



Streamlined Approvals Framework for Targeted New Entrants (Entities with innovative or emerging banking models)

Formal Application Checklist

To be completed by applicant

Phase 2 (Formal Application Review) information requirements are set out below. They support OSFI's assessment of readiness and key risks, and the potential use of conditions or restrictions where material gaps exist. Accordingly, applicants are expected to provide a comprehensive level of detail on their current state and forward-looking plans.

The following is taken from the phase one and phase two information requirements in the [Guide for Incorporating Banks and Federally Regulated Trust and Loan Companies](#). Please also refer to the guide for Administrative Guidance.

Questions carried forward from Phase 1 (Initial Readiness Assessment) are marked with an asterisk. Where there have been no changes since the Phase 1 submission, applicants may indicate this in the comments box and are not required to re-submit the information.

Formal Application Requirements Checklist

1.1 Ownership and Financial Strength

Ref	Requirement	Provided (Yes/No)	Comments
a.	*the name of the jurisdiction and date of incorporation or establishment of the prospective applicant;		
b.	*the current organization chart (with percentages owned) of the prospective applicant's corporate group, including entities in which the prospective applicant (and any of its parents that are not also prospective applicants) beneficially owns 10% or more of the voting rights (indicate by an asterisk whether any of the entities shown on the chart operate in Canada, and provide a summary of these operations);		
c.	*details regarding any voting agreement or other similar arrangements that involve persons exercising direct or indirect control over the prospective applicant;		
d.	*the names of all persons owning more than 10% of any class of shares or ownership interests in the prospective applicant (and in any of its parents that are not also prospective applicants), and the percentage of shares or ownership interests held (to the extent not already shown in the organization chart referred to in (b) above);		

e.	*details of any shares or ownership interests of the prospective applicant (and any of its parents that are not also prospective applicants) that are held by a government or a political subdivision, an agent or agency thereof, together with a summary of its involvement in the operation and affairs of the prospective applicant ¹ ;		
f.	*a summary of the current and proposed financial services and non-financial activities carried on by the prospective applicant and its affiliates (other than the proposed FRFI), including: Any services proposed to be provided to the proposed FRFI by affiliates, any services proposed to be provided by the proposed FRFI to affiliates of the applicant, a list of jurisdictions in which the applicant and their affiliates operate and the nature and degree of regulatory oversight applicable to the financial services activities;		
g.	a copy of the most recent annual report of the prospective applicant (and of any of its parents that are not also prospective applicants);		
h.	*the audited consolidated financial statements of the prospective applicant (and of any of its parents that are not also prospective applicants) for the last three years (balance sheet, income statement, statement of changes in shareholders' equity) ² ; and		
i.	*details of whether the prospective applicant (and any of its affiliates that are not also prospective applicants) has been:		
i.	*denied a request to establish a financial institution or a branch in any jurisdiction; and		

¹ Please see paragraph IV of Administrative Guidance in the Guide for Incorporating Banks and Federally Regulated Trust and Loan Companies.

² If the person is a foreign entity, provide a comparison between the accounting standards used to complete the applicant's financial statements and International Financial Reporting Standards.

ii	*the subject of any criminal proceedings or administrative sanctions.		
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1.2 Business Plan

Ref	Requirement	Provided (Yes/No)	Comments
a.	*the reasons why the prospective applicant is seeking to establish the proposed FRFI;		
b.	*an analysis of target markets and opportunities that the proposed FRFI will pursue and the plans to address them;		
c.	*an analysis of competitors, showing both challenges and opportunities, and plans to address them;		
d.	*the reasons why the prospective applicant believes that the proposed FRFI will be successful, and the overall strategy for achieving this success, including a discussion of key assumptions;		
e.	the location(s) of the proposed branch(es) ³ and head office of the proposed FRFI in Canada;		
f.	*a detailed description of each line of business to be conducted by the proposed FRFI and the products and services to be offered, including how the lines of business interrelate;		

³ Please note that "branch" is defined in section 2 of the BA and TLCA.

