



Index A No. 3

PART XII: APPROVAL TO HAVE A FINANCIAL ESTABLISHMENT IN CANADA

Legislative Authorities

- Subsection 522.21(1) or 522.211(1) of the [Bank Act](#) (the “Act”).

Information Requirements

The applicant is generally expected to provide:

1. the name of the applicant, the address of its head office and its jurisdiction of incorporation;
2. the current organizational chart (with percentages owned) of the applicant’s corporate group;
3. a description of the nature and degree of supervision and regulation to which the applicant and its affiliates are subject, including the name of the primary regulatory organization for the applicant and its affiliates;
4. an analysis in support of the applicant’s position that it is an entity to which Part XII of the Act applies¹ (a “Part XII Entity”);
5. a description of the current business activities and investments in Canada of the applicant and its affiliates, and a confirmation that these activities currently comply, and after the financial establishment in Canada will continue to comply, with Part XII of the Act;
6. a description of the proposed business activities or investment that will cause the applicant to have a financial establishment in Canada (the “Transaction”), and an analysis demonstrating that the Transaction will be permitted under Part XII of the Act, subject to receipt of the necessary approvals;
7. details regarding whether the applicant (or the entity being acquired, where applicable) requires any regulatory approval, other than under the Act, to enter into the Transaction or is required to notify any regulator of such transaction, and where any of these requirements apply, a confirmation that they have been met; and
8. where the applicant is controlled by an individual or a group of individuals acting in concert, a completed [OSFI Security Information Form](#) in respect of that individual or each of the members of the group acting in concert, as the case may be.²

¹ By virtue of section 508 of the Act.

² See item 4 of the Administrative Guidance below for more information.

Administrative Guidance

1. For further guidance on the concept of “financial establishment in Canada” and other elements of Part XII of the Act, refer to the [Advisory No. 2006-01-R1 – Legislative Framework for Foreign Banks](#).
2. No approval under the Legislative Authorities is required where a Part XII Entity or its affiliate:
 - (a) maintains or establishes a bank branch in Canada under Part XII.1 of the Act;
 - (b) maintains or establishes an insurance branch in Canada under Part XIII of the *Insurance Companies Act*;
 - (c) controls or acquires control of a federally regulated financial institution or owns or acquires more than 20% of its voting shares or 30% of its non-voting shares; or
 - (d) has already received, or is deemed to have received, the approval of the Minister to have a financial establishment in Canada.³
3. A foreign bank or an entity associated with a foreign bank with a financial establishment in Canada is subject to restrictions on its activities, businesses and investments in Canada similar to those imposed on Canadian banks. Applicants are reminded to consult [Advisory No. 2006-01-R1 – Legislative Framework for Foreign Banks](#) to determine whether additional approvals of the Minister pursuant to section 522.22 of the Act are required.
4. The [OSFI Security Information Form\(s\)](#) must be provided to OSFI in the following two formats: (a) a signed and dated original hard-copy, and (b) an electronic version in Excel format. Once OSFI receives the completed forms, they are then forwarded to the relevant Canadian law enforcement and intelligence agencies to carry out the requisite background and security assessments. Please note that the time required by law enforcement and intelligence agencies to complete these assessments is not within OSFI’s control, and the Superintendent will generally not request the Minister’s decision to issue Letters Patent until these assessments are completed without issue. As such, applicants are strongly encouraged to remit the completed OSFI Security Information Form(s) at the earliest possible stage in the application.
5. Where applicable, OSFI will generally recommend to the Minister that any approval granted under the Legislative Authorities lapse upon the acquisition of the applicant by a person outside of the applicant’s current ownership group or any change to the applicant’s ultimate controlling shareholder.
6. This approval is subject to a service charge.⁴ A wire transfer, cheque or bank draft should be made payable to the Receiver General for Canada.

³ See subsections 522.21(2), 522.21(3), 522.211(2) and 522.211(3) of the Act.

⁴ Please see [Charges for Services Provided by the Office of the Superintendent of Financial Institutions Regulations 2002](#).

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7. The following email address should be used for the initial submission of documents in support of requests for approval(s) that are addressed in this document: approvalsandprecedents@osfi-bsif.gc.ca. Once the initial submission has been received, a case officer will be assigned to the matter. Thereafter, all case-related documents and correspondence should be directed to the case officer.

The information requirements and administrative guidance are intended to satisfy typical applications. They have been derived from OSFI's experience in assessing applications. Applicants who provide all information and material requested can generally expect a more timely assessment of their applications. As appropriate to the circumstances, OSFI may request additional information, take into account other matters, impose terms and conditions, or require undertakings.