

## COMMUNIQUE

17-COM-002

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### **CUPSA Approves Set of Recommended Standards for the Supervision of Canadian Centrals**

The Credit Union Prudential Supervisors Association (CUPSA) executive has approved a recommended set of appropriate standards for the regulation of central credit unions across Canada (Centrals). The set of recommended standards is based on guidelines issued by the Office of the Superintendent of Financial Institutions.

While the intention behind the recommended standards is to establish regulatory consistency across Canada, the CUPSA executive acknowledges that the adoption of the standards will vary across each provincial jurisdiction due to varying legislative frameworks, timelines and business activities of individual Centrals.

Each CUPSA member jurisdiction may choose to apply these standards in their current or amended form at their own discretion, based on their individual considerations. CUPSA member jurisdictions may also choose to apply additional guidelines as needed.

Please see the attached table below for a copy of the set of recommended standards.

#### **About CUPSA**

The Credit Union Prudential Supervisors Association (CUPSA) is an interprovincial association composed of credit union prudential supervisors across Canada. CUPSA works toward maintaining a sound and sustainable credit union sector through joint actions. For more information, visit CUPSA's website at [www.cupsa-aspc.ca](http://www.cupsa-aspc.ca).



## Recommended Standards for Canadian Central Credit Unions

<b>Capital Adequacy Requirements</b>
<a href="#">CAR -- Capital Adequacy Requirements - CCAs</a>
<b>Prudential Limits and Restrictions</b>
<a href="#">B-1 -- Prudent Person Approach</a>
<a href="#">B-2 -- Large Exposure Limits</a>
<a href="#">B-4 -- Securities Lending</a>
<a href="#">B-5 -- Asset Securitization</a>
<a href="#">B-6 -- Liquidity Principles</a>
<a href="#">B-11 -- Pledging</a>
<a href="#">E-2 -- Commercial Lending Criteria</a>
<b>Accounting and Disclosure</b>
<a href="#">IFRS 9 Financial Instruments and Disclosures</a>
<a href="#">D-6 -- Derivatives Disclosure</a>
<a href="#">D-10 -- Accounting for Financial Instruments Designated as Fair Value Option</a>
<b>Sound Business and Financial Practices</b>
<a href="#">Corporate Governance Guideline</a>
<a href="#">B-7 -- Derivatives Sound Practices</a>
<a href="#">B-8 -- Deterring &amp; Detecting Money Laundering and Terrorist Financing</a>
<a href="#">B-10 -- Outsourcing of Business Activities, Functions and Processes</a>
<a href="#">B-12 -- Guideline - Interest Rate Risk (IRR) Management</a>
<a href="#">B-20 -- Residential Mortgage Underwriting Practices and Procedures</a>
<a href="#">E-13 -- Regulatory Compliance Management (RCM)</a>
<a href="#">E-17 -- Background Checks on Directors and Senior Management of FREs</a>
<a href="#">E-18 -- Stress Testing</a>
<a href="#">E-19 -- Internal Capital Adequacy Assessment Process (ICAAP)</a>
<a href="#">E-21 -- Operational Risk Management</a>