Ref	Requirement	Provided (Yes/No)	Comments
g.	*for each year in the five-year business plan, details regarding the implementation of the Liquidity Adequacy Requirements, including on-going reporting on the Net Cumulative Cash Flow and Liquidity Coverage Ratio ⁴ ;		
h.	*the risk-based capital and leverage ratios for each year of the five-year business plan, including a breakdown of key elements used to calculate those ratios on a Basel III basis ⁵ ;		
i.	*five-year pro forma financial statements (base case) for the proposed FRFI, including balance sheet, income statement, details regarding key assumptions and an identification of major asset, liability, income and expense categories;		
j.	contingency plans resulting from variations associated with key assumptions used in developing the base case business plan, including a sensitivity analysis showing the results of changes in key assumptions on the base case business plan under a worst case scenario and a discussion of the changes in assumptions;		
k.	*details regarding the proposed organizational structure including senior management reporting lines and key responsibilities within the organization;		
l.	*details regarding the proposed composition of the board of directors and senior management, and details regarding any persons selected or sought for those positions;		

⁴ Please see [OSFI Guideline – Liquidity Adequacy Requirements \(LAR\)](#).

⁵ In preparing the pro forma financial statements, note that the initial leverage ratio assigned by OSFI will depend on several factors but will typically fall within the 8 to 12 per cent range. Factors include the nature of the proposed business, the anticipated peer group risk profile, the overall strength of the business plan, the financial strength of the owner and the level of initial capitalization. Applicants should discuss with OSFI the initial leverage ratio they intend to use.

Ref	Requirement	Provided (Yes/No)	Comments
m.	a description of any proposed material outsourcing arrangements involving the proposed FRFI, how these arrangements would be managed, and copies of any material outsourcing arrangement contracts ⁶ ; and		
n.	a copy of any proposed shareholders' agreement.		

1.3 Other Information

The prospective applicant is generally expected to provide details regarding its current and proposed, as applicable:

Ref	Requirement	Provided (Yes/No)	Comments
a.	details regarding the proposed FRFI's:		
i.	credit products and the underwriting criteria for those products,		
ii.	trading and investment strategy,		
iii.	information technology environment, and		

⁶ Please see [OSFI Guideline B-10 - Third-Party Risk Management Guideline](#)

Ref	Requirement	Provided (Yes/No)	Comments
b.	in the case of a continuance from another Act, details regarding the incremental costs associated with being regulated as a FRFI for each year in the five-year business plan.		

2.1 Ownership and Financial Strength

The applicant is generally expected to provide, as applicable:

Ref	Requirement	Provided (Yes/No)	Comments
a.	the name of the applicant;		
b.	the address of the principal place of business and head office of the applicant;		
c.	a certified copy of the constating documents and current company by-laws of the applicant;		
d.	if the applicant is a foreign-owned financial institution:		
i.	the name and contact information of an individual from the applicant's home regulator that is familiar with the applicant's activities,		

Ref	Requirement	Provided (Yes/No)	Comments
ii.	confirmation that the applicant's home regulator is aware of the applicant's intention to incorporate the proposed FRFI, details regarding whether the applicant requires regulatory approval from its home regulator to incorporate the proposed FRFI, and if so, confirmation that any such approval has been obtained,		
iii.	information on whether, and in what manner, the applicant is subject to comprehensive consolidated supervision and regulation by its home regulator, and		
iv.	a report of the examination in respect of the applicant, issued by its home regulator, if available, or confirmation from the applicant's home regulator that it reports favourably on the applicant;		
e.	*a copy of the most recent report on the applicant (and on any of its parents that are not also applicants) issued by a recognized credit rating agency, if available;		
f.	details in support of the applicant's capacity to provide continuing financial, managerial and operational support to the proposed FRFI, including:		
i.	if the applicant is, or controls, a regulated financial institution, confirmation that the institution is adequately capitalized and meets, as a minimum, the Bank for International Settlements (BIS) standards, as applied in its home jurisdiction ⁷ , and		

⁷ Please note that, in certain circumstances, OSFI may request that the applicant provide information that demonstrates that the institution meets the BIS standards in both its home jurisdiction and in Canada.

