

# BCFSA Integration and Impacts on Real Estate Professionals

September 23 2021

**BCFSA** BC Financial  
Services Authority

Classification: Protected A



# Presenters

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# Agenda

1. Introduction from Blair Morrison
2. Regulatory Services Update
3. Market Conduct Update
4. Communications Update

# Introduction from Blair Morrison



# BCFSA Today

- The integrated regulator of B.C.'s financial services sector
- Approx. 350 Team Members
  - (Vancouver & Victoria)
- Budget of approx. \$60 million

## AREAS OF REGULATION

- Credit Unions
- Insurance Companies
- Trust Companies
- Pension Plans
- Mortgage Brokers
- Real Estate Services

BCFSA is also accountable for administering the Credit Union Deposit Insurance Corporate (“CUDIC”)

# Becoming the Integrated Regulator for the Financial Services Sector

## CROWN TRANSITION PROJECT

BCFSA begins transition from FICOM to operate as the province's new regulator of pension plans, credit unions, insurance and trust companies, and mortgage brokers

## ONEFSR PROJECT

The integration of the Real Estate Council of BC and the Office of the Superintendent of Real Estate into BCFSA

November 1, 2019

November 12, 2019

November 2020 – August 2021

August 1, 2021

## INTEGRATION ANNOUNCEMENT

Minister of Finance Carol James announces the Province's intention to move towards a single regulator model for the financial services sector

## INTEGRATION COMPLETE

BCFSA announces that integration is officially complete

# BCFSA's Progress

- OneFSR Project was completed on August 1, 2021.
- By centralizing expertise within one organization, BCFSA is positioned to provide strengthened consumer protection as a modern, effective, and efficient financial services regulator.
- BCFSA is focused on innovation and enhanced information sharing.
- BCFSA is committed to purposeful and proactive engagement with regulated entities, sector stakeholders, and the public
- More advanced business processes, investigations, and enforcements will simplify BCFSA's accountabilities and enhance regulatory oversight
- Moving from reactive, deterrence- and penalties-based, to proactive, risk-based regulation.
- BCFSA is better positioned to achieve its mandate and oversee a rapidly changing financial services sector



# Chief Executive Officer/Chief Statutory Officer

## CEO IS:

- Superintendent of Real Estate
- Superintendent of Financial Institutions
- Superintendent of Pensions
- Superintendent of Real Estate
- Registrar of Mortgage Brokers
- Chief Executive Officer of the Credit Union Deposit Insurance Corporation (“CUDIC”).





# Changes to Regulation of Real Estate

## PAST

- RECBC Council Members appointed by government
- RECBC's Council Members appoint the CEO of RECBC
- Council is the statutory decision-maker ("SDM") for licensed activity. Council delegates many of these powers to the CEO
- Superintendent of Real Estate is SDM for unlicensed activity, makes rules and can appeal RECBC decisions
- Hearings usually oral

## PRESENT

- **BCFSA Board of Directors continues to be appointed by government**
- **BCFSA Board of Directors has appointed BCFSA's CEO as Superintendent of Real Estate**
- **RECBC has dissolved and Council Members' appointments rescinded**
- **Superintendent can delegate broadly under RESA**
- **Superintendent (or delegate) is the SDM under RESA**
- **Hearings can be written or oral**

# Regulatory Services Update

# Applied Practice Course

- New modules
- New managing broker checklist
- Scenario bank
- Full course review and refresh



# Continuing Education

- Legal Update - January, 2022
- Ethics - April, 2022



BCFSA

# Licensing Efficiencies

- Now part of our Regulatory Services Department
- New technology and efficiencies
  - Online criminal record checks for potential licensees



# Market Conduct

# Licensee Obligations

- Licensee obligations remain unchanged since integration
- Content of Real Estate Services Rules remains the same despite the changes to the Rule numbers



# Investigation Process

- Complaints and investigation processes remain largely the same with the exception of the addition of hearing officers

## BCFSA'S INVESTIGATION TEAM:

- Reviews and investigates matters to obtain and evaluate evidence; and
- Refers matters for direction or decision.

## OUTCOMES CAN INCLUDE NON-DISCIPLINE AND DISCIPLINE:

- Identification of administrative penalties (low & high risk);
- Issuance of letter of advisement;
- File closure;
- Undertaking Proposal; and
- Investigations Report for decisions on next steps, including referring to Legal.





# Hearing Officers

- Hearing Officers have delegated authority for discipline decisions and administrative penalty reconsideration.
- Hearing Officers will have specialized knowledge of administrative law, conduct of hearings, and regulatory requirements.
- Hearing Officers may be internal and external to BCFSA.
- Compensation Fund decisions will be made by Hearing Officers through a mainly written process.



# Discipline Outcomes

- Licence cancellation or suspension
- Fines up to \$250,000 individuals/ \$500,000 for brokerages & corporations
- Additional Penalty (potential expanded regime to \$100k)
- Disgorgement
- Remedial education
- Licence conditions
- Enforcement costs payable to BCFSA



# Resources for Managing Brokers

- New consumer guides are being added to the website
- Regulatory Information and Guidelines remain in the Knowledge Base
- Regulatory Training Tools for Managing Brokers page has been added to the website
- Practice Standards Advisors can be reached at [advisor@bcfsa.ca](mailto:advisor@bcfsa.ca)



# Communications

# Our Team

**WARREN MIRKO**  
**(MANAGER, COMMUNICATIONS)**

*Sherine (Communications Specialist)*  
*Aishwarya (Communications Coordinator)*  
*Vacant (Communications Specialist)*  
*Vacant (Communications Specialist)*

**TINA ALBRECHT**  
**(MANAGER, COMMUNICATIONS)**

*August (Digital Communications Specialist)*  
*Kiera (Digital Communications Specialist)*  
*Sandra (Communications Coordinator)*

# Consumer Guides

- Licensees can use consumer guides to build trust with clients
- Resources can be shared with clients who may not understand licensee obligations or for general information on a given topic
- Recent topics include:
  - Trust Funds – Referrals & Deposits
  - Privacy – Confidentiality & Privacy
  - Complementary services to the transaction
    - measurements and inspections and MLD



# Upcoming Projects

## MANAGING BROKER RESOURCES

- Continuation of webinars and Broker Briefs

## WEBSITE

- The Knowledge Base and Clauses are still present on the new website

## NEWSLETTERS

- Will be modified to reflect the new organization
- Content will be similar to that of the RFC

## SOCIAL MEDIA CHANNELS

- Engagement will continue under new organizational and departmental names

# Q&A



**Thank  
you.**