



Streamlined Approvals Framework for Targeted New Entrants (Credit Unions)

Formal Application Checklist

To be completed by the 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 Continuing a Local Cooperative Credit Society as a Federal Credit Union](#). 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, showing entities in which the prospective applicant has a substantial investment ¹ (indicate by an asterisk whether any of the entities shown on the chart operate in Canada, and provide a summary of these operations);		
c.	*for each entity in which the prospective applicant has a substantial investment, a detailed description of its business activities, and:		
i.	*if the prospective applicant is of the view that the entity is a "regulated entity" ² , an analysis in support of the prospective applicant's view, and		

¹ Please see section 10 of the BA.

² An entity is a "regulated entity" if it is listed in subsection 468(1) of the BA.

Ref	Requirement	Provided (Yes/No)	Comments
ii.	*where the entity is not a "regulated entity", a detailed analysis setting out why each of its business activities are authorized ³ and not restricted ⁴		
d.	*the names of all persons who have a significant interest ⁵ in the membership shares, any class of shares or ownership interests in the prospective applicant and the percentage of membership shares, shares or ownership interests held;		
e.	*the name of each person who may exercise, directly and through any entities controlled by that person, voting rights that exceed 10% of the aggregate of voting rights that may be exercised by members and shareholders, and the percentage of voting rights that may be exercised;		
f.	*a summary of the current and proposed financial services and other key activities carried on by the prospective applicant and its subsidiaries including a list of jurisdictions in which they 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;		
h.	*the audited consolidated financial statements of the prospective applicant for the last three years (balance sheet, income statement, statement of changes in members' and shareholders' equity); and		

³ Business activities that are authorized are listed in subsection 468(2) of the BA.

⁴ Business activities that are restricted are generally listed in subsection 468(3) of the BA.

⁵ Section 8 of the BA defines significant interest. For the purpose of the ownership provisions of the BA, sections 9 through 9.2 of the BA provide that, where two or more persons are acting in concert, they will be deemed to be a single person.

Ref	Requirement	Provided (Yes/No)	Comments
i.	*details of whether the prospective applicant or any of its subsidiaries have been:		
i.	denied a request to establish a financial institution or a branch in any jurisdiction; and		
ii.	the subject of any criminal proceedings or administrative sanctions in any jurisdiction.		

1.2 Business Plan

Ref	Requirement	Provided (Yes/No)	Comments
a.	*the reasons why the prospective applicant is seeking to continue as an FCU;		
b.	*an analysis of target markets, opportunities and competitors, showing challenges, and plans to address them;		
c.	*the reasons why the prospective applicant believes that it will be successful as an FCU, and the overall strategy for achieving this success, including a discussion of key assumptions;		

Ref	Requirement	Provided (Yes/No)	Comments
d.	the location(s) of the existing, and any proposed, branch(es) ⁶ and head office of the prospective applicant in Canada;		
e.	*a detailed description of each line of business to be conducted by the prospective applicant as an FCU and the products and services to be offered, including how the lines of business interrelate and how any new lines of business will be integrated with the prospective applicant's current business;		
f.	the metrics set out in OSFI's Liquidity Adequacy Requirements (LAR) Guideline , including the Net Cumulative Cash Flow and Liquidity Coverage Ratio, for each year of the five-year business plan, including a breakdown of key elements used to calculate those metrics;		
g.	*the risk-based capital and leverage ratios for each year of the five-year business plan, including a breakdown of all elements used to calculate those ratios and an analysis of the proposed capital instruments and any non-qualifying instruments subject to phase-out under OSFI's Capital Adequacy Requirements (CAR) Guideline ;		
h.	*five-year pro forma financial statements (base case ⁷) for the prospective applicant as an FCU, including balance sheet, income statement, details regarding key assumptions and an identification of major asset, liability, income and expense categories;		

⁶ Please note that "branch" is defined in section 2 of the BA.