ii.	if the applicant is not a regulated financial institution, a list of its corporate group's principal competitors, the key financial metrics for the group's industry (e.g., return on equity, debt to equity) and, for each metric identified, the industry average in each of the past 5 years and the group's performance against the average;		
g.	if the applicant is an individual:		
i.	a completed OSFI Security Information Form (PDF) ⁸ ,		
ii.	a curriculum vitae, and		
iii.	information that demonstrates that the applicant has, or has access to, the necessary resources to provide on-going financial support to the FRFI;		
h.	at the time the application is filed, a written commitment from the applicant to provide the proposed initial capital of the FRFI as detailed in the business plan of the FRFI; and		
i.	a certified copy of a resolution of the board of directors of the applicant approving the application.		

⁸ 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 seek the Minister's approval in respect of the 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.

2.2 Business Plan

With respect to the five-year business plan submitted in Phase-1, the applicant is generally expected to provide:

Ref	Requirement	Provided (Yes/No)	Comments
a.	sources of initial and future capital in the form of a capital plan and funding plan;		
b.	for each of the five years, a breakdown of all elements used to calculate the risk-based capital ratios, on a Basel III basis, the leverage ratio ⁹ , and a pro forma Internal Capital Adequacy Assessment Process (ICAAP) reporting template and, in respect of the ICAAP, information supporting:		
i.	the identification of all key risks,		
ii.	the effectiveness of proposed information systems that support ICAAP,		
iii.	appropriateness of the measurement methodology employed to support the ICAAP assessment,		

⁹ In preparing the pro forma financial statements, note that the initial leverage ratio assigned by OSFI will depend on several factors but will typically fall within the 8 to 12 per cent range. Factors include the nature of the proposed business, the anticipated peer group risk profile, the overall strength of the business plan, the financial strength of the owner and the level of initial capitalization. Applicants should discuss with OSFI the initial leverage ratio they intend to use.

Ref	Requirement	Provided (Yes/No)	Comments
iv.	the reasonableness of the ICAAP output and the assumptions used,		
v.	the reasonableness and appropriateness of stress testing and analysis of assumptions,		
vi.	integration of the ICAAP results and the proposed risk management processes, and		
vii.	the reasonableness of the proposed capital plan and the proposed internal capital targets ¹⁰ ; and		
c.	the intended financial year-end for the FRFI.		

¹⁰ The FRFI statutes require that the FRFI has paid-in capital of at least \$5 million (CAD), or any greater amount that may be specified by the Minister, prior to the issuance of an Order. The capital must also meet [OSFI's Capital Adequacy Requirements \(CAR\)](#). OSFI generally expects that the initial amount of paid-in capital will be sufficient, at all times, for the FRFI to remain above its target risk-based capital ratios and remain above its leverage ratio for the longer of the first three years of the FRFI's operations, or until it is profitable under the base case scenario.

2.3 Management

The applicant is generally expected to provide:

Ref	Requirement	Provided (Yes/No)	Comments
a.	details regarding the projected staff complement and an organization chart showing reporting lines for senior positions and key responsibilities in the FRFI over the lifespan of the business plan, including proposed mandates for each senior position and any senior management committees ¹¹ ;		
b.	details regarding the hiring criteria, including knowledge and experience for each senior position;		
c.	information on each proposed senior officer of the FRFI, including:		
i.	a completed OSFI Security Information Form (PDF) ¹² ,		
ii.	the title of the position the individual would hold within the FRFI,		
iii.	details of whether the individual and/or any entity in which the individual is or was a senior officer, have been the subject of any criminal proceedings or administrative sanctions, and		

¹¹ Please see [OSFI's Corporate Governance Guideline](#).

¹² Please see footnote 8.

Ref	Requirement	Provided (Yes/No)	Comments
iv.	the individual's current curriculum vitae demonstrating that the individual has the necessary qualifications and expertise to manage or direct the FRFI's proposed business; and		
d.	the name and address of the proposed external audit firm, the specific partner of that firm responsible for auditing the FRFI, and confirmation that the proposed external auditor meets the suitability requirements set out in the FRFI statutes ¹³ .		

