

BULLETIN NUMBER:	TR-18-001 (REPLACES INFORMATION BULLETIN TR-2006-01)
TITLE:	OBTAINING A BUSINESS AUTHORIZATION TO OPERATE AN EXTRAPROVINCIAL TRUST CORPORATION IN BRITISH COLUMBIA
LEGISLATION:	<i>FINANCIAL INSTITUTIONS ACT</i>
DATE:	OCTOBER 2018
DISTRIBUTION:	ALL INTERESTED APPLICANTS

PURPOSE

This bulletin outlines the application process through which an extraprovincial trust corporation may apply to the Financial Institutions Commission (FICOM) for a business authorization to conduct trust or trust and deposit business in the province of British Columbia (BC). An extraprovincial trust corporation is not permitted to carry on trust and/or deposit business in BC unless it has received a business authorization from FICOM.

This bulletin includes:

- overview of legislative provisions;
- overview of the application process; and
- timelines and submission instructions.

BACKGROUND INFORMATION

An extraprovincial trust corporation is a corporation authorized to carry on trust business by or under the laws of a jurisdiction other than BC. In order to conduct trust business in BC, an extraprovincial trust corporation must apply for a business authorization from FICOM. Prior to submitting an application to FICOM, the extraprovincial trust corporation must apply to the Registrar of Companies (Registrar) to register as an extraprovincial corporation. During the registration process, the Superintendent's consent may be required. Information regarding this process can be found on the Registrar's [website](#).

In assessing an application, FICOM staff will consider legislative compliance and the criteria set out by FICOM.

LEGISLATIVE PROVISIONS

Pursuant to Section 159 of the *Financial Institutions Act* (FIA), an extraprovincial trust corporation must have a business authorization in order to conduct trust or trust and deposit business in BC.

An extraprovincial trust corporation whose primary jurisdiction is not Canada may be granted a business authorization for trust business in BC under Sections 159(2)(a) and 160(3) of the FIA, provided that the criteria set forth in Section 160(3) have been met. A business authorization will not be issued if the Commission believes on reasonable grounds that it is not in the public interest to issue the business authorization.

Section 160(6) of the FIA provides that FICOM must issue a business authorization to an extraprovincial trust corporation whose primary jurisdiction is Canada upon submission of an application that is satisfactory to the Commission. In addition to trust business, the authorization may authorize deposit business under Section 159(2)(b) of the FIA provided that the extraprovincial trust corporation maintains deposit insurance with the Canada Deposit Insurance Corporation.

Section 158 of the FIA delineates which provisions of the FIA and other applicable statutes apply to and in respect of an extraprovincial trust corporation dependent upon the jurisdiction of the entity. Applicants are encouraged to review and conduct a self assessment against the guidelines which have been adopted from the Office of the Superintendent of Financial Institutions (OSFI) when submitting an application for incorporation and authorization for an extraprovincial trust corporation.

APPLICATION PROCESS

Applicants must submit the following materials to FICOM:

- non-refundable application fee payable to the Minister of Finance¹;
- completed [Application for Business Authorization for Extraprovincial Trust Corporations form](#);
- copy of registration with the Registrar or proof that the registration process has started;
- corporate profile and history of the corporation;
- proof that the corporation has liquid assets and a capital base that is at least equal to the applicable minimum required under Section 67 of the FIA, and adequate to the business that the corporation proposes to carry on;
- most recent audited financial statements, signed by at least two directors, along with the report of the auditor, a copy of the Resolution of the directors showing that the

¹ Please refer to Schedule 1 of the [Financial Institutions Fees Regulation](#) for further information on fees applicable to each transaction. Applications to obtain a business authorization to operate an extra provincial trust corporation in BC are under Section 160 of the FIA.

statements were approved by them, and interim financial statements for the most recent month end preceding the application;

- proposed plan of operations that contains the following information:
 - business plan that describes the manner in which the business will be carried on in BC;
 - description of intended products and distribution channels;
 - description of management expertise on proposed product lines and the overall business;
 - analysis of key risks and risk mitigation strategies;
 - organizational chart showing any parent company or other ownership information, affiliates, and subsidiaries;
 - description of material outsourcing arrangements with affiliates or third parties; and
 - pro-forma financial statements over three years, per line of business, with detailed explanations about the assumptions used in the forecasts;
- copy of the investment policy;
- current curriculum vitae for each director, senior officer, and significant shareholder (those owning or controlling 10 per cent or more of the voting shares of the company);
- if the corporation is federally regulated, a certified copy of the Order to Commence and Carry on Business and a certified copy of the Letters Patent of Incorporation;
- if the corporation is not federally regulated, a certified copy of the Certificate of Registration from the corporation's primary jurisdiction; and
- if the corporation is deposit-taking, proof of its membership with the Canada Deposit Insurance Corporation.

While this bulletin provides direction to extraprovincial trust corporations on the requirements of an application for business authorization, the particular circumstances of each application may necessitate additional criteria or information.

TIMELINES AND SUBMISSION INSTRUCTIONS

All notices and materials referenced in this Bulletin, as well as any enquiries, can be submitted via email to StatApprovals@ficombc.ca or by mail to the following address:

Financial Institutions Division
c/o Statutory Approvals
2800 – 555 West Hastings Street
Vancouver, BC V6B 4N6

FICOM staff will begin their review of an application upon receipt of the requested documentation in full. Please reference [Information Bulletin FI-18-00 – Timelines for Statutory Approvals Applications](#) for application timelines.

The timeline above serves as a general guideline, but may vary depending on the volume of requests received and the complexity of the individual application. FICOM staff will undertake to complete assessments as quickly as possible; however, the length of time spent reviewing an application will depend on the specifics of each application. An applicant can expedite the process by filing a complete application and providing all required supporting information at the outset of the application process.

Applicants should be aware that, in addition to the review conducted by staff, the application may be required to be presented to and approved by the Commission and this can impact the length of time required for an applicant to receive a decision.

At the Financial Institutions Commission, we issue information bulletins to provide technical interpretations and positions regarding certain provisions contained in the *Financial Institutions Act* and *Insurance Act*, Regulations and other pertinent legislation. While the comments in a particular part of an information bulletin may relate to provisions of the law in force at the time they were made, these comments are not a substitute for the law. The reader should consider the comments in light of the relevant provisions of the law in force at the time, taking into account the effect of any relevant amendments to those provisions or relevant court decisions occurring after the date on which the comments were made. Subject to the above, an interpretation or position contained in an information bulletin generally applies as of the date on which it was published, unless otherwise specified.