



# Legal Framework for Provincially Regulated Financial Institutions (PRFIs)

ISSUE DATE  
JANUARY 2018

## LEGISLATIVE AND GOVERNANCE MODEL

Legislation governing Saskatchewan credit unions includes *The Credit Union Act, 1998* (the Credit Union Act) and *The Credit Union Regulations, 1999* (the Regulations). On January 15, 2017, the oversight of SaskCentral transitioned from federal to provincial jurisdiction with the proclamation of *The Credit Union Central of Saskatchewan Act, 2016*. Credit unions and SaskCentral (together, Provincially Regulated Financial Institutions or "PRFIs") must comply with the legal requirements and obligations established in the governing legislation, as well as other relevant provincial and federal legislation.

PRFIs must also comply with regulatory requirements established by Credit Union Deposit Guarantee Corporation (the Corporation), as well as the articles, bylaws and policies set by PRFIs.



## **REGULATORY ROLES**

The regulation of PRFIs is a shared responsibility.

### **SASKATCHEWAN LEGISLATIVE ASSEMBLY**

The Saskatchewan Legislative Assembly establishes public policy and enacts legislation for the Saskatchewan credit union system. Through the legislation, the provincial government prescribes responsibilities for both the Corporation and the Registrar of Credit Unions (the Registrar).

### **CREDIT UNION DEPOSIT GUARANTEE CORPORATION**

The Corporation is the primary regulator of PRFIs. It leads the development, monitoring and enforcement of regulatory requirements for PRFIs. The Corporation consults with the Registrar in developing regulatory requirements for PRFIs, such as Standards of Sound Business Practice for credit unions, Prudential Standards for SaskCentral, and regulatory guidelines and directives for PRFIs. The Corporation's primary focus is on deposit protection and the solvency of PRFIs. It also manages the Deposit Guarantee Fund. The Corporation is accountable to the Registrar.

### **THE REGISTRAR OF CREDIT UNIONS**

The Registrar oversees and monitors the Corporation to ensure it is fulfilling its regulatory role. The Registrar has the ultimate responsibility and authority for the regulation of PRFIs, and is responsible for approving and accepting registrations and statutory filings of PRFIs, and issuing formal approvals of Prudential Standards. In overseeing and ensuring appropriate regulation of PRFIs, the Registrar's primary focus is consumer protection and the public interest. The Registrar has the overarching responsibility of ensuring a safe and sound credit union system in Saskatchewan. The Registrar may delegate powers and authority to the Corporation. The Registrar may also issue and enforce directives to the Corporation.

### **SASKATCHEWAN CREDIT UNIONS**

Saskatchewan credit unions are member-owned financial cooperatives, democratically controlled by their members and operated for the purpose of providing financial services to their members. Financial products and services may be provided to non-members if authorized by the credit union's articles.

### **CREDIT UNION CENTRAL OF SASKATCHEWAN (SASKCENTRAL)**

SaskCentral is the statutory liquidity manager for the Saskatchewan credit union system. In this role, it ensures credit unions hold liquidity at SaskCentral to enable them to participate in the national payments system, including clearing and settlement programs. SaskCentral is also a trade association for credit unions and provides them with a wide range of products and services.

## Regulatory Roles Model

