We participate in the Public Service Pension Plan, a multi-employer defined benefit pension plan. We account for the plan as a defined contribution plan as we have insufficient information to apply defined benefit plan accounting. Pension costs included in our financial statements are comprised of the cost of employer contributions related to the current service of employees during the year.

### ***i) Measurement uncertainty***

PSAS require management to make estimates and assumptions for certain amounts disclosed in the financial statements.

In our financial statements, we have estimated the:

- portion of amounts receivable that we will collect
- useful lives of tangible capital assets
- value of the employee leave liability
- value of asset retirement obligation

Estimates reflect the best information available when we prepared these consolidated financial statements. Actual results may differ from these estimates. We will record any adjustments to these estimates in the period that additional information becomes available.

### ***j) Foreign currency translation***

Our investment in Principal Credit Fund is denominated in the United States dollar and is translated into Canadian dollars at the prevailing exchange rate on the year-end date.

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

### 3. Financial instruments

Cash and restricted cash are demand deposits held at federally regulated financial institutions.

We invest funds in investment pools managed by the British Columbia Investment Management Corporation (BCI). Refer to Note 5 for the description of these BCI pooled investment funds.

We determine the fair value of our investments in pooled funds, except the Principal Credit Fund, based on the net asset market value provided by the fund administrator (fair value measurement hierarchy level two); these pooled funds hold investments that are actively traded. The fair value of our investment in the Principal Credit Fund is based on unobservable inputs (fair value measurement hierarchy level three). Some of the unobservable inputs are derived from market prices or rates, or estimated based on assumptions. For our other financial instruments (amounts receivable, accounts payable and accrued liabilities, accrued salaries and benefits and 161(1)(g) liabilities), due to their short-term nature, we use cost as an approximate of fair value.

Our investments in the BCI pooled investment funds expose us to financial risks associated with the funds and the underlying securities held in the investment funds, including credit risk, market risk, and liquidity risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the risk of loss from unfavorable changes in fair value or future cash flows of a financial instrument. Market risk is comprised of currency risk, interest rate risk, and price risk. Liquidity risk is the risk that the BCSC will encounter difficulty in meeting obligations associated with its financial liabilities.

In management's opinion, our investments do not expose the BCSC to significant credit risk because our investment policy is to target having 90% of our investments in liquid, high quality money market instruments, government securities, and investment-grade corporate debt and equity securities. However, we target having 5% of our investments in corporate bonds (Corporate Bond Fund) and 5% in private debt (Principal Credit Fund) which expose us to credit risk. In addition to these low target levels, credit risk exposure is mitigated through diversification within the Corporate Bond Fund and Principal Credit Fund.

Our investments in money market and pooled funds are highly liquid and therefore, liquidity risk is low for our investments with the exception of our investment in private debt. Because our investment policy sets a 5% target for private debt, in management's opinion, we have low exposure to liquidity risk.

Currency risk is the risk that the value of financial instruments denominated in currencies other than the Canadian dollar will fluctuate due to changes in foreign exchange rates. We invest in Canadian dollar denominated investment pools with the exception of our investment in the Principal Credit Fund, which is denominated in the United States dollar. We are exposed to some currency risk

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

through our investments in the US Dollar Money Market Fund ST3, the Corporate Bond Fund, the Indexed Global Equity Fund, and the Indexed Emerging Markets Equity Fund. BCI manages the currency risk for these pools through hedging within the funds. Because our investment policy sets a 5% target for private debt, in management's view we have low exposure to currency risk with respect to our investment in the Principal Credit Fund.

Our investments expose us to interest rate risk associated with the underlying interest-bearing securities held in the investment funds. Interest rate risk relates to the possibility that the fair value of fixed rate investments will change due to future fluctuations in market interest rates. In general, bond values are sensitive to changes in the level of interest rates, with longer-term interest-bearing securities being more sensitive to interest rate changes than shorter-term interest-bearing securities. Based on the March 31, 2025 composition of our investment portfolio, an immediate 1 percent increase in interest rates across the entire yield curve, with all other variables held constant, would result in a decrease in market value of approximately \$0.8 million. In addition, future investment income earned on variable rate cash deposits and investments would increase after an interest rate increase. BCI manages interest rate risk by monitoring portfolio duration and yields. The current investment duration of the Canadian Money Market Fund ST2, US Money Market Fund ST3 and the Principal Credit Fund is less than a year. The current investment duration of the Corporate Bond Fund is 5.4 years and of the Government Bond Fund is 7.5 years.

