

OSFI GUIDELINES - TRUST COMPANIES			
Capital Adequacy Requirements		B.C. Incorporated Trust Companies	Non-Federally Regulated Extra-provincial Trusts
A-3	Transitional Period Capital Floor Requirement for Institutions Using the Internal Ratings Based Approach to Credit Risk	N/A	N/A
CAR	Capital Adequacy Requirements 2018 (Banks, T&L and Retail Associations)	N/A	N/A
LAR	Liquidity Adequacy Requirements	N/A	N/A
LR	Leverage Requirements	N/A	N/A
Prudential Limits and Restrictions		B.C. Incorporated Trust Companies	Non-Federally Regulated Extra-provincial Trusts
B-1	Prudent Person Approach	Applicable*	Applicable*
B-2	Large Exposure Limits	N/A	N/A
B-4	Securities Lending	N/A	N/A
B-6	Liquidity Principles	N/A	N/A
B-11	Pledging	N/A	N/A
E-2	Commercial Lending Criteria	Applicable	Applicable
E-6	Materiality Criteria for Related Party Transactions	N/A	N/A
Accounting and Disclosure		B.C. Incorporated Trust Companies	Non-Federally Regulated Extra-provincial Trusts
	IFRS 9 Financial Instruments and Disclosures	Applicable	Applicable

TABLE CURRENT AS OF MARCH 2018

C-1	Impairment - Sound Credit Risk Assessment and Valuation Practices for Financial Instruments at Amortized Cost	N/A	N/A
C-5	Collective Allowances - Sound Credit Risk Assessment and Valuation Practices for Financial Instruments at Amortized Cost	N/A	N/A
D-1	Annual Disclosures	Applicable*	Applicable*
D-6	Derivatives Disclosure	Applicable	Applicable
D-10	Accounting for Financial Instruments Designated as Fair Value Option	Applicable	Applicable
D-12	Public Capital Disclosure Requirements related to Basel III Leverage Ratio	Applicable	Applicable
	Pillar 3 Disclosure Requirements	N/A	N/A
	Advisory – External Audit Quality Initiatives (DTI)	Applicable	Applicable
Sound Business and Financial Practices		B.C. Incorporated Trust Companies	Non-Federally Regulated Extra-provincial Trusts
	Corporate Governance Guideline	Applicable	Applicable
B-7	Derivatives Sound Practices	Applicable	Applicable
B-8	Deterring & Detecting Money Laundering	Applicable*	Applicable*
B-10	Outsourcing of Business Activities, Functions and Processes	Applicable	Applicable
B-12	Guideline - Interest Rate Risk (IRR) Management	N/A	N/A
B-20	Residential Mortgage Underwriting Practices and Procedures	Applicable	Applicable
E-13	Regulatory Compliance Management (RCM)	Applicable	Applicable
E-17	Background Checks on Directors and Senior Management of FREs	N/A	N/A
E-18	Stress Testing	Applicable	Applicable
E-19	Internal Capital Adequacy Assessment Process (ICAAP)	N/A	N/A
E-21	Operational Risk Management	Applicable	Applicable

TABLE CURRENT AS OF MARCH 2018

E-22	Margin Requirements for Non-Centrally Cleared Derivatives	N/A	N/A
E-23	Enterprise-wide Model Risk Management for Deposit-Taking Institutions	N/A	N/A
	Advisory – Cyber Security Self-Assessment Guidance	Applicable	Applicable
	Advisory – New technology-based outsourcing arrangements	Applicable	Applicable

* FICOM has adopted this guideline but not all sections apply. See [Appendix 1](#) for additional details.

APPENDIX 1

Please view the table below for additional details on the application of some guidelines.

Guideline		Application Notes
B-1	Prudent Person Approach	The Financial Institutions Act (FIA) exempts trust companies from the requirement of a written investment and lending policy. However, FICOM believes it is a good practice, under the Corporate Governance Guideline, for the Board to have an investment policy to set out its risk appetite and oversight of investment activities. Trust companies should take guidance from the procedures section of this guideline.
B-8	Deterring & Detecting Money Laundering	FICOM has signed a memorandum of understanding for exchanging information with FINTRAC. In order to meet FINTRAC obligations, trust companies should observe the general policies, principles and processes for a sound AML/ATF program outlined from page 7 onwards in this guideline. Specific references to OSFI legislation, processes and measures contained in pages 1 – 6 are not applicable to trust companies at this time.
D-1	Annual Disclosures	Specific references to Basel II Pillar 3 disclosures and requirements related to liquidity, market and currency risk are not applicable to trust companies.