2.4 Risk Management: Policies, Procedures and Risk Management Controls

The applicant is generally expected to provide:

Ref	Requirement	Provided (Yes/No)	Comments
a.	the risk appetite framework for the proposed FRFI ¹⁴ ;		
b.	a detailed description of all risks to which the FRFI would be exposed as well as the manner in which it would monitor and manage these risks, including the following specific risks:		
i.	market risk,		

¹³ Please see section 315 of the BA and section 320 of the TLCA.

¹⁴ Please see [OSFI's Corporate Governance Guideline](#).

Ref	Requirement	Provided (Yes/No)	Comments
ii.	credit risk,		
iii.	operational risk,		
iv.	regulatory compliance, and		
v.	strategic risk;		
c.	draft copies of the FRFI's proposed:		
i.	investment and lending policies, standards and procedures, and a self-assessment against OSFI's Guideline B-2, Large Exposure Limits, and Guideline B-20, Residential Mortgage Underwriting Practices and Procedures (if applicable),		
ii.	funding and liquidity risk management policies, procedures and a description of the control procedures to monitor funding and liquidity ¹⁵ ,		

¹⁵ Please see [OSFI Guideline B-6 - Liquidity Principles](#).

Ref	Requirement	Provided (Yes/No)	Comments
iii.	provisioning policies and a description of the collective allowances that are anticipated in executing the FRFI's business plan,		
iv.	dividend and capital management policies ¹⁶ ,		
v.	compensation policy for all human resources ¹⁷ ,		
vi.	market risk management policies;		
vii.	operational risk management policies ¹⁸ , and		
viii.	business continuity management policy, business impact analysis and plans for business continuity and disaster recovery ¹⁹ ;		

¹⁶ The capital management policy should detail the internal targeted levels of capital and describe on-going monitoring procedures to ensure that the FRFI will meet OSFI's minimum capital requirements.

¹⁷ The compensation policy is expected to be consistent with Financial Stability Board Principles for Sound Compensation.

¹⁸ Operational risk management policies should be consistent with Basel Committee on Banking Supervision Principles for the Sound Management of Operational Risk. OSFI generally expects operational risk management policies to include policies related to the following: outsourcing risk, business continuity and disaster recovery, privacy risk, information technology, information management and security, physical security, fraud risk and records retention. Please also see OSFI's Supervisory Framework

¹⁹ In particular, the FRFI's business continuity plan should ensure that the proposed FRFI has in its possession or can readily access all records necessary to allow it to sustain business operations, meet its regulatory obligations, and provide all information as may be required by OSFI to meet its legislated mandate.

Ref	Requirement	Provided (Yes/No)	Comments
d.	the name of the proposed senior officer to be responsible for risk management oversight of the proposed FRFI and a description of the resources and authority allocated to discharge this responsibility; and		
e.	details of any proposed risk management and control processes that will be integrated with those of the operations of the applicant or other entities in the applicant's group.		

2.5 Board of Directors and Committees

The applicant is generally expected to provide:

Ref	Requirement	Provided (Yes/No)	Comments
a.	the information listed in subsection 2.3(c) of this Guide in respect of each proposed director of the FRFI ²⁰ ;		
b.	a description of:		
i.	the composition ²¹ and mandate of the proposed board of directors (the Board) and its committees ²² ,		

²⁰ The proposed directors named in the application for Letters Patent hold office until the election of directors at the first shareholders' meeting. Please note that OSFI will assess the strength of the Board at the time of incorporation and the Board's effectiveness going forward.

²¹ Relevant financial institution and risk management expertise are key competencies for the Board. There should be reasonable representation of these skills at the Board and Board committee levels.

²² Particular attention should be given to the audit and conduct review committees. In this regard, the FRFI statutes require that the directors of the FRFI establish audit and conduct review committees (please see subsection 157(2) of the BA and subsection 161(2) of the TLCA).