In our opinion, amounts receivable, accounts payable and accrued liabilities, and accrued salaries and benefits do not expose us to significant financial risk because of their short-term nature.

### 4. Cash

	March 31, 2025	March 31, 2024
Local demand deposits	\$ 5,851,647	\$ 8,623,810
Partnership demand deposits	7,153,929	5,784,597
	\$ 13,005,576	\$ 14,408,407

Local cash and the Partnership's cash are on deposit with federally regulated financial institutions and earn interest ranging from prime minus 1.9% to prime minus 1.7%.

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

### 5. Investments

	March 31, 2025		March 31, 2024	
	Market Value	Cost	Market Value	Cost
<b>BCI pooled funds</b>				
Canadian Money Market Fund ST2	\$ 19,837,627	\$ 19,827,379	\$ 21,560,478	\$ 21,558,649
Corporate Bond Fund	3,490,020	3,983,360	3,306,835	3,770,432
Government Bond Fund	7,655,991	7,356,744	7,134,669	7,086,035
Indexed Emerging Market Equity Fund	4,091,136	3,641,314	3,554,324	3,525,009
Indexed Global Equity Fund	17,681,673	15,103,022	15,518,286	13,835,217
Principal Credit Fund	2,714,373	2,502,476	2,753,611	2,415,865
US Dollar Money Market Fund ST3	1,729,195	1,723,104	297,083	296,391
	\$ 57,200,015	\$ 54,137,399	\$ 54,125,286	\$ 52,487,598
<b>Partnership investments</b>				
Notice account	\$ 268,394	\$ 268,394	\$ 256,560	\$ 256,560
Guaranteed Investment Certificate	-	-	5,389,500	5,389,500
	\$ 268,394	\$ 268,394	\$ 5,646,060	\$ 5,646,060
	\$ 57,468,409	\$ 54,405,793	\$ 59,771,346	\$ 58,133,658

During the year we invested in the following BCI pooled investment funds:

- Canadian Money Market Fund ST2- Invests primarily in high-quality Canadian government and corporate debt securities, including commercial paper and repurchase agreements secured by fixed income securities of approved issuers.
- US Dollar Money Market Fund ST3– Invests primarily in short-term (up to 45 days) reverse repurchase agreements, term deposits, and debt securities issued by high-quality corporations, the U.S. government, or a Canadian government (federal, provincial, or municipal).
- Government Bond Fund – Invests primarily in bonds issued or guaranteed by a Canadian government (federal, provincial, or municipal), with terms to maturity across the yield curve.
- Corporate Bond Fund – Invests in corporate investment grade and high yield securities issued in the United States and Canada.
- Principal Credit Fund – Invests in publicly traded or privately negotiated transactions involving private, and on occasion, public companies.
- Indexed Global Equity Fund – Invests in equity markets from across the globe by holding companies, sectors and country allocations roughly in proportion to their weighting in the Morgan Stanley Capital International (MSCI) World ex-Canada Net Index.
- Indexed Emerging Markets Equity Fund – Invests in emerging markets equity by holding companies, sectors, and country allocations roughly in proportion to their weighting in the Morgan Stanley Capital International (MSCI) Emerging Markets Net Index.

Refer to note 15 for information about investment income earned on the investments.

The Partnership's investments are held in a notice account with an interest rate of 3.25%.

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

### 6. Amounts receivable

	March 31, 2025	March 31, 2024
SEDAR+ and other filings	\$ 1,351,222	\$ 2,331,981
National systems user fees	769,246	1,470,089
Enforcement sanctions	356,050	337,950
National project recoveries	233,171	301,163
GST refunds	157,261	155,133
Employee advances and other	64,588	174,219
Late insider report filing fees	55,150	56,900
	\$ 2,986,688	\$ 4,827,435

### 7. Accounts payable and accrued liabilities

	March 31, 2025	March 31, 2024
Local trade accounts payable	\$ 979,796	\$ 3,417,492
Partnership trade accounts payable	1,580,669	3,344,654
Other	228,613	110,859
	\$ 2,789,078	\$ 6,873,005

### 8. Employee vacation liability

Employee vacation liability is what we owe to our employees for their earned but unused vacation time.

