

Alan (Al) Clark



Financial Institutions Commission: **About FICOM**

Mandate

The Financial Institutions Commission (FICOM) is a regulatory agency of the provincial Ministry of Finance. FICOM is responsible for administering 10 statutes that regulate the pension, financial services, and real estate sectors in British Columbia.

The primary focus of this regulation is to ensure that

- institutions and pension plans in these sectors remain solvent;
- market-conduct requirements for these sectors are respected;
- unsuitable individuals do not participate in financial service markets; and
- through the Credit Union Deposit Insurance Corporation (CUDIC), insure credit union deposits and nonequity shares up to the maximum defined by regulation (\$100,000 per separate deposit) per credit union.

Organizational Structure

The Role of the Superintendent and CEO and Staff of FICOM

Day-to-day regulatory and operational decisions are administered by the

Superintendent and CEO and the approximately 90 staff hired under the *Public Service Act*.

The Superintendent and CEO serves in several official capacities, including Superintendent of Financial Institutions, Superintendent of Pensions, Superintendent of Real Estate, Registrar of Mortgage Brokers, and CEO of CUDIC, under the corresponding legislation.

FICOM is responsible for administering 10 statutes that regulate the pension, financial services, and real estate sectors in British Columbia.

FICOM staff work in four core business areas:

- Credit Unions and Trusts,
- Insurance,
- Pensions,
- Real Estate and Mortgage Brokers,

and in several key support functions, including the Investigations Department, which investigates statutory breaches of all Acts administered by FICOM. They also conduct investigations into related criminal matters, such as fraud.

Support services are provided to the core business areas by

Administrative Services, Operational Services, and the CEO's Office.

The Role of FICOM Commissioners

Under the *FIA (Financial Institutions Act)*, FICOM has up to 11 Commissioners appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Finance.

The Commissioners have two main roles:

- making major regulatory decisions related to incorporations, business authorizations, amalgamations, liquidations, and windups of financial institutions; and
- making decisions on credit union stabilization, supervision, and deposit insurance. Stabilization and supervision are regulatory powers used to assist credit unions experiencing financial or other difficulties.

Some Commissioners also serve as directors of CUDIC, a separate entity from FICOM and a statutory corporation. The mandate of CUDIC is to guarantee deposits and nonequity shares of depositors of British Columbia credit unions up to the limits prescribed by legislation.

Commissioners have no legislative responsibilities with respect to certain other statutes administered by FICOM, such as the *Real Estate Services Act* and the *Real Estate Development*

Marketing Act, Mortgage Brokers Act, or Pensions Benefits Standards Act.

Core Business Areas and Organization of FICOM

FICOM has four core business areas organized around its areas of regulatory responsibility.

Credit Unions and Trusts

- Regulation of credit unions and trust companies under the *Financial Institutions Act* and the *Credit Union Incorporation Act*
- Administration of deposit insurance for credit unions through the Credit Union Deposit Insurance Corporation

Insurance

- Responsibility for the regulation of insurers under the *Financial Institutions Act, Insurance Act, Insurance (Captive Company) Act, and Insurance (Marine) Act*

The Insurance Council of BC is responsible for licensing insurance sales agents and adjusters.

The Superintendent of Financial Institutions is responsible for investigating unlicensed insurance activities.

Pensions

- Regulation of pension plans registered in British Columbia under the *Pension Benefits Standards Act*

Real Estate and Mortgage Brokers

- Regulation of mortgage brokers under the *Mortgage Brokers Act*
- Regulation of marketing of multi-unit real estate developments under the *Real Estate Development Marketing Act*
- Approval of strata plan schedules under the *Strata Property Act*

Under the *Real Estate Services Act*, the Real Estate Council of British Columbia is a self-regulatory organization (SRO) that regulates real estate brokerages and representatives, property managers, and strata managers.

The Superintendent of Real Estate has powers to intervene in the regulation of real estate professionals if an urgent concern for the public interest arises, and is responsible for investigating unlicensed real estate activities.