Ref	Requirement	Provided (Yes/No)	Comments
ii.	the Board's proposed policies and practices,		
iii.	the proposed self-assessment programs of the Board, and		
iv.	the Board's proposed responsibilities with respect to risk management and internal controls ²³ ;		
c.	a draft copy of the FRFI's proposed conflict of interest policy and, if applicable, details regarding the oversight that will be provided by the management committees of the FRFI's parent; and		
d.	an analysis demonstrating that the proposed FRFI's corporate governance policies and practices will comply with OSFI's Corporate Governance Guideline ²⁴ .		

2.6 Internal Audit

The applicant is generally expected to provide:

Ref	Requirement	Provided (Yes/No)	Comments
a.	a description of the proposed mandate, organization structure, methodology and practices of the internal audit function, and a copy of the proposed Internal Audit Plan for the first year of operations (including audits planned for outsourced activities); and		

²³ Please see [OSFI's Corporate Governance Guideline](#).

²⁴ The corporate governance practices adopted by a FRFI will likely depend on the nature, scope, complexity, and risk profile of that institution.

Ref	Requirement	Provided (Yes/No)	Comments
b.	where applicable, a description of the involvement of any internal audit group(s) of the FRFI's affiliates to assess the internal controls of the FRFI.		

2.7 Regulatory Compliance Management

The applicant is generally expected to provide a detailed description of the internal controls, policies and procedures that it would follow as a FRFI to ensure compliance with:

Ref	Requirement	Provided (Yes/No)	Comments
a.	the FRFI statutes and OSFI-issued guidance, including the name of the proposed senior officer that would be responsible for such compliance, and a description of the resources and authority to be allocated to that person to discharge this responsibility;		
b.	the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), and related guidelines issued by the Financial Transactions and Reports Analysis Centre of Canada, including the name of the proposed Chief Anti-Money Laundering Officer that would be appointed under the PCMLTFA, a description of the resources and authority to be allocated to that person to discharge this responsibility, and an assessment of the money laundering and terrorist financing risks relevant to the proposed FRFI's business plan; and		
c.	all other pertinent Canadian legislation ²⁵ .		

²⁵ Please see [OSFI Guideline E-13 - Regulatory Compliance Management \(RCM\)](#).

2.8 Information Technology

The applicant is generally expected to provide:

Ref	Requirement	Provided (Yes/No)	Comments
a.	a risk assessment of the IT operations including copies of the FRFI's proposed cyber risk management policies and practices ²⁶ ;		
b.	a description of any integration with third party systems;		
c.	the proposed end user computing policy;		
d.	the proposed IT policy and governance structure, including roles and responsibilities, and details on resources and staffing; and		

2.9 Other Requirements

The applicant is generally expected to provide:

Ref	Requirement	Provided (Yes/No)	Comments
a.	the FRFI's proposed by-laws, including capital by-laws;		

²⁶ Please see [OSFI Cyber-Security Self-Assessment Guidance](#).

Ref	Requirement	Provided (Yes/No)	Comments
b.	the proposed name ²⁷ of the FRFI, in English, French, or both (as required), and a name search report ²⁸ accompanied by an analysis in support of the applicant's conclusion that the proposed name of the FRFI:		
i.	is available for use in Canada, and		
ii.	is not prohibited by the FRFI statutes and meets the requirements of any other relevant Canadian legislation, including all pertinent financial institution statutes ²⁹ ;		
c.	where the proposed name of the FRFI is substantially the same as that of an affiliated entity:		
i.	the consent in writing of that entity, or from the controlling parent of the corporate group on behalf of that entity, to use the name, and		
ii.	a description of the mitigants already in place, or mitigating measures that the FRFI would undertake, to avoid potential confusion in the marketplace;		

²⁷ The proposed name can be reserved under the FRFI statutes. Please see Index A No. 20 – Name Reservation for information requirements and administrative guidance in relation to name reservation applications.

²⁸ OSFI will accept a Newly Upgraded Automated Name Search (NUANS) report, which includes a list of business names and trademarks that sound similar to the name being proposed. If the proposed FRFI would conduct business in the Province of Québec, a search of the Québec Corporations Database at "Registraire des entreprises" is also required.

²⁹ If the FRFI will use both an English and French form of the proposed name, a name search report and corresponding analysis must be provided in respect of both forms of that proposed name. Reference should also be made to OSFI Advisory 2002-01-R1 - Corporate Names, Registered Names and Trade Names.