### 9. Asset retirement obligation – leasehold improvements

	March 31, 2025	March 31, 2024
Opening balance	\$ 957,550	\$ 928,350
Accretion expense	47,289	29,200
Closing balance	\$ 1,004,839	\$ 957,550

**Notes to the Consolidated Financial Statements**

For the Year Ended March 31, 2025

**10. Tangible capital assets**

	<b>March 31, 2025</b>				
	<b>Local Information Technology</b>	<b>Local Leasehold Improvements</b>	<b>Local Furniture &amp; Equipment</b>	<b>Partnership Information Technology</b>	<b>Total</b>
<b>Cost</b>					
Opening balance	\$ 17,222,395	\$ 9,756,721	\$ 2,676,745	\$ 39,872,448	\$ 69,528,309
Additions	5,581,812	79,737	140,596	2,017,510	7,819,655
Disposals	(2,593,830)	—	(13,120)	—	(2,606,950)
Closing balance	\$ 20,210,377	\$ 9,836,458	\$ 2,804,221	\$ 41,889,958	\$ 74,741,014
<b>Accumulated depreciation</b>					
Opening balance	\$ 7,329,366	\$ 5,798,970	\$ 2,595,052	\$ 3,830,761	\$ 19,554,149
Depreciation	1,713,586	527,648	31,624	4,112,192	6,385,050
Disposals	(2,558,413)	—	(13,120)	—	(2,571,533)
Closing balance	\$ 6,484,539	\$ 6,326,618	\$ 2,613,556	\$ 7,942,953	\$ 23,367,666
<b>Net book value</b>	<b>\$13,725,838</b>	<b>\$ 3,509,840</b>	<b>\$ 190,665</b>	<b>\$ 33,947,005</b>	<b>\$ 51,373,348</b>

	<b>March 31, 2024</b>				
	<b>Local Information Technology</b>	<b>Local Leasehold Improvements</b>	<b>Local Furniture &amp; Equipment</b>	<b>Partnership Information Technology</b>	<b>Total</b>
<b>Cost</b>					
Opening balance	\$ 16,255,825	\$ 6,621,236	\$ 2,697,084	\$ 27,736,960	\$ 53,311,105
Additions	5,044,310	3,203,481	35,294	12,135,488	20,418,573
Disposals	(4,077,740)	(67,996)	(55,633)	—	(4,201,369)
Closing balance	\$ 17,222,395	\$ 9,756,721	\$ 2,676,745	\$ 39,872,448	\$ 69,528,309
<b>Accumulated depreciation</b>					
Opening balance	\$ 9,926,997	\$ 5,663,658	\$ 2,594,383	\$ 1,426,667	\$ 19,611,705
Depreciation	1,480,109	201,907	55,809	2,404,094	4,141,919
Disposals	(4,077,740)	(66,595)	(55,140)	—	(4,199,475)
Closing balance	\$ 7,329,366	\$ 5,798,970	\$ 2,595,052	\$ 3,830,761	\$ 19,554,149
<b>Net book value</b>	<b>\$ 9,893,029</b>	<b>\$ 3,957,751</b>	<b>\$ 81,693</b>	<b>\$ 36,041,687</b>	<b>\$ 49,974,160</b>

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

### 11. Prepaid expenses

	March 31, 2025	March 31, 2024
Local IT and information service contracts	\$ 1,423,548	\$ 1,157,619
Partnership IT and information service contracts	244,593	542,850
	\$ 1,668,141	\$ 1,700,469

### 12. Accumulated operating surplus

	March 31, 2025			
	General	Reserve (a)	Partnership (b)	Total
Opening balance	\$ 73,095,945	\$ –	\$ 46,031,329	\$ 119,127,274
Annual Surplus	2,626,787	1,109,542	(5,385,032)	(1,648,703)
Education expenses paid from reserve	1,109,542	(1,109,542)	–	–
Closing balance	\$ 76,832,274	\$ –	\$ 40,646,297	\$ 117,478,571

	March 31, 2024			
	General	Reserve (a)	Partnership (b)	Total
Opening balance	\$ 77,667,679	\$ –	\$ 50,773,317	\$ 128,440,996
Annual Surplus	(7,263,256)	2,691,522	(4,741,988)	(9,313,722)
Education expenses paid from reserve	2,691,522	(2,691,522)	–	–
Closing balance	\$ 73,095,945	\$ –	\$ 46,031,329	\$ 119,127,274