⁷ Where a prospective applicant intends to seek transitional relief (please see paragraph III of Administrative Guidance below), the prospective applicant is generally expected to provide a base case that factors in the requested transitional relief and a base case that does not factor in transitional relief. If this is the case, the information set out in 1.2(i) above should be provided for both base cases.

i.	five-year pro forma financial statements showing the results of changes in key assumptions used in developing the base case business plan under a remote but plausible severe stress scenario ⁸ and a discussion of the changes in assumptions;		
j.	details regarding the expected costs to be incurred in preparing to commence business operations as an FCU;		
k.	details regarding the incremental costs associated with being regulated as an FCU for each year in the five-year business plan;		
l.	*details regarding the current and proposed organizational structure including senior management reporting lines and key responsibilities within the organization;		
m.	*the current and proposed composition of the board of directors and senior management, and details regarding these persons; and		
n.	a description of any current and proposed material outsourcing arrangements involving the prospective applicant, how these arrangements are, or would be, managed, and copies of any material outsourcing arrangement contracts expected to remain in place post continuance ⁹ .		

⁸ Prospective applicants should discuss with OSFI the stress scenario they intend to use. The financial statements are generally expected to address two cases under the stress scenario, one case where the FCU takes no action and a second case where the FCU acts to respond to the stress.

⁹ Please see [OSFI Guideline B-10 - 'Third Party Risk Management'](#).

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.	credit products and the underwriting criteria for those products;		
b.	trading and investment strategy;		
c.	information technology environment; and		
d.	contingency plan ¹⁰ in the event that it is unable to execute its 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 address of the principal place of business and head office of the applicant;		

¹⁰ The contingency plan should include options that the prospective applicant would propose to pursue in the event it is unable to execute its business plan as well as the criteria that would be considered in implementing a particular option under the plan.

Ref	Requirement	Provided (Yes/No)	Comments
b.	a certified copy of the constating documents and current company by-laws of the applicant;		
c.	the name and contact information of an individual from the applicant's regulator that is familiar with the applicant's activities;		
d.	confirmation that the applicant's regulator is aware of the applicant's intention to continue as an FCU and confirmation that the applicant is authorized by the laws of the jurisdiction where it is incorporated to apply for Letters Patent ¹¹ ;		
e.	a report of the examination in respect of the applicant issued by its regulator or, if the report cannot be provided, any views that the regulator may provide regarding the applicant;		
f.	*a copy of the most recent report on the applicant issued by a recognized credit rating agency, if available; and		
g.	a certified copy of the special resolution authorizing the applicant to apply for Letters Patent.		

¹¹ Confirmation of authorization to apply for Letters Patent may take the form of an approval by the applicant's regulator or a Minister in the jurisdiction where the applicant is incorporated, or any other form prescribed by the jurisdiction.

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.	a pro forma Internal Capital Adequacy Assessment Process (ICAAP) reporting template and information supporting the:		
i.	identification of all key risks,		
ii.	effectiveness of proposed information systems that support ICAAP,		
iii.	appropriateness of the measurement methodology employed to support the ICAAP assessment,		
iv.	reasonableness of the ICAAP output and the assumptions used,		
v.	reasonableness and appropriateness of stress testing and analysis of assumptions,		

Ref	Requirement	Provided (Yes/No)	Comments
vi.	integration of the ICAAP results and the proposed risk management processes, and		
vii.	reasonableness of the proposed capital plan and the proposed internal capital targets; ¹² and		
c.	the intended financial year-end for the applicant as an FCU ¹³ .		

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 FCU over the lifespan of the business plan, including proposed mandates for each senior position and any senior management committees; ¹⁴		

¹² The capital must meet OSFI's [Capital Adequacy Requirements \(CAR\)](#) and [Leverage Requirements](#). OSFI generally expects that the initial amount of capital will be sufficient, at all times, for the FCU to remain above its internal target risk-based capital ratios and remain above its authorized leverage ratio for the first two years of the FCU's operations under the base case scenario. However, this expectation may extend out to three years in certain circumstances, including where an applicant proposes to add new line(s) of business other than deposit-taking.

¹³ The financial year-end of an FCU may be either October 31st or December 31st (please see section 307 of the BA).