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Support Functions

Investigations

The Investigations department investigates statutory breaches of all acts administered by FICOM. It also investigates related criminal issues, such as fraud, that may be uncovered in the course of these investigations.

Administration

FICOM's core business areas are supported by the following departments: Records, Systems, Accounting, Operational Services, and the CEO's office.

These departments provide a wide variety of services including records management, reception, communications, systems support, accounting, budgeting, purchasing, freedom of information requests, policy research, legislative reviews, performance planning and reporting, and strategic human resources management.

FICOM administers the following 10 provincial statutes.

These BC Statutes are administered by the Credit Unions and Trust Companies Department.

- Regulation of credit unions and trust companies under the *Financial Institutions Act* and the *Credit Union Incorporation Act*
- Administration of deposit insurance for credit unions through the Credit Union Deposit Insurance Corporation

- *Financial Institutions Act* provides a regulatory framework to govern all provincially regulated financial institutions including trust companies, insurance companies, and credit unions.

FIA also provides the licensing and regulatory framework for insurance agents, salespersons, and adjusters under the supervision of the Insurance Council of British Columbia. The Statute further provides for a credit union deposit insurance fund (CUDIC).

- *Credit Union Incorporation Act* provides a corporate governance framework for credit unions consistent with their co-operative characteristics.

These BC Statutes are administered by the Insurance Department.

- *Insurance Act* provides certain statutory requirements for contracts of insurance.
- *Insurance (Captive Company) Act* establishes British Columbia as a domicile for captive insurance companies and provides a registration and regulatory framework for captive insurance companies.
- *Insurance (Marine) Act* provides certain statutory requirements for contracts of marine insurance.

This BC Statute is administered by the Pensions Department.

- *Pension Benefits Standards Act* is designed to protect the interests of British Columbia pension plan members by setting minimum standards for British Columbia pension plans; it is also designed to protect the financial health of pension plans through rules for investment of a plan's assets and through funding and solvency standards.

The Superintendent of Financial Institutions is responsible for investigating unlicensed insurance activities.

These BC Statutes are administered by the Real Estate & Mortgage Brokers Department.

- *Mortgage Brokers Act* provides a registration and regulatory framework for mortgage brokers who deal with the public.
- *Real Estate Services Act* provides a licensing and regulatory framework for Realtors that is administered primarily by the Real Estate Council of British Columbia.
- *Real Estate Development Marketing Act* governs the marketing of development property and requires developers to obtain development approvals, file disclosure statements, place purchase monies in trust, and provide rescission rights.
- *Strata Property Act* provides a framework for creating Strata Property, and sets out rights and responsibilities for those living in strata developments.

Complaint-Handling Procedure

FICOM has a process in place for investigating complaints arising from the conduct of members of the real estate, pension plan, and financial services sectors. FICOM responds to all complaints in a timely and professional manner, in keeping with their regulatory responsibilities and commitment to service.

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To ensure complaints are addressed as expeditiously as possible, FICOM recommends that consumers submit their complaints in writing, including all relevant information and applicable documentation. All complaints are filed for tracking and statistical purposes, even in cases where no followup action is required. ▲

Alan (Al) Clark, Superintendent of Financial Institutions for the Government of British Columbia, was born and raised in Ontario. He retired from the Toronto Police Force in January 1987 with the rank of Staff Sergeant. In March 1987, Al joined the Ministry of Finance and Corporate Relations in British Columbia where he was in charge of a number of serious financial investigations, including the failure of Legion Credit Union.

In November 1989, when the Superintendent of Financial Institutions Office (SOFI) merged with the Credit Union Deposit Insurance Corporation of British Columbia (CUDIC) to become the Financial Institutions Commission (FICOM), Al was appointed head of the Investigations Department.

In July 2001, he was appointed Superintendent and Chief Executive Officer of the Financial Institutions Commission, Ministry of Finance.

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