#### a) Reserve (internally-restricted)

The following administrative penalties and other financial orders can be made following a determination there was a contravention under the *Securities Act* or a conviction for an offence under the *Securities Act*:

- administrative penalties after a commission hearing
- administrative monetary penalties imposed by notice
- disgorgement orders
- orders against family members or third parties who received undervalued property from a person who contravened the *Securities Act* or committed an offence
- orders to forfeit property

We also negotiate settlement amounts.

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

We designate revenue from settlements, unclaimed amounts of disgorgement orders and from the other orders to a Reserve, which we spend in accordance with s.15(3) of the *Securities Act* on educating securities market participants and members of the public about investing, financial matters or the operation or regulation of securities markets, benefiting third parties the commission considers appropriate, enforcing (including collecting on) these orders, and processing claims to proceeds from disgorgement orders.

### *b) Partnership (restricted)*

The partners have agreed to use Partnership surplus only for the benefit of systems users.

### 13. Partnership – summarized annual financial information

	March 31, 2025		March 31, 2024	
	Partnership	25% share	Partnership	25% share
<b>Financial Position</b>				
Financial assets	\$ 32,766,276	8,191,569	\$ 51,602,987	\$ 12,900,747
Liabilities	6,947,477	1,736,869	13,815,815	3,453,954
Net Financial assets	\$ 25,818,799	\$ 6,454,700	\$ 37,787,172	\$ 9,446,793
Non-financial assets	136,766,387	34,191,597	146,338,144	36,584,536
Accumulated surplus	\$ 162,585,186	\$ 40,646,297	\$ 184,125,316	\$ 46,031,329
<b>Operations</b>				
Revenues:				
National systems user fees	\$ 23,285,771	\$ 5,821,443	\$ 22,995,604	\$ 5,748,901
Investment income and other	1,693,895	423,474	2,709,628	677,407
Expenses	46,519,794	11,629,949	44,673,183	11,168,296
Surplus	\$ (21,540,128)	\$ (5,385,032)	\$ (18,967,951)	\$ (4,741,988)

### 14. Enforcement sanctions

Enforcement sanctions revenue includes administrative penalties, settlements, and unclaimed 161(1)(g) payments, if any. Revenues depend on the timing of enforcement actions completed during the year and on our ability to collect assessed amounts.

We assessed enforcement sanctions of \$23.9 million (fiscal 2024 – \$5.1 million) during the year, of which we did not recognize \$22.9 million (fiscal 2024 – \$2.9 million) as revenue because we have not determined that the sanctions are collectible.



**Notes to the Consolidated Financial Statements**

For the Year Ended March 31, 2025

**15. Investment income, realized gains (losses) on investments, and remeasurement gains (losses) on investments**

<b>For the Year Ended March 31, 2025</b>				
	<b>Investment Income</b>	<b>Realized Gains (Losses)</b>	<b>Total Income</b>	<b>Remeasurement Gains (Losses) during the year</b>
Cash, term deposits and GIC	\$ 667,368	\$ —	\$ 667,368	\$ —
Restricted cash - 161(1)(g) payments	127,964	—	127,964	—
Canadian Money Market Fund ST2	844,628	12,860	857,488	21,279
Corporate Bond Fund	212,928	—	212,928	(29,743)
Government Bond Fund	270,709	—	270,709	250,613
Indexed Emerging Market Equity	115,611	694	116,305	421,201
Indexed Global Equity Fund	365,373	902,433	1,267,806	1,798,015
Principal Credit Fund	(16,853)	406,039	389,186	280,190
US Money Market Fund ST3	24,390	10,989	35,379	16,388
	<b>\$ 2,612,118</b>	<b>\$ 1,333,015</b>	<b>\$ 3,945,133</b>	<b>\$ 2,757,943</b>

