

BC Notice 2026/03

Notice of Amendments to BC Instrument 45-531 *Exemptions for shares or deposits of a credit union*

The British Columbia Securities Commission (Commission) is revoking BC Instrument 45-531 *Exemptions for shares or deposits of a credit union* and replacing it with updated BC Instrument 45-531 *Exemptions for Shares of a Credit Union* (BCI 45-531).

BCI 45-531 applies to shares issued by a credit union to which the *Credit Union Incorporation Act* (CUIA) applies.

Background

On March 3, 2026, the BC Financial Services Authority (BCFSA) issued Regulatory Statement 26-006 *Credit Unions Issuing Equity Shares to Non-Members* (the Regulatory Statement) setting out the position of the BCFSA with respect to a B.C. credit union issuing equity shares to a person who is not a member of the credit union. The BCFSA interprets the CUIA as permitting credit unions to issue equity shares to non-members, subject to a credit union's constitution and rules, and if all other requirements are met.

The registration and prospectus exemptions in BCI 45-531 have not materially changed since they were first introduced in 1962 and 1967, respectively, at which time they were located in the *Securities Act*. In light of the updated guidance in the Regulatory Statement, the Commission thinks it is appropriate to amend BCI 45-531 to clarify the scope of the registration and prospectus exemptions applicable to the issuance of shares by credit unions.

Amendments

The Commission is amending BCI 45-531 so that the registration and prospectus exemptions are only available in connection with the issuance of shares by a credit union to its members and the issuance of membership shares to a prospective member.

Going forward, the issuance of shares by a credit union to non-members in circumstances other than those discussed above will be subject to the registration and prospectus requirements, unless another registration or prospectus exemption, as applicable, is available. Issuance of shares by a credit union to its members will be subject to the disclosure requirements under the CUIA.

As a housekeeping matter, the Commission is also amending BCI 45-531 to remove the reference to “deposits”, as “deposits” are excluded from the definition of a security

under the *Securities Act* and so registration and prospectus exemptions are not required.

Questions

Please refer any questions to:

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