

March 2, 2018
File No.: 71000-10
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To: CFOs/Finance Managers, BC Authorized Credit Unions

Re: Clarification - Capital Adequacy Return Completion Guide

Further to our letter dated November 22, 2017, this is to clarify capital adequacy reporting instructions for off balance sheet commitments. Pursuant to section 14(3) of the [Capital Requirements Regulation](#), the amount of risk-weighted exposure in respect of off balance sheet items is determined by reference to the [Capital Adequacy Requirements Guideline](#) (Guideline) established and published by the Office of the Superintendent of Financial Institutions (OSFI). Please refer to the OSFI Guideline for details on capital requirements of off balance sheet commitments.

The Financial Institutions Commission (FICOM) is currently reviewing and updating the Capital Adequacy Return Completion Guide, the below changes will be reflected in the next update:

- 2018 changes made to the Financial & Statistical Return in response to the recent and upcoming changes to International Financial Reporting Standards; and
- Clarification on reporting instructions for off balance sheet commitments.

The Capital Adequacy Return Completion Guide and return template are posted on FICOM's [website](#) under Financial Institutions > Regulatory Filings > Credit Union.

If you have any questions regarding the completion guide or return template, please contact Tiffany Mak at Tiffany.Mak@ficombc.ca.

Sincerely,



Mehrdad Rastan
Executive Director
Risk, Analytics & Reporting
Regulation

cc: CEOs/General Managers, BC Authorized Credit Unions

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- Superintendent of Financial Institutions
 - Superintendent of Pensions
 - Registrar of Mortgage Brokers

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