



Type of Publication: Capital Ruling

Category: Capital

No: 2020 – 01

March 15, 2021

To: Federally Regulated Financial Institutions (FRFIs)

Subject: **Revised OSFI Capital Ruling for Limited Recourse Capital Notes**

OSFI has published an update to [its July 18, 2020 capital ruling](#) on the Limited Recourse Capital Notes (LRCNs). The revised ruling now addresses LRCN issuances from institutions of all sizes and across different industry sectors.

The revisions include a number of clarifications to the ruling's conditions and limitations, which are part of OSFI's prudent approach to assessing the quality and quantity of financial instruments used as regulatory capital. This is consistent with our mandate to protect the rights and interests of depositors, policyholders and financial institution creditors, while also allowing financial institutions to compete effectively and take reasonable risks.

The ruling continues to conclude that federally regulated financial institutions may recognize the LRCNs as regulatory capital subject to the capital treatment, conditions and limitations set out in the revised ruling.

Should you have any questions, please contact CapitalConfirmations@osfi-bsif.gc.ca.

Yours sincerely,

Ben Gully
Assistant Superintendent
Regulation Sector



255 Albert Street
Ottawa, Canada
K1A 0H2

OSFI
BSIF

www.osfi-bsif.gc.ca

Canada 