

**Memorandum of understanding and protocol on cooperation, collaboration,  
and the exchange of information**

between

**BC Financial Services Authority**

and

**Ombudsman for Banking Services and Investments**

WHEREAS an accessible and effective dispute resolution service is vital to the integrity of British Columbia's credit union system and in the interests of credit unions and consumers in British Columbia;

WHEREAS the Ombudsman for Banking Services and Investments ("**OBSI**") provides dispute resolution services to credit unions and consumers in British Columbia;

WHEREAS credit unions in British Columbia are required to be members of OBSI to deal with certain complaints, pursuant to the *Credit Union Complaint Resolution Regulation*, BC Reg 34/2022;

WHEREAS BC Financial Services Authority ("**BCFSA**") is British Columbia's regulator of credit unions pursuant to the *Financial Institutions Act*, RSBC 1996, c. 141 ("**FIA**"), and the Chief Executive Officer of BCFSA is appointed as British Columbia's Superintendent of Financial Institutions under the *Financial Services Authority Act*, SBC 2019, c. 14;

WHEREAS BCFSA and OBSI (collectively, the "**Signatories**" and each, a "**Signatory**") are permitted to collect and share information pursuant to sections 219.1(1)(g) and 219.1(2)(f) of the FIA, for the purposes of administering the FIA or assisting in the administration of the laws of another jurisdiction regulating deposit business;

WHEREAS BCFSA is a public body as defined under the *Freedom of Information and Protection of Privacy Act*, RSBC 1996, c. 165, and is permitted to collect Personal Information from OBSI pursuant to sections 26(a) and 26(c) of that Act, indirectly collect Personal Information pursuant to section 27(1)(a)(iii) of that Act, and disclose Personal Information to OBSI pursuant to section 33(2)(e) of that Act;

WHEREAS the information gathered by OBSI is an important source of data and insights relevant to the identification of risk in credit union system and the work of BCFSA;

WHEREAS the Signatories have a joint interest in fostering cooperation and collaboration, promoting communication and exchange of analysis and information for the purpose of supporting and improving the effectiveness of the OBSI dispute resolution service and the integrity and stability of British Columbia's credit union system; and

WHEREAS the Signatories wish to establish a framework for sharing information to assist them in meeting their respective mandates.

The Signatories agree as follows:

## **Article 1. Definitions**

- 1.1. For the purposes of this Memorandum of Understanding and Protocol on Cooperation, Collaboration, and the Exchange of Information (the “**MOU**”):
- a) “**Applicable Law**” in relation to a Signatory means any law, regulation, decision, order or other legally binding obligation in the Signatory’s province or territory to which the Signatory is subject;
  - b) “**BCFSA**” means BC Financial Services Authority;
  - c) “**Confidential Information**” means any information exchanged pursuant to this MOU that is not publicly available, and includes Personal Information;
  - d) “**MOU**” means this Memorandum of Understanding and Protocol on Cooperation, Collaboration, and the Exchange of Information;
  - e) “**OBSI**” means the Ombudsman for Banking Services and Investments;
  - f) “**Personal Information**” means recorded information about an identifiable individual other than business contact information; and
  - g) “**Signatories**” means BCFSA and OBSI, collectively, and “**Signatory**” means either one of them.

## **Article 2. Purpose and Scope of Application**

- 2.1. This MOU provides a framework for sharing information between the Signatories and defines the scope of that information.
- 2.2. This MOU applies in respect of all credit unions regulated by BCFSA that are members of OBSI.

## **Article 3. Principles**

- 3.1. To the extent permitted by Applicable Law, the Signatories intend to cooperate and exchange all relevant and necessary information, including Confidential Information, as set out in Article 4, and to cooperate to accomplish their respective mandates in accordance with this MOU.
- 3.2. No Signatory shall be liable for the accuracy of information it provides under this MOU, or any use made of the information by the recipient.
- 3.3. Notwithstanding any obligatory language used in this MOU, the Signatories are not creating, and do not intend to create enforceable obligations through this MOU. Rather, this MOU records the Signatories’ current understandings, prepared with a view to assisting them to co-operatively achieve their respective objectives as outlined in the preamble and Article 2.

## **Article 4. Information Sharing**

- 4.1. OBSI will share with BCFSA the following information:

- a) Regular quarterly reporting as agreed to between the Signatories, including but not limited to reporting of overall inquiry and case volumes, trends, and settlements below recommended amounts for British Columbia credit unions;
  - b) For each participating British Columbia credit union, case volumes and case information including product, issue(s), case closing time and outcome; and
  - c) Reporting of any issues that appear likely to have significant regulatory or systemic implications, including issues that appear to affect the risk profile of any British Columbia credit union or multiple clients of one or more British Columbia credit unions.
- 4.2. OBSI will share further information about specific cases upon written request of BCFSA using a secure method of transmission agreed to by the Signatories.
- 4.3. BCFSA agrees to share with OBSI any information that, in BCFSA's opinion, may be relevant to OBSI's complaint handling process, a specific case investigation by OBSI, OBSI's case forecasting or other administrative matters, provided that BCFSA is permitted to disclose such information under Applicable Law, and that such disclosure would not, in BCFSA's opinion, interfere with its ability to conduct its regulatory mandate.