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

Ref	Requirement	Provided (Yes/No)	Comments
b.	details regarding the hiring criteria, including knowledge and experience for each senior position;		
c.	information on each proposed senior officer of the FCU, including:		
i.	a completed OSFI Security Information Form ¹⁵ ,		
ii.	the title of the position the individual would hold within the FCU,		
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		
iv.	the individual's current curriculum vitae demonstrating that the individual has the necessary qualifications and expertise to manage or direct the FCU's proposed business; and		

¹⁵ 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.

d.	the name and address of the proposed external audit firm, and the specific partner of that firm, that will be responsible for auditing the FCU, and confirmation that the proposed external auditor meets the suitability requirements set out in the <i>Bank Act</i> ¹⁶ .		
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2.4 Risk Management: Policies, Procedures and Risk Management Controls

The applicant is generally expected to provide:

Ref	Requirement	Provided (Yes/No)	Comments
a.	its risk appetite framework as an FCU ¹⁷ ;		
b.	a detailed description of all risks to which it would be exposed as an FCU as well as the manner in which it would monitor and manage these risks, including the following specific risks:		
i.	market risk,		
ii.	credit risk,		
iii.	operational risk,		

¹⁶ Please see section 315 of the BA.

¹⁷ Please see [OSFI's Corporate Governance Guideline](#).

Ref	Requirement	Provided (Yes/No)	Comments
iv.	regulatory compliance, and		
v.	strategic risk;		
c.	copies of its 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 ¹⁸ ,		
iii.	provisioning policies and a description of the collective allowances that are anticipated in executing its business plan as an FCU,		
iv.	dividend and capital management policies ¹⁹ ,		

¹⁸ Please see [OSFI Guideline B-6 - Liquidity Principles](#).

¹⁹ The capital management policy should detail the internal targeted levels of capital and describe on-going monitoring procedures to ensure that the FCU will meet OSFI's minimum capital requirements.

Ref	Requirement	Provided (Yes/No)	Comments
v.	compensation policy for all human resources ²⁰ ,		
vi.	market risk management policies;		
vii.	operational risk management policies ²¹ , and		
viii.	business continuity management policy, business impact analysis and plans for business continuity and disaster recovery ²² ;		
d.	the name of the proposed senior officer to be responsible for risk management oversight and a description of the resources and authority allocated to discharge this responsibility.		

²⁰ The compensation policy is expected to be consistent with Financial Stability Board Principles for Sound Compensation.

²¹ Please see [OSFI Guideline E-21 – Operational Risk Management](#). 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.

²² In particular, an FCU's business continuity plan should ensure that the FCU 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.

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 FCU;		
b.	a description of:		
i.	the composition ²³ and mandate of the proposed board of directors (the Board) and its committees ²⁴ ,		
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 ²⁵ ;		

²³ 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.

²⁴ The BA requires that the directors of the FCU establish audit and conduct review committees (please see subsection 157(2) of the BA).

²⁵ Please see [OSFI's Corporate Governance Guideline](#).

Ref	Requirement	Provided (Yes/No)	Comments
c.	a copy of the proposed conflict of interest policy; and		
d.	an analysis demonstrating that the applicant's proposed corporate governance policies and practices will comply with OSFI's Corporate Governance Guideline ²⁶ .		

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 its internal audit function, and a copy of the proposed Internal Audit Plan for the first year of operations as an FCU (including audits planned for outsourced activities); and		
b.	where applicable, a description of the involvement of any internal audit group(s) of other entities to assess its internal controls		

²⁶ The corporate governance practices adopted by an FCU will likely depend on the nature, scope, complexity, and risk profile of that institution.

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 FCU to ensure compliance with:

Ref	Requirement	Provided (Yes/No)	Comments
a.	the BA and OSFI issued guidance, including the name of the proposed senior officer that would be responsible for the oversight of 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 FCU's business plan; and		
c.	all other pertinent Canadian legislation ²⁷ .		

²⁷ 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 its proposed cyber risk management policies and practices ²⁸ ;		
b.	a description of any integration with third party systems;		
c.	the proposed end user computing policy; and		
d.	the proposed IT policy and governance structure, including roles and responsibilities, and details on resources and staffing.		

