

**INSTRUMENT OF DELEGATION**  
**REVISED JANUARY 15, 2009**

**WHEREAS:**

- A. The Financial Institutions Commission ("Commission") is established under section 201 of the *Financial Institutions Act* ("FIA"), R.S.B.C. 1996, c. 141.
- B. The Superintendent of Financial Institutions ("Superintendent") is a position established by section 207 of the FIA, and is granted certain powers and responsibilities under the FIA, the *Credit Union Incorporation Act*, R.S.B.C. 1996, c.82 ("CUIA") and the *Society Act*, R.S.B.C. 1996, c. 433 ("SA").
- C. Recent amendments to the FIA have granted to the Commission certain powers and imposed certain duties that were previously exercised by the Superintendent and by the Minister of Finance, and allow the Commission to delegate those powers to the Superintendent in accordance with section 201 of the FIA and section 87 of the *Financial Institutions Statutes Amendment Act, 2004*, S.B.C. 2004, c.48
- D. The Commission wishes to delegate certain powers to the Superintendent, set out how the Superintendent is to report to the Commission on how the delegated powers have been exercised, review this instrument annually and set out how the Commission may terminate this instrument.

**THEREFORE THE COMMISSION DELEGATES CERTAIN OF ITS POWERS AND AUTHORITIES TO THE SUPERINTENDENT AS FOLLOWS:**

**Term**

- 1.0 This instrument becomes effective on the date it is executed and continues to be effective until such time as it is terminated pursuant to paragraph 8.0 below.

**Delegation**

- 2.0 The Commission delegates to the Superintendent the powers and duties in the sections of the FIA, the CUIA and the SA listed in Schedule 'A' to this instrument.

- 3.0 The Commission delegates to the Superintendent the powers and duties in the sections of the FIA and CUIA listed in Schedule 'B' to this instrument on the condition that the Superintendent will inform the Commission before the powers and duties are exercised if, in the opinion of the Superintendent, the exercise of the delegation raises significant policy issues.
- 4.0 The Commission delegates to the Superintendent all powers it has in the FIA and CUIA to establish forms.

### **Reporting**

- 5.0 For each of the powers and duties listed in Schedule 'A', the Superintendent will, on or before April 30<sup>th</sup> and October 31<sup>st</sup> of each year, provide to the Commission a written report for the previous six-month period describing:
- (a) the number of applications the Superintendent has considered, and how many applications were approved;
  - (b) the number of orders made, and a copy of each of the orders; and
  - (c) all issues that arose in the course of the Superintendent's exercise of those powers and duties that were, in the Superintendent's opinion, contentious, including a description of how these issues were resolved.
- 5.1 For each of the powers and duties listed in Schedule 'B', the Superintendent will, at each meeting of the Commission, provide to the Commission a written report attaching the orders or permissions made pursuant to these powers and duties since the last meeting, and the refusals by the Superintendent to make orders and grant permissions pursuant to these powers and duties.
- 5.2 For each of the powers and duties listed in Schedule 'C', the Superintendent will, within five business days of exercising the powers and duties delegated in this Schedule, provide to the Members of the Commission a written report attaching the orders or permissions made pursuant to these powers and duties.

### **Review**

- 6.0 The Commission shall review this instrument not later than 12 months after the date on which this instrument is executed, and thereafter shall review the instrument at least every 12 months. Failure to carry out any review does not affect the validity of this instrument.

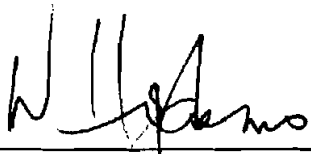
## **Revision**

- 7.0 The Commission may revise any part of this instrument by providing the Superintendent with written notice of the revision.

## **Termination**

- 8.0 The Commission may revoke, in whole or in part, the delegation of any or all of the powers and duties set out in the Schedules to this instrument by providing the Superintendent with written notice of the revocation.

Executed this 15<sup>th</sup> day of January, 2009.

A handwritten signature in black ink, appearing to read "William G. Hopkins", written over a horizontal line.

William G. Hopkins  
Chair  
Financial Institutions Commission

## **Schedule A**

### ***Financial Institutions Act***

#### **Section**

<b>26</b>	Amalgamation permitted
<b>33</b>	Commission's consent
<b>34</b>	Commission's consent required on "striking off" or "restoration"
<b>47</b>	Endowment and life funds distributed
<b>48</b>	Definitions and interpretation for division
<b>58</b>	Commission may require declaration of share ownership
<b>61 (1)(b)</b>	Application for business authorization
<b>67 (2)</b>	Capital and liquidity of financial institutions
<b>67 (3)</b>	Capital and liquidity of financial institutions
<b>76 (2)(5)</b>	Exceptions
<b>76 (3)</b>	Exceptions
<b>87</b>	Subordinated notes
<b>92</b>	Insurers to file policy forms
<b>93</b>	Prohibition against unfair forms of contract
<b>96</b>	Substitute action of Commission
<b>99</b>	Removal of directors and officers
<b>107</b>	Meeting requested by Commission
<b>109</b>	Circulation of a director's statement
<b>117</b>	Appointment and removal of auditor
<b>118</b>	Report to accounting body

<b>124 (2)</b>	Additional reporting
<b>125</b>	Additional auditor
<b>131</b>	Financial year end
<b>137</b>	Commission's powers over investment and lending policy
<b>138</b>	Compliance with investment and lending limits
<b>141</b>	Investment in a corporation
<b>142</b>	Other authorized investments
<b>143</b>	Disposal of investments
<b>144</b>	Interpretation and designation of related parties
<b>147</b>	When commission may consent to related party transactions
<b>150</b>	Apply to court for order - voidable transactions
<b>151</b>	Derivative action
<b>193</b>	Certain other existing societies exempt
<b>197</b>	Amendment of charter
<b>226</b>	Administrative policies
<b>241</b>	Costs of Investigation
<b>241.1</b>	Assessment of costs
<b>242 (3) (b)</b>	Appeal from a decision of the council
<b>244</b>	Commission's order to cease or remedy
<b>245</b>	Order to freeze property
<b>246</b>	Order for compliance
<b>247</b>	Valuation of assets and insurance contracts
<b>253.1</b>	Administrative penalties (where the Superintendent has made the order giving rise to consideration of an administrative penalty)

**277.2** Assistance to administrator

## ***Credit Union Incorporation Act***

### **Section**

**15** Commission's consent  
**40** Common bond  
**44** Membership shares  
**64** Transfer, redemption and purchase of shares  
**65** Dividends on shares  
**69** Patronage allocations  
**74** Annual general meeting  
**76** Special general meetings

## ***Society Act***

### **Section**

**2** Purposes  
**14** Insurance purposes  
**14.1** Consent of the Commission

## **Schedule B**

### ***Financial Institutions Act***

#### **Section**

- |            |   |
|------------|---|
| <b>50</b>  | Share acquisition restrictions  |
| <b>51</b>  | Grounds for refusal of consent to major share acquisition   |
| <b>69</b>  | Restriction on right to appoint a receiver  |
| <b>160</b> | Application for business authorization, if the entity is regulated by the Office of the Superintendent of Financial Institutions ("OSFI") |
| <b>187</b> | Permit for reciprocal insurance   |

## **Schedule C**

### ***Financial Institutions Act***

#### **Section**

- |              |   |
|--------------|---|
| <b>275</b>   | Supervision of a Credit Union                                 |
| <b>277</b>   | Supervision Powers  |
| <b>277.1</b> | Additional Circumstances where section 277 orders may be made |