Letter

Title	Draft Total Loss Absorbing Capacity (TLAC) Guideline (2027) – Letter
Category	Capital Adequacy Requirements
Date	September 10, 2026
Sector	Banks

Today, we are launching a 60-day public consultation on the draft revisions to the Total Loss Absorbing Capacity (TLAC) Guideline.

The proposed revisions build on the current TLAC Guideline, published in April 2018, that applies to domestic systemically important banks (D SIBs). The comments we receive will inform final changes to the guideline, which will come into effect on May 1, 2027.

The objective of the TLAC Guideline is to ensure that D-SIBs have sufficient regulatory capital and Other TLAC Instruments to absorb losses and support their recapitalization in the event of non-viability, thereby enabling an orderly resolution and minimizing adverse impacts to the financial system. Our proposed revisions aim to reinforce this objective by clarifying our expectations concerning the content and currency of external legal opinions.

The main revisions to the TLAC Guideline include:

- requiring D-SIBs to obtain an updated external legal opinion at least biennially for each foreign jurisdiction under whose laws they issue Other TLAC Instruments
- specifying the minimum points of law that an opinion should address
- clarifying expectations regarding the reopening of an existing indenture

Stakeholders who wish to submit comments should send them to consultations@osfi-bsif.gc.ca by November 9, 2026. We will publish a non attributed summary of the comments we receive, together with our responses, on our website alongside the final version of the guideline.