2.9 Other Requirements

The applicant is generally expected to provide:

Ref	Requirement	Provided (Yes/No)	Comments
a.	its proposed by-laws, including capital by-laws (to the extent the proposed by-laws differ from the by-laws provided under 2.1(b) above);		

²⁸ Please see [OSFI Cyber-Security Self-Assessment Guidance](#).

b.	its proposed name ²⁹ as an FCU, in English, French, or both (as required), and a name search report ³⁰ accompanied by an analysis in support of the applicant's conclusion that the proposed name:		
i.	is available for use in Canada, and		
ii.	is not prohibited by the BA and meets the requirements of any other relevant Canadian legislation, including all pertinent financial institution statutes ³¹ ;		
c.	a confirmation that the applicant has complied with the Disclosure on Continuance Regulations (Federal Credit Unions), as well as:		
i.	a copy of the Disclosure Notice sent to members, and		
ii.	a statutory declaration or affidavit by a representative of the newspaper and Canada Gazette pertaining to the dates that the information contained in the Disclosure Notice was published, along with a copy of the published information;		

²⁹ The proposed name can be reserved under the BA. Please see Index A No. 20 – Name Reservation for information requirements and administrative guidance in relation to name reservation applications.

³⁰ OSFI will accept a NUANS corporate name search report, which includes a list of business names and trademarks that sound similar to the name being proposed. If the FCU would conduct business in the Province of Québec, a search of the Québec Corporations Database at "Registraire des entreprises" is also required.

³¹ If the FCU 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.

d.	a statutory declaration or affidavit by a representative of the newspaper and Canada Gazette pertaining to the dates that the applicant's Notice of Intent was published, along with a copy of the published Notice of Intent ³² ;		
e.	a confirmation that the applicant has the required amount of capital ³³ ;		
f.	a signed letter of commitment by the applicant ³⁴ to the effect that it will provide OSFI with adequate advance notice of any proposed material changes to its business plan as an FCU ³⁵ ; and		
g.	the non-refundable service charge in respect of the application, as required by the Service Charges (Office of the Superintendent of Financial Institutions) Regulations ³⁶ .		

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

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.		

³² Please see section 25 of the BA.

³³ Please see footnote 12.

³⁴ The letter of commitment that the applicant is expected to sign will be provided by OSFI.

³⁵ 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.

³⁶ A wire transfer, cheque or draft should be made payable to the "Receiver General for Canada".

Ref	Requirement	Provided (Yes/No)	Comments
b.	Provide a detailed recovery plan for the FCU, that includes options for exiting underperforming businesses and potential thresholds / triggers (for example prolonged losses, or an inability to secure funding) and associated monitoring.		

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 FCU conducted to determine the expertise and experience required for the Board composition. Highlight the proportion of directors that will possess relevant skills and experience, including banking and risk management.		
b.	Identify the directors who also hold roles across the affiliated companies.		

B.2 Oversight functions

Ref	Requirement	Provided (Yes/No)	Comments
a.	Describe each oversight function for the proposed FCU, 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).		
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B.3 Ownership Structure

Ref	Requirement	Provided (Yes/No)	Comments
a.	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 FCU 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 FCU and the extent to which activities will be performed by the proposed FCU 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 FCU. Staffing details for credit and risk management departments such as collections, risk management, underwriting, etc. need to be provided for both the proposed FCU as well as for any shared resourcing between the proposed FCU 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 FCU and any shared resources between the proposed FCU 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 the 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 .		

D.2 Capital planning

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

D.3 Verification

Ref	Requirement	Provided (Yes/No)	Comments
a.	Details on the process the proposed FCU has followed for verifying 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 FCU. In Phase 2, OSFI will assess the proposed FCU'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		
ii.	framework embedding in business activities		
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).		
iii.	Dependency mapping methodology.		
iv.	Impact tolerance framework design as it relates to third party dependencies.		
v.	List of critical suppliers with service descriptions.		
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 FCU data will be accessed or stored by each.		
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 FCU data across affiliated entities and third parties (including offshoring, if any).		

F.5 Fraud risk management

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

F.6 Change management

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

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

F.7 Business continuity management

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		

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 FCU's RCM framework and controls against Guideline E-13 requirements.		
i.	Include an assessment of the proposed FCU's proposed governance, with respect to regulatory compliance, of third-party arrangements providing products and services.		
ii.	For criteria/components where the proposed FCU 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 FCU 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.		