

# Regulatory Statement

## Net Cumulative Cash Flow (“NCCF”)

---

<b>Regulatory Statement Number</b>	21-009
<b>Legislation:</b>	<i>Financial Institutions Act</i>
<b>Related Forms:</b>	NCCF Template and Reporting Instructions
<b>Date:</b>	June 3, 2021
<b>Distribution:</b>	B.C. Credit Unions

---

### PURPOSE

This Regulatory Statement informs B.C. credit unions<sup>1</sup> of the requirement to complete and file the Net Cumulative Cash Flow (“NCCF”) with the Superintendent of Financial Institutions at BC Financial Services Authority (“BCFSA”), as required by the *Financial Institutions Act* (“FIA”).

Effective October 2021, this Regulatory Statement (including the NCCF template and reporting instructions) replaces the current NCCF reporting requirements. Selected B.C. credit unions (based on credit union size) are required to complete and file the NCCF (using the attached NCCF template and reporting instructions) beginning with the December 2021 reporting period.

### BACKGROUND INFORMATION

In addition to the adequate liquid assets requirement in FIA Section 67, BCFSA has implemented other risk-based liquidity reporting requirements and supervisory monitoring tools for credit unions, such as the NCCF. These additional liquidity reporting requirements align with international liquidity reporting standards issued by the Basel Committee on Banking Supervision but consider the unique characteristics of the B.C. credit union system.

### LEGISLATION

FIA Section 127(3) states, “At intervals specified by the superintendent, a financial institution must file with the superintendent one or more of the following reports as specified, and in the form established, by the superintendent:

- (a) a financial affairs report;
- (b) a market conduct practices report;
- (c) a risk management practices report;
- (d) a corporate governance report.”

### REQUIREMENTS

Selected credit unions (based on credit union size) are required to file the NCCF on a quarterly basis pursuant to FIA Section 127(3)(a).

---

<sup>1</sup> Excluding central credit unions

## Due Dates and Frequency

Credit unions with more than \$1 billion in assets are required to submit the NCCF report quarterly within 30 days of each quarter end.

Note: The credit union's total assets, reported in the Financial and Statistical Return ("FSR") as at the credit union's most recent fiscal year end, are compared to the \$1 billion in assets threshold. When the credit union crosses the threshold, it has one year to implement the requirements of its new category. For example, if the credit union's total assets are greater than the \$1 billion threshold, as at its December 2021 fiscal year end, the credit union must submit the NCCF starting March 2023.

## Completion of the NCCF

The NCCF must be prepared for the credit union on a non-consolidated basis using the reporting templates provided by BCFSA. Line numbers, fields, descriptions, or any other aspects of the templates must not be altered, and they have been locked accordingly.

The NCCF should closely reconcile to the FSR and any discrepancies should be explainable. Credit unions should refer to the FSR Reporting Instructions for further definitions and descriptions of financial statement items.

Dollar amounts must be reported in Canadian and rounded to the nearest dollar. Foreign currency amounts must be converted to the Canadian dollar equivalent at the reporting date.

## Filing of the NCCF

The completed NCCF must be submitted electronically in Excel format through BCFSA's Integrated Regulatory Information System ("IRIS") portal. Link: [Login | BCFSA](#).

## Late Filing

Late submissions of the NCCF may result in a penalty under the FIA's Administrative Penalties Regulation, as described in BCFSA's Non-Compliant Filings Administrative Penalty ("NFAP") Guideline. The NFAP Guideline is available [here](#) on BCFSA's website. Credit unions should notify BCFSA as soon as possible of expected delays in the NCCF submissions.

## ATTACHMENTS

1. [NCCF Template](#)
2. [NCCF Reporting Instructions](#)

## OTHER INFORMATION

For questions on completion and submission of the NCCF, please contact your BCFSA Relationship Manager or email [filings@bcfsa.ca](mailto:filings@bcfsa.ca).

As the BC Financial Services Authority, we issue Regulatory Statements outlining how entities must operate, or the form and content required by the Regulator for mandatory regulatory filings identified in the *Financial Institutions Act* and *Credit Union Incorporation Act*, Regulations, and other pertinent legislation. While the comments in a particular part of a Regulatory Statements may relate to provisions of the law in force at the time they were made, these comments are not a substitute for the law. The reader should consider the comments in light of the relevant provisions of the law in force at the time, taking into account the effect of any relevant amendments to those provisions or relevant court decisions occurring after the date on which the comments were made. Subject to the above, instructions, definitions, and positions contained in a Regulatory Statements generally apply as of the date on which it was published, unless otherwise specified.