

November 22, 2017
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To: CFOs/Finance Managers, BC Authorized Credit Unions

Re: 2017 Updates to the Capital Adequacy Return Completion Guide - Final

Further to our [letter](#) dated April 3, 2017, the Financial Institutions Commission (FICOM) is issuing the final version of its Capital Adequacy Return Completion Guide (Guide).

The comment period ended on June 3, 2017. FICOM would like to thank everyone who provided comments and suggestions.

We have revised the Guide to include guidance on audit expectations in Appendix 1. FICOM expects credit unions to apply the principles and standards within the Guide for fiscal year 2017.

In addition to the above changes, we have revised the Guide and Capital Adequacy Return template (return template) to reflect recent changes to the Capital Requirements Regulation of the *Financial Institutions Act* that reduced the amount of capital BC credit unions must hold in relation to commercial loans and leases. The amount of additional capital credit unions are required to hold for commercial lending, between 30 per cent and 35 per cent of the credit union's unweighted assets, has been reduced with the change in the risk weighting factor to 0.5 from 1.0.

We have also made minor housekeeping changes throughout the Guide. The revised Guide, including the 2017 change control log, and return template are posted on FICOM's [website](#).

If you have any questions regarding the Guide or return template please contact Tiffany Mak at Tiffany.Mak@ficombc.ca.

Sincerely,



Mehrdad Rastan
Executive Director
Risk, Analytics & Reporting
Regulation

cc: CEOs/General Managers, BC Authorized Credit Unions

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- Superintendent of Financial Institutions
 - Superintendent of Pensions
 - Registrar of Mortgage Brokers

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