**INSTRUCTIONS TO COMPLETE THE MARKET CONDUCT ANNUAL REPORT:**

Credit unions need to complete a self-assessment process to demonstrate compliance with their adopted Code under section 94.2(5) of the FIA. That process is intended to be an objective assessment of a credit union’s implementation of its Code. Each credit union is expected to determine how it complies with its Code and regulatory requirements in relation to the credit union’s operations, size, and complexity. A credit union’s board of directors is expected to provide effective oversight of the credit union’s compliance with its Code. A credit union’s senior management is expected to ensure the credit union’s compliance with its Code.

**SELF-ASSESSMENT STEPS**:

For each section of the self-assessment, a credit union is expected to rate their compliance, identify gaps, and develop an action plan. Outlined below are the self-assessment steps.

* **Rating and Rationale**: a credit union should rate its current degree of compliance with the Code using the rating scale enclosed and provide a rationale for the rating;
* **Implementation Gaps**: a credit union should identify and describe any gaps in compliance with the Code; and
* **Action Plan**: a credit union should identify steps to address any compliance deficiencies as well as their action plan and target date(s) for full compliance.

**RATING SCALE:**

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| **Rating** | **Definition** |
| **6 – Fully Implemented** | A credit union has fully implemented the requirement or recommendation across its enterprise: (i) it has put written policies in place to support the relevant principle and section of the Code; (ii) it has implemented procedures to ensure operationalization of such policies; (iii) it provides training to its employees on those procedures; (iv) it tests compliance with the procedures as part of its compliance program; and (v) it has identified no outstanding issues (e.g., issues raised through self-assessment or by others). |
| **5 – Largely Implemented** | A credit union has largely implemented the requirement or recommendation across its enterprise: (i) it has put written policies in place to support the relevant principle and section of the Code; (ii) it has implemented procedures to ensure operationalization of such policies; (iii) it provides training to its employees on those procedures; and (iv) it tests compliance with the procedures as part of its compliance program. However, minor outstanding issues have been identified through self-assessment or by others. |

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| **4 – Moderately Implemented** | A credit union has moderately implemented the requirement or recommendation across its enterprise: (i) it has put written policies in place to support the relevant principle and section of its Code; (ii) it has implemented procedures to ensure operationalization of such policies; (iii) it provides training to its employees on those procedures; and (iv) it tests compliance with the procedures as part of its compliance program. However, significant outstanding issues have been identified through self-assessment or by others. |
| **3 – Partially Implemented** | A credit union has partially implemented the requirement or recommendation across its enterprise: (i) it has put written policies in place to support the relevant principle and section of its Code and has implemented procedures to ensure operationalization of such policies; and (ii) it provides relevant training to its employees on those procedures. However, it has not yet tested compliance with the procedures.ORA credit union has partially implemented the requirement or recommendation across its enterprise: (i) it has put written policies in place to support the relevant principle and section of its Code and has implemented procedures to ensure operationalization of such policies; and (ii) it tests compliance with the procedures, but it does not provide relevant training to its employees on the procedures. |
| **2 – Nominally Implemented** | A credit union has nominally implemented the requirement or recommendation across its enterprise: (i) it has put written policies in place to support the relevant principle and section of the Code; and (ii) it has implemented procedures to ensure operationalization of such policies. However, it has not yet provided relevant training to its employees or tested compliance and/or major aspects of the implementation remain incomplete. |
| **1 - Not Implemented** | A credit union has not yet implemented the requirement or recommendation: (i) it has not yet put written policies in place to support the principle; and (ii) it has not implemented operational procedures, provided relevant training to its employees, or taken action to ensure compliance. |

Attestation of Compliance for B.C. Credit Unions

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| --- | --- |
| To: | BC Financial Services Authority (“BCFSA”)   |
| From: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Credit Union (“Credit Union”) |

**Reporting Period:** calendar year ending \_\_\_\_\_\_\_\_\_\_\_\_.

I am accountable for the completion of B.C. Credit Union Market Conduct Annual Report. I confirm that I have reviewed the self-assessment responses and confirm their accuracy for the above reporting period. I also confirm that the board of directors has reviewed the self-assessment responses.

For the reporting period identified above, I hereby confirm that, except as outlined below, the Credit Union is fully compliant with each of the requirements set out in its code of market conduct.

