



## Appendix A

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### PART XII: ACQUISITION OF CONTROL OF A PROVINCIALY REGULATED ENTITY

#### Legislative Authority

- Paragraph 522.22(1)(a) of the [Bank Act](#)

#### Information Requirements

The applicant is generally expected to provide:

1. if the applicant is not a designated foreign bank, the name of the Member of the Foreign Bank Group (MFBG)<sup>1</sup> that is the subject of a designation order,
2. the name of the provincially regulated entity (PRE)<sup>2</sup> being acquired, a detailed description of its business activities, its jurisdiction of incorporation and the name of its primary regulatory organization,
3. a concise summary of the transaction(s) that will cause the applicant to acquire control of the PRE, and
4. where the applicant does not have a financial establishment in Canada<sup>3</sup>, confirmation that, after the acquisition of control of the PRE, the business activities in Canada of the applicant and all MFBG will be in compliance with Part XII of the *Bank Act*, or alternatively, a description of the measures to be taken to ensure conformity.

#### Administrative Guidance

1. No approval under this legislative authority is required to incorporate or establish a PRE or to acquire control of a PRE from a person who is a MFBG.
2. If the Group (i.e. the applicant and all MFBG) does not have a financial establishment in Canada, the acquisition of control of the PRE will cause it to have such an establishment. In this context, to proceed with the acquisition, an entity in the Group will have to be a foreign bank that is the subject of an exemption order or a designation order. Where no one in the

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<sup>1</sup> The concept of “Member of a Foreign Bank Group” is defined in subsection 507(14) of the *Bank Act*.

<sup>2</sup> A PRE means an entity referred to in any of paragraphs 468(1)(g) to (i) of the *Bank Act*, namely a trust, loan or insurance corporation, or a cooperative credit society, incorporated or formed by or under an Act of the legislature of a province or a provincially regulated securities dealer.

<sup>3</sup> Defined in subsections 507(15) and (16) of the *Bank Act*.

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Group has that status, the applicant should establish whether it, or a MFBG, is eligible to obtain

- (a) a designation order (i.e., that meets the conditions for designation set out in section 508 of the *Bank Act*), and, if so, in addition to the current application, a foreign bank in the Group that is eligible for a designation order must apply for such an order, or
- (b) an exemption order, and, if so, a foreign bank in the Group must apply for such an order and if the Minister grants the order no application will be required under the current legislative authority.

For further guidance on these matters, applicants should refer to the *Advisory – Legislative Framework for Foreign Banks* as well as the *Transaction Instruction A No.3.0 – Part XII - Designation of a Foreign Bank; or A No.3.1 – Part XII - Exemption of a Foreign Bank*.

3. In making a recommendation to the Minister on an application made pursuant to the legislative authority, OSFI will consider whether:
  - (a) the applicant is a designated foreign bank or an entity associated with a designated foreign bank,
  - (b) the applicant is acquiring control of a PRE from a person who is not a MFBG, and
  - (c) if necessary, all appropriate measures will be taken to ensure that the activities in Canada of the applicant and its affiliates will be in compliance with Part XII of the *Bank Act*.
4. This approval is subject to a [user pay fee](#) as set out in the *Charges for Services Provided by the Office of the Superintendent of Financial Institutions Regulations 2002*.

*The information requirements and administrative guidance are intended to satisfy typical applications. They have been derived from OSFI's experience in assessing applications. Applicants who provide all information and material requested can generally expect a more timely assessment of their applications. As appropriate to the circumstances, OSFI may request additional information, take into account other matters, impose terms and conditions, or require undertakings.*