Ref	Requirement	Provided (Yes/No)	Comments
d.	a statutory declaration or affidavit by a representative of the newspaper and Canada Gazette pertaining to the dates that the applicant's Notice was published, along with a copy of the published Notice ³⁰ ;		
e.	an acknowledgement of the Support Principle ³¹ ;		
f.	if the proposed FRFI is to be a subsidiary of a non-WTO Member foreign bank or foreign institution ³² that is engaged in trust or loan business (Non-WTO Parent), the applicant must demonstrate that treatment as favourable for FRFIs exists or will be provided in the jurisdiction in which the Non-WTO Parent principally carries on business, either directly or through a subsidiary ³³ ;		
g.	a draft copy of OSFI-57 Return of Corporate Information; and		
h.	the non-refundable service charge in respect of the application, as required by the Service Charges (Office of the Superintendent of Financial Institutions) Regulations ³⁴ .		

The following are additional requirements reflecting recent updates to OSFI guidance, common asks from specialist groups, and the expanded mandate on integrity and security.

³⁰ Please see section 25 of the BA and section 24 of the TLCA.

³¹ The Support Principle that the applicant is expected to acknowledge will be provided by OSFI. Where no person will control the FRFI, the applicant will not be required to provide this acknowledgement.

³² Please see section 2 of the BA and TLCA for the definition of "non-WTO Member foreign bank" and "non-WTO member foreign institution" respectively.

³³ Please see section 24 of the BA and section 23 of the TLCA.

³⁴ A wire transfer, cheque or draft should be made payable to the "Receiver General for Canada".

Section A. Business strategy and execution risk

A.1 Contingency plans

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide the strategy and risk tolerance levels for balancing growth and losses, including triggers for: slower than proposed growth, restructuring, or obtaining additional capital injections.		
b.	The applicant should provide an exit plan that includes the following:		
i.	key governance, operational, and financial assumptions for an orderly wind-down including decision triggers, expected costs and timeframes to execute, and a simplified balance sheet view.		
ii.	an overview of liquidity needs, sufficient to support critical operations and absorb potential losses without compromising the institution's ability to meet its obligations as they fall due and execute an orderly wind-down under stress.		
iii.	a qualitative assessment of expected earnings and operating losses through exit, including how losses would be funded.		
iv.	material operational, third-party, or data dependencies that could affect exit feasibility or execution.		

Section B. Corporate governance and structure

B.1 Board effectiveness and composition

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide any skills assessment the proposed FRFI conducted to determine the expertise and experience required for the Board composition.		
b.	Highlight the proportion of directors that will possess relevant skills and experience, including banking and risk management.		

B.2 Oversight functions

Ref	Requirement	Provided (Yes/No)	Comments
a.	Describe each oversight function for the proposed FRFI, including headcount, scope, and independence. Specify which legal entity the oversight resources will reside and whether they hold dual roles with other affiliated entities.		
b.	Describe how the Chief Financial Officer, Chief Compliance Officer, and Chief Risk Officer will have effective oversight including over functional areas where the senior management of that functional will have shared responsibilities elsewhere in the corporate group, coverage (for example reviews, approvals, and challenges).		

B.3 Ownership Structure

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide details on the percentage of time for shared senior management roles that will be dedicated solely to the proposed FRFI, and indicate any roles dedicated exclusively to the proposed FRFI.		
b.	Provide a complete list of related party arrangements, confirming that these will comply with the self-dealing provisions of the Bank Act, including confirmation that the terms are at least as favourable to the proposed FRFI as market terms.		

Section C. Credit and credit risk management

C.1 Strategic plan and target market risk assessment

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide a strategic plan outlining risk-based assessments of the target markets (include assessments of expected probability of defaults, loss given defaults, and delinquency for each product type and how these inform expected provisions and losses), key challenges and constraints.		