**EXCEPTIONS:**

NIL or describe exceptions

**ACTION PLAN:**

Describe action plan to achieve full compliance

Dated at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, British Columbia, this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [signature]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [print name]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [insert title]

**Self-Assessment of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Credit Union**

*[insert name of credit union]*

**Reporting Period:****\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

| **Principles and Practices** | **Description**  | **Assessment** |
| --- | --- | --- |
| **Rating** | **Rating Rationale** (Provide rationale for rating and brief description of compliance) | **Implemen-tation Gaps** (Identify any gaps in implementation) | **Action Plan**(Identify the steps in place to address deficiencies and target date(s) for full implementation) |
| **Business Practices** |
| **1.1** **Business Culture** | The credit union promotes an ethical, “fair treatment” business culture in which it: * Makes strategic decisions;
* Conducts its daily activities;
* Communicates with employees; and
* Demonstrates corporate commitment to the financial wellbeing and fair treatment of all members, account holders, and consumers.
 | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **1.2 Governance and Accountability** | The credit union’s board of directors (the “board”) has implemented a policy and/or procedure that sets out:* The credit union’s requirement to promote a “fair treatment” corporate culture;
* Who, at the board level, is responsible for ensuring adherence to its Code; and
* That the board reviews the report and takes necessary action to ensure deficiencies noted in the report are resolved in a manner that best suits the credit union.
 | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **1.3** **Reporting to the Board** | At least annually, the senior management reports to the board on the credit union’s adherence to the principles in its Code, including the results of the credit union’s annual self-assessment. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **1.4** **Protection of Personal Information** | The credit union safeguards, collects, uses, and discloses personal information in accordance with the federal *Personal Information Protection and Electronic Documents Act* (“PIPEDA”)/the B.C. *Personal Information Protection Act* (“PIPA”).  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **1.5** **Financial Wellbeing and Financial Literacy**  | The credit union values and supports the financial wellbeing and financial literacy of members, account holders, and consumers. The credit union engages in efforts to support financial literacy in its community as well as includes the development and execution of initiatives that support its values in its business planning cycle. | Choose an item. | Click here to enter text. |  | Click here to enter text. |
| **1.6** **Whistle-****blowing** | The credit union has provided a channel through which whistleblowers can anonymously report suspected unethical conduct while respecting the rights of those about whom concerns are raised. The purpose of the channel is to address or answer such concerns. The credit union has a policy and/or procedure in place for employees to report incidents of actual or potentially improper or unethical conduct without fear of reprisal or unwarranted negative consequences. Whistleblowers are protected, to the extent possible under the circumstances, as described in the credit union’s procedures.The board periodically reviews, approves, and maintains the whistleblowing policy and/or procedure. Senior management of the credit union oversees, monitors, and controls credit union operations, in accordance with the whistleblowing policy and/or procedure.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **1.7** **Lobbying Activities** | If, when interacting with the Government and commenting on B.C. policy, legislation, regulation, or other government actions, the credit union employs a lobbyist, either on staff or as a consultant, it ensures that each lobbyist acts in accordance with the laws and regulations that apply to them, including registration with the B.C. Lobbyist Registry, as required.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |

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| **Fair Treatment and Fair Sales Practices** |
| **2.1** **Fair Treatment** | The credit union treats members, account holders, and consumers fairly in accordance with its Code. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **2.2****Fair Sales** | The credit union provides accurate product and service information to assist members, account holders, and consumers in making appropriate product and service choices in accordance its Code. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **2.3****Vulnerable Members** | The credit union has implemented policies and procedures to identify and support vulnerable members. Additionally, the credit union takes actions to support those members and engage in effective communication with them. It provides appropriate training and resources to employees, supports awareness of potential financial exploitation and abuse, and endeavors to mitigate potential financial harm of which it becomes aware. The credit union takes into account the needs of vulnerable members when providing notice of changes to products and services, fee structures, or the terms and conditions of the Financial Service Agreement. It ensures complaint-handling procedures provide fair access and appropriate assistance to vulnerable members. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **Access to Banking Services** |
| **3.1** **Opening of Deposit Accounts** | The credit union only opens deposit accounts for individuals whose identity it can verify in accordance with the credit union’s deposit account opening process. At a minimum, the identification requirements in the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* are used to verify individuals’ identities. The credit union never refuses to open a deposit account for a reason that is prohibited grounds of discrimination, solely because an applicant does not have a job or has been bankrupt or if reasonable restrictions can be imposed to manage risk to the credit union.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |

