

INSTRUMENT OF DELEGATION

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 30th and October 31st 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 or grant permissions 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 2 day of June, 2005.


J. Stewart Cunningham
Chair
Financial Institutions Commission

Schedule A
(Revised June 2, 2005)

Financial Institutions Act

Section

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

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

- 253.1** Administrative penalties (where the Superintendent has made the order giving rise to consideration of an administrative penalty)

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

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