C.2 Key personnel, resourcing, and experience

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide the titles of key personnel and number of resources who will be responsible for credit origination, credit adjudication, account monitoring, collections, account management strategy, risk management oversight and loan review for the proposed FRFI and the extent to which activities will be performed by the proposed FRFI staff relative to those performed by staff with dual roles.		
b.	Provide detailed descriptions of experience of key credit origination, adjudication, and risk oversight management positions at the proposed FRFI. Staffing details for credit and risk management departments such as collections, risk management, underwriting, etc. need to be provided for both the proposed FRFI as well as for any shared resourcing between the proposed FRFI and affiliated entities.		

C.3 Compensation structure

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide the proposed compensation structure for adjudication and risk management teams for the proposed FRFI and any shared resources between the proposed FRFI and other affiliated entities.		

C.4 Risk management policies / processes

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide the lending standards (e.g., employment verification, minimum total debt service ratios, minimum qualifying income)		

Ref	Requirement	Provided (Yes/No)	Comments
b.	Describe the limit management process and controls.		
c.	Describe which cases warrant material and non-material overrides and exceptions to the lending standards.		
d.	Describe the delinquency and other remedial management processes.		
e.	Describe the collection and provisioning process.		
f.	Describe the loan review process and coverage.		

C.5 Credit Scoring Models

Ref	Requirement	Provided (Yes/No)	Comments
a.	Describe the hierarchy of models, scorecards, and strategies supporting credit decision making.		
b.	Provide details of model(s) quantitative and qualitative inputs and weightings that produce risk rating outputs.		

Ref	Requirement	Provided (Yes/No)	Comments
c.	Describe monitoring processes to confirm stability, reliability, and performance of models / scorecards.		

C.6 Portfolio Management

Ref	Requirement	Provided (Yes/No)	Comments
a.	Describe the limit structure for portfolio management, including identification of higher risk segments and accompanying risk appetite for those segments expressed as a percentage of total portfolio or dollar limit.		
b.	Provide portfolio limits by geographic region, credit score, and product, if any.		
c.	Provide the maximum percentage of the portfolio permitted as overrides and exemptions in documented policies.		
d.	Describe proposed periodic monitoring and oversight to ensure exception risk is managed appropriately.		

Section D. Capital and capital management

D.1 ICAAP

Ref	Requirement	Provided (Yes/No)	Comments
a.	In the ICAAP provided for 2.2 (b) above, please take into account Annex 1 of the Guideline B-12 Interest Rate Risk Management , Guideline E-19 Internal Capital Adequacy Assessment Process (ICAAP) for Deposit-Taking Institutions , and Internal Capital Adequacy Assessment Process (ICAAP) Template .		
b.	Provide evidence of the sources of capital, and evidence that it will be tangibly available.		

D.2 Capital planning

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide a draft copy of the proposed FRFI's capital contingency plans.		
b.	*Indicate which category of the SMSB Capital and Liquidity Guideline is believed to be relevant for the proposed FRFI, and ensure capital and liquidity requirements are aligned with the category.		

D.3 Assurance

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide details on the assurances the proposed FRFI has obtained for the calculation of its key regulatory capital and liquidity ratios.		

Section E. Liquidity and interest rate risk management

E.1 Liquidity and interest rate risk expectations

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide a detailed self-assessment against Guideline B-6 Liquidity Principles .		
b.	Provide a detailed self-assessment against the relevant chapters of the Liquidity Adequacy Requirements Guideline .		
c.	Provide a detailed self-assessment against Guideline B-12 Interest Rate Risk Management .		

E.2 Funding strategy

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide funding contingency plans for the proposed FRFI. In Phase 2, OSFI will assess the proposed FRFI's cash flow assumptions, including operating lines with other institutions.		

Section F. Operational and resilience risk management

F.1 Critical operations identification

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide a list of critical operations and a description of each.		

F.2 Operational risk framework

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide an operational risk framework describing:		
i.	integration of risk and control self-assessment, key risk indicator definitions and operational risk event classification into business processes and scenario analysis (design only)		
ii.	framework embedding in business activities (design)		
b.	Provide draft operational risk management policy and procedures.		
c.	Describe how operational risk management roles, responsibilities, and governance are structured.		