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| **3.2** **Refusal to Open Deposit Account** | The credit union only refuses to open a deposit account if it has a sound business reason for doing so. This includes if the applicant represents an unacceptable risk to the credit union. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **3.3** **Restrictions on Deposit Accounts** | The credit union only imposes restrictions on deposit accounts for reasonable risk management purposes.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **3.4** **Low-Fee and No-Fee Deposit Account** | The credit union offers low-fee and/or no-fee deposit accounts to provide access to basic banking services to members who would not otherwise be able to open or manage other types of accounts because of higher costs. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **3.5** **Access to Funds** | The credit union offers immediate access to the first $100 of all funds deposited by cheque (on any one day) into a deposit account, or on the next day, if the cheque is deposited through an ATM.The credit union only restricts access to funds or refuses access to funds due to a sound business reason.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **3.6** **Cashing of Government of Canada Cheques** | The credit union follows the *Access to Basic Banking Services Regulations* for cashing Government of Canada cheques for members, account holders, and consumers. The credit union does not charge a fee for cashing a Government of Canada cheque per the *Financial Administration Act*. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |

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| **Transparency and Disclosure** |
| **4.1** **Properly Informed Decisions** | The credit union helps members, account holders, and consumers make properly informed decisions about a product or service by: * Providing information that is written in user-friendly language (wherever possible), clear about risks/exclusions/limitations, up to date, and is based on B.C. disclosed personal circumstances and financial needs;
* Prominently displaying important information;
* Answering any questions about a product or service;
* Having employees identify the types of products or services they are licensed or registered to sell or offer (if applicable); and
* Disclosing any conflicts of interest (if applicable).
 | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **4.2** **Reviewing Information for Plain Language** | The credit union reviews product and service information periodically and as needed. It makes changes as necessary to ensure information is written in user-friendly language and easily accessible. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **4.3** **Legally Required Disclosure** | As a minimum standard, the credit union discloses all legally required information.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **4.4** **Disclosure Before/at the Time a Product or Service Is Acquired** | The credit union helps members, account holders, or consumers make informed decisions about a product or service.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **4.5** **Disclosure After Product or Service Is Acquired** | The credit union helps members and account holders use their products and services and keeps them informed by providing regular statements (where legally required), providing notice of changes to interest rate and service charges, and advising members when terms and conditions change.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |

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| **4.6** **Notices** | The credit union notifies members and account holders of changes to: (i) terms and conditions, service fees or account structures, and interest rates; (ii) branch closures; and (iii) automated teller machines (“ATM”) closures in accordance with applicable disclosure legislation or as set out in the respective Product or Service Agreement.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **4.7** **Banking Terminology Disclosure Requirements** | The credit union provides required disclosure when using the words “bank”, and/or “banking”, and/or “banker” in advertisements or marketing materials and when onboarding, including: (i) that the account being opened is a credit union account (during onboarding); (ii) the province the credit union is authorized to operate in; and (iii) the credit union’s deposit insurance system. Additionally, the credit union follows regulatory guidelines and advertising requirements.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |

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| **Complaint Handling** |
| **5.1** **Complaint Handling Procedures and Processes** | The credit union has established policies and/or procedures for fairly and transparently resolving – internally – complaints made by members, account holders, and consumers. The credit union has designated an individual to be responsible for handling complaints.  | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **5.2** **Making Complaint-Handling Information Available** | The credit union makes its complaint-handling policies and/or procedures available to members, account holders, and consumers. Additionally, the credit union posts contact information needed to access the service on its website (if applicable), in its branches, and upon request. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **5.3** **Handling Complaints**  | The credit union handles complaints in a fair and transparent manner and ensures responses are timely. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **5.4** **Record Keeping** | The credit union’s compliant-handling policies outline record keeping, level of severity, and the appropriate action taken. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |
| **5.5** **Reporting Complaints** | The credit union reports to the board, at least annually, the number of complaints received, the general nature of those complaints, and how those complaints were dealt with. The types of complaints that require reporting to the board are set out in the credit union’s complaint handling policies and procedures. | Choose an item. | Click here to enter text. | Click here to enter text. | Click here to enter text. |