<b>For the Year Ended March 31, 2024</b>				
	<b>Investment Income</b>	<b>Realized Gains (Losses)</b>	<b>Total Income</b>	<b>Remeasurement Gains (Losses) during the year</b>
Cash, term deposits and GIC	\$ 1,076,991	\$ —	\$ 1,076,991	\$ —
Restricted cash - 161(1)(g) payments	161,504	—	161,504	—
Canadian Money Market Fund	394,701	8,399	403,100	(3,804)
Corporate Bond Fund	373,332	(453,501)	(80,169)	(96,009)
Government Bond Fund	584,958	(2,154,082)	(1,569,124)	(574,286)
Indexed Emerging Market Equity	298,502	(1,346,949)	(1,048,447)	316,164
Indexed Global Equity Fund	473,079	419,428	892,507	2,884,430
Principal Credit Fund	(10,547)	147,339	136,792	383,397
US Money Market Fund	7,537	10,589	18,126	7,427
	<b>\$ 3,360,057</b>	<b>\$ (3,368,777)</b>	<b>\$ (8,720)</b>	<b>\$ 2,917,319</b>

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

### 16. Operating Expenses

	Budget 2025	Year ended March 31	
		2025	2024
<b>Local operations</b>			
Salaries and benefits	\$49,870,000	\$48,674,512	\$44,961,395
Information management	4,840,000	4,801,034	4,322,921
Investor Education	4,100,000	4,699,581	3,777,018
Professional services	5,350,000	4,549,656	4,078,131
Occupancy	3,795,000	3,834,618	4,143,641
Depreciation	2,480,000	2,272,858	1,737,825
Administration	600,200	533,797	498,801
Staff training	480,000	531,717	268,942
Travel	350,000	309,538	275,377
Funding International Sustainability Standards Board	266,667	266,667	200,000
External communication	350,000	181,840	281,559
Telecommunications	200,000	169,674	183,038
Whistle blower payments	700,000	—	—
<b>Total local operations</b>	<b>73,381,867</b>	<b>70,825,492</b>	<b>64,728,648</b>
<b>Partnership operations</b>			
Professional services	5,225,000	5,499,204	6,924,723
Depreciation	4,150,000	4,112,192	2,404,094
Salaries and benefits	1,625,000	1,785,616	1,578,248
Information management and administration	—	232,937	261,231
<b>Total Partnership operations</b>	<b>11,000,000</b>	<b>11,629,949</b>	<b>11,168,296</b>
	<b>\$84,381,867</b>	<b>\$82,455,441</b>	<b>\$75,896,944</b>

### 17. Related party transactions

We are related through common control to all B.C. provincial government ministries, agencies, and Crown corporations. We conducted all transactions with these entities as though we were unrelated parties.

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

### 18. Post-retirement employee benefits

We, and our employees, contribute to the Public Service Pension Plan, a multi-employer plan. The plan is contributory, and its basic benefits are defined. The plan has approximately 76,000 active members, 57,000 retired members, and 25,000 inactive members. A board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of assets and administration of benefits.

An actuarial valuation of the plan performed every three years assesses the plan's financial position. The latest valuation, as at March 31, 2023, indicated a \$4,491 million (March 31, 2020 – \$2,667 million, restated) surplus for basic pension benefits. In addition to basic benefits, the plan also provides supplementary benefits, including inflation indexing. These supplementary benefits are paid only to the extent that they have been funded, which is currently done on a "pay-as-you-go" basis.

The plan trustees monitor the impact of the financial environment on plan health. Plan surpluses and deficits are not attributable to individual employers, but affect future contribution levels. We charged \$3.9 million (fiscal 2024 – \$3.6 million) to expense for employer contributions during the period.

### 19. Commitments and contingencies

Our contractual obligations relating to lease agreements for local office space and equipment are as follows:

Fiscal years	2026 - 2027	2028 - 2029	2030 - 2031	2032	Total
	\$ 7,640,000	\$ 7,959,000	\$ 8,288,000	\$ 2,827,000	\$ 26,714,000

The Partnership has contracted with CGI to host and operate the national systems until January 12, 2030. The Partnership has also contracted with First Derivatives Canada Inc. to host and operate a shared investment market analysis system until July 30, 2028. The Partnership has certain rights to terminate the agreements, with and without cause, as set out in the agreements.

The BCSC has committed to pay 25 percent of any claim or expenses related to operation and redevelopment of the shared filing systems that exceed the Partnership's surplus funds.

### 20. Budgeted figures

Budgeted figures are approved by the Board and published in the BCSC's Service Plan; they are presented in these financial statements for comparison purposes.