F.3 Third-party risk management framework (including related party arrangements)

Ref	Requirement	Provided (Yes/No)	Comments
a.	Draft third-party risk management policy and procedures, including the design for:		
i.	Identification and classification methodology for critical third-party services.		
ii.	Lifecycle management approach (e.g., pre contract assessment, contracting, ongoing governance, exit planning; design only).		
iii.	Dependency mapping methodology (design only).		
iv.	Impact tolerance framework design as it relates to third party dependencies.		
v.	List of critical suppliers with service descriptions (design level overview).		
vi.	Country from which each third-party service is provided.		

Ref	Requirement	Provided (Yes/No)	Comments
vii.	Identification of key subcontractors and whether the proposed FRFI data will be accessed or stored by each (design level, not performance).		
viii.	Provide design templates for contingency planning for third-party disruptions		

F.4 Data governance & information handling

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide a draft data governance policy or standard covering:		
i.	Data aggregation and reporting standards.		
ii.	Design for data storage.		
iii.	Expected flow and storage of the proposed FRFI data across affiliated entities and third parties (including offshoring, if any).		

F.5 Fraud risk management (design only)

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide a draft fraud risk management policy outlining:		
i.	Methodology for identifying fraud risks (design only).		
ii.	Planned control categories (e.g., preventive, detective) and governance structure.		
iii.	Planned fraud reporting structure and roles (design only).		

F.6 Change management

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide a draft change management policy including:		
i.	Change impact assessment approach (design level description).		

Ref	Requirement	Provided (Yes/No)	Comments
ii.	Governance model for change approvals and roles/responsibilities.		

F.7 Business continuity management (design only)

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide a draft business continuity management (BCM) framework describing:		
i.	Governance and structure of BCM program.		
ii.	Design of scenario based testing approach, including how third-party disruptions would be incorporated (design only)		

Section G. Technology and cyber-security risk management

G.1 Management of technology and cyber security risks

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide a completed technology & cyber risk management self-assessment .		

Section H. Regulatory Compliance management

H.1 Regulatory Compliance Management (RCM) Framework and Guideline E-13

Ref	Requirement	Provided (Yes/No)	Comments
a.	Provide a completed detailed self-assessment of the proposed FRFI's RCM framework and controls against Guideline E-13 requirements.		
i.	Include an assessment of the proposed FRFI's proposed governance, with respect to regulatory compliance, of third-party arrangements providing products and services.		
ii.	For criteria/components where the proposed FRFI is expected to be in alignment with Guideline E-13, include copies of supporting documentation including, but not limited to, mandates, policies, procedures, standards, and reporting.		
iii.	For criteria/components where the proposed FRFI has self-assessed as not being in alignment with Guideline E-13, include proposed action plans, including key deliverables and timelines, to achieve alignment.		

Section I. Integrity and Security

I.1 Integrity and Security Guideline

Ref	Requirement	Provided (Yes/No)	Comments
a.	Please complete and submit the Integrity and Security Questionnaire, provided by OSFI following phase 1, the initial readiness assessment phase.		

The following are information requirements for the Making of an Order by the Superintendent and are to be submitted in Phase 3 (Operational Readiness Phase).

A.1 Information Requirements for the Making of an Order by the Superintendent

In support of its application for an Order, the FRFI is generally expected to provide:

Ref	Requirement	Provided (Yes/No)	Comments
a.	<i>a certified copy of the minutes of the first meeting of the Board</i>		
b.	a confirmation that the FRFI has the required amount of paid-in capital;		
c.	a certified copy of the minutes of the first meeting of the shareholders of the FRFI;		
d.	a detailed description of the amounts paid, or to be paid, by the FRFI in connection with its incorporation and organization, and a statement that the amounts are reasonable; and		
e.	a signed letter of commitment by the FRFI ³⁵ to the effect that it will provide OSFI with adequate advance notice of any proposed material changes to the business plan. ³⁶		

³⁵ The letter of commitment that the FRFI is expected to sign will be provided by OSFI.

³⁶ Material changes to the business plan may include new product offerings, changes in management structure or growth of the business beyond what was contemplated in the initial business plan submitted in support of the application for Letters Patent.