

Provincial and federal financial institution regulation – 2020 in review

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Although 2020 saw some disruption and slowdown in activity across all industries, there were several regulatory changes to financial institutions at the provincial and federal levels throughout the year. This year in review takes a look at some major changes in the regulatory framework that financial institutions should keep in mind for 2021.

BC Financial Services Authority 's rule-making powers and procedure (in force June 2020)

On June 22, 2020, Order in Council No. 341 brought certain provisions into force from the *Financial Institutions Amendment Act*, S.B.C. 2019, c. 39 (FIA Act). In addition, the Order introduced the *Financial Services Authority Rule-Making Procedure Regulation*, outlining how the BC Financial Services Authority (BCFSA) can publish rules under its rule-making powers. This was the next incremental step in introducing BC's new regulatory framework for financial institutions.

Now that the BCFSA's rule-making procedure is established, financial institutions can expect there to be many new rules implemented that further change how they are regulated.

Read the full article: [BC Financial Services Authority's rule-making powers and procedure now in force](#).

New guidance from FINTRAC on filing suspicious transaction reports “as soon as practicable ” (in force June 2020)

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) provided guidance on how the regulator will interpret the amendment to file suspicious transaction reports (STRs) “as soon as practicable.” The new threshold will trigger a need for more STR filings and doing so on a more expedited path, failing which

reporting entities may find need to justify their delay, or face penalties for non-compliance.

This new FINTRAC guidance came into force on June 1, 2020, as part of the significant changes made to Canada's anti-money laundering rules in 2019.

Read the full article: [FINTRAC: New guidance on filing suspicious transaction reports "as soon as practicable"](#).

Other regulatory guidance from 2020

BLG regularly publishes a federal financial institution legislative and regulatory reporter that provides a summary of Canadian federal legislative and regulatory developments of relevance to federally regulated financial institutions. Links to the reporter are below:

[January and February 2020](#)

[April, May and June 2020](#)

[July 2020](#)

[August 2020](#)

[September 2020](#)

[October 2020](#)

[November 2020](#)

Open banking lessons from the U.K.

Looking to 2021 and beyond, financial institutions should consider the impacts that open banking may have on how their businesses are regulated in the future.

Open banking – a model that allows customers to safely and easily share their data with third parties and competing banks – has started to spring up in various forms around the globe, from Singapore and Japan to the EU. In the United Kingdom and Australia, open banking has been distinctly government-led, tracing a course similar to what Canadian financial services providers may follow as a result of the Department of Finance Canada's review.

Though Canada's regulatory, industry and constitutional frameworks pose a unique set of challenges, there's a lot to learn from the experiences of both established players and new arrivals in these countries, as federal governments and the financial services industry work toward defining a made-in-Canada model of open banking.

Read the full article: [Preparing for open banking: Lessons from the U.K.](#)

Takeaway

Last year was one of big change for Canada's financial institutions, and it looks as though 2021 will follow suit. If you have any questions about how your institution can prepare for what's to come, reach out to your lawyer or any of the key contacts below.

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