## **Article 5. Mechanisms of Consultation and Coordination**

- 5.1. The Signatories will communicate as appropriate to discuss matters significant to British Columbia's credit unions and their customers.
- 5.2. The Signatories shall meet on a semi-annual basis, or more frequently if a Signatory identifies a particular issue or trending of concern affecting the risk profile, viability, solvency, or reputation of a particular credit union or British Columbia's credit union system.
- 5.3. Meetings may take place virtually or in person, as the Signatories may determine.
- 5.4. The Signatories will monitor the operation of this Agreement and will consult each other on implementation of this MOU to ensure its ongoing effectiveness.

## **Article 6. Confidentiality, Use, and Disclosure Requirements**

- 6.1. Each Signatory will take appropriate measures to protect all Confidential Information exchanged pursuant to this MOU from unauthorized access, collection, use or disclosure.
- 6.2. Signatories will maintain the confidentiality and security of all records relating to the business of either or all Signatories at all times, unless disclosure is required by law.
- 6.3. Any Signatory who receives Confidential Information in accordance with this MOU shall limit access to such information to persons who are working for or acting on behalf of the Signatory and who:
- a) are subject to the Signatory's confidentiality obligations;

- b) are under the Signatory's direct control or acting as agent or legal counsel to the Signatory; and
  - c) require the access for the performance of their duties, including examinations and investigations conducted by BCFSa staff, in which case such information shall only be used for the purpose for which it was requested, or a use consistent with that purpose, and in accordance with Applicable Law.
- 6.4. Confidential Information received by a Signatory pursuant to this MOU shall be protected and treated as confidential and may not be directly or indirectly disclosed to a non-Signatory, unless:
- a) the disclosure is required by law;
  - b) any and all credit unions and persons to which the Confidential Information relates have consented to the disclosure; or
  - c) in the opinion of BCFSa, disclosure is necessary or advisable in order to administer the FIA or assist in the administration of the laws of another jurisdiction regulating deposit business.
- 6.5. If a Signatory receives a request made by a non-Signatory for the disclosure of Confidential Information, it shall notify the Signatory that initially shared that information without delay. The Signatory receiving the request must not release the information without first obtaining the originating Signatory's signed consent, unless the Signatory receiving the request is required by Applicable Law to disclose it.
- 6.6. If a Signatory discloses Confidential Information to a non-Signatory, the disclosing Signatory shall, prior to disclosing the information, obtain an undertaking or other written agreement or assurance from the non-Signatory recipient to maintain the confidentiality of the information.
- 6.7. No information or records exchanged between the Signatories will be stored outside of Canada.
- 6.8. No information relating to individual complaints made to OBSI, including any Personal Information or the identity of any credit union or credit union employee against whom a complaint has been made shall be shared between the Signatories pursuant to this Agreement, except as provided by Article 4 of this MOU.
- 6.9. Each Signatory will investigate all reported cases of unauthorized access, use, or disclosure of Confidential Information, and advise the other Signatory, as soon as practicable, of any circumstances, incidents, or events which, to its knowledge, have or may have jeopardized the privacy of individuals referred to in the Confidential Information, or the security of any computer system in its custody that is used to access Confidential Information.
- 6.10. This Agreement will be governed by, and construed, in accordance with the laws of British Columbia.

## **Article 7. Contact Persons**

- 7.1. Each Signatory shall designate one or more contact person(s) to facilitate cooperation and exchange of information pursuant to this MOU.
- 7.2. All communications between Signatories shall take place through their contact persons unless the Signatories agree otherwise.

## **Article 8. Effective Date**

- 8.1. This MOU will come into effect on the date that it is signed by all Signatories.

## **Article 9. Revision, Amendment, and Termination**

- 9.1. Any amendment to this MOU will require the written consent of all Signatories.
- 9.2. The Signatories will periodically review the functioning and effectiveness of this MOU, with a view, among other things, to expanding or altering the scope or operation of this MOU, should that be deemed necessary.
- 9.3. Either Signatory may terminate this MOU on 30 days' written notice to the other Signatory, or as otherwise as agreed to in writing by the Signatories. Any Confidential Information obtained under this MOU will continue to be protected by the Signatories in compliance with the security and confidentiality provisions of this MOU.

## **Article 10. Execution of MOU**

- 10.1. This MOU may be executed and delivered by the Signatories in one or more counterparts, each of which when so executed and delivered will be deemed to be the original, and those counterparts will together constitute one and the same instrument. This MOU may be executed by any designated officer of each Signatory.

**Effective March 18, 2024**