



## Index A No. 7.1

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### **PART XII: ACQUISITION OF CONTROL OF A PROVINCIALY REGULATED FINANCIAL INSTITUTION OR OTHER FINANCIAL INTERMEDIARY**

#### **Legislative Authorities**

- Paragraph 522.22(1)(a) or (b) 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. an analysis in support of the applicant’s conclusion that it is required to seek this approval, including an analysis supporting the applicant’s position that it is an entity to which Part XII applies<sup>1</sup> (a “Part XII Entity”);
3. a confirmation of whether:
  - (a) the applicant currently has, or is currently deemed to have, a financial establishment in Canada (and where this is the case, details in support of the confirmation),<sup>2</sup> or
  - (b) the transaction will cause the applicant to have a financial establishment in Canada;
4. the name of the provincially regulated financial institution (PRFI) or other financial intermediary (OFI) being acquired, the identity of the person(s) from whom the ownership interests in the PRFI or OFI are being acquired, and in the case of a PRFI, the identity of its primary regulator;
5. a description of each of the PRFI’s or OFI’s business activities and, in the case of an OFI, an analysis setting out why each of its business activities are authorized<sup>3</sup> and not restricted<sup>4</sup>;
6. a description of the transaction that will result in the applicant acquiring control of the PRFI or OFI, including:
  - (a) the rationale for the transaction, and
  - (b) the names of the parties to the transaction; and

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<sup>1</sup> By virtue of section 508 of the Act.

<sup>2</sup> See subsections 507(15) and (16) of the Act.

<sup>3</sup> Business activities that are authorized are listed in subsection 522.08(1) of the Act.

<sup>4</sup> Business activities that are restricted are generally listed in subsection 522.08(2) of the Act.



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7. details regarding whether the applicant (or the PRFI, where applicable) requires any regulatory approval, other than under the Act, in connection with the transaction or is required to notify any regulator about the transaction, and where any of these requirements apply, confirmation that they have been met.

### 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 [Advisory No. 2006-01-R1 – Legislative Framework for Foreign Banks](#).
2. A PRFI is an entity referred to in paragraphs 468(1)(g) to (i) of the Act (i.e., a provincially established trust, loan or insurance corporation, a provincially established and regulated cooperative credit society, or a federally or provincially established securities dealer).
3. An OFI is a Canadian entity that engages in any financial intermediary activity that exposes it to material market or credit risk. The following types of entities are not OFIs: a federally regulated entity, a factoring entity, a financial leasing entity, a mutual fund entity or a closed-end fund.
4. The acquisition of control of a PRFI or OFI by a Part XII Entity generally causes the Part XII Entity and all entities associated with it to have a financial establishment in Canada (where this is not already the case). If the applicant does not currently have a financial establishment in Canada, it will require an [approval](#) from the Minister to have one prior to acquiring control of the PRFI or OFI.
5. Where the acquisition will result in more than one person directly or indirectly acquiring control of the PRFI or OFI, any one of those persons may submit the application for approval on behalf of all others. That person is expected to provide the name, head office address and jurisdiction of incorporation of all persons who will be acquiring control of the PRFI or OFI.
6. No approval under the Legislative Authorities is required to:
  - (a) incorporate a PRFI or an OFI;
  - (b) acquire control of a PRFI or an OFI from a person who is a member of the applicant’s group<sup>5</sup>;
  - (c) acquire a substantial investment in (but not control of) a PRFI or an OFI; or
  - (d) acquire control of an OFI whose financial intermediary activities are limited to providing services to the applicant or a member of its group<sup>6</sup>.

For further guidance regarding the acquisition of a PRFI or an OFI (or another type of Canadian entity), refer to Table II of Appendix A to [Advisory No. 2006-01-R1 – Legislative Framework for Foreign Banks](#).

7. This approval is subject to a service charge.<sup>7</sup> A wire transfer, cheque or bank draft should be made payable to the Receiver General for Canada.

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<sup>5</sup> A member of the applicant’s group for this purpose and for the purpose of item 6(d) below is a “member of foreign bank’s group”, as defined in subsection 507(14) of the Act.

<sup>6</sup> See section 2 of the *Exemption from Approval for Certain Investments in Intragroup Service Entities Regulations*.

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8. 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](mailto: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.*

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<sup>7</sup> Please see [Charges for Services Provided by the Office of the Superintendent of Financial Institutions Regulations 2002](#).