



Guideline impact analysis statement

Title	Small and Medium-Sized Deposit-Taking Institutions (SMSBs) Capital and Liquidity Requirements Guideline – Guideline impact analysis statement (2023)
Category	Capital Adequacy Requirements
Date	January 31, 2022
Sector	Banks Trust and Loan Companies

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I. Background

OSFI's SMSB Capital and Liquidity Requirements Guideline details the criteria OSFI uses to segment small and medium-sized deposit-taking institutions (SMSBs) into three categories for the purpose of determining their capital and liquidity requirements [1](#) . The Guideline is a reference tool for SMSBs to clarify which parts of OSFI's [Capital Adequacy Requirements Guideline](#), [Leverage Requirements Guideline](#), and [Liquidity Adequacy Requirements Guideline](#) apply to SMSBs in each category.



II. Problem Identification

OSFI's existing capital, leverage, and liquidity guidance may not appropriately reflect the size, complexity, and risk profile of SMSBs.

III. Objectives

OSFI's objective is to ensure that its capital, leverage, and liquidity guidance remains comprehensive, risk-sensitive, and fit-for-purpose. The SMSB Capital and Liquidity Requirements Guideline tailors the foregoing requirements to reflect the size and complexity of these institutions. Revisions to the SMSB capital and liquidity frameworks should strike the right balance between improving the risk sensitivity of the requirements for SMSBs and reducing their complexity to make them more fit for purpose.

IV. Consultations

OSFI issued the draft Guideline for public consultation in March 2021. A summary of the material comments received from industry stakeholders and an explanation of how they have been addressed has been published along with the final Guideline.

V. Recommendations

It is recommended that the Guideline be published to advance proportionality in the capital and liquidity frameworks for SMSBs.

VI. Implementation & Evaluation

The final version of the Guideline will be effective February 1, 2023/April 1, 2023 [2](#) . OSFI will monitor adherence to the Guideline through its ongoing supervision of institutions.

Footnotes

- 1 For the purposes of this Guideline, SMSBs are banks (including federal credit unions), bank holding companies, federally regulated trust companies, and federally regulated loan companies that have not been designated by OSFI as domestic systemically important banks (D-SIBs). This includes subsidiaries of SMSBs or D-SIBs that are banks (including federal credit unions), federally regulated trust companies or federally regulated loan companies.
- 2 For institutions with a fiscal year ending October 31 or December 31, respectively.