

# Government Relations

In 2016, Saskatchewan credit unions identified government relations and advocacy strategies as top priorities for the system. SaskCentral strives to shape legislation, regulations and policy at the provincial and federal levels of government in the interests of Saskatchewan credit unions.



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## Provincial Government Engagement Strategy

Saskatchewan credit unions had a very active year raising credit union issues with elected representatives. SaskCentral coordinated advocacy outreach strategies in the first quarter and the third and fourth quarters of 2016 with the aim of retaining the provincial tax provisions for credit unions. In early 2016, credit unions and SaskCentral representatives held a series of meetings with MLAs and candidates in the weeks leading into the provincial election in April. After the provincial budget in June 2016, the Minister of Finance confirmed that credit union taxation would once again be subject to review as part of the government's comprehensive review of expenditures and revenues in efforts to balance the provincial budget for 2017.

Based on survey information, SaskCentral determined the small business tax deductions for credit unions provided approximately \$11 million in capital to the system in 2015. To highlight the importance of this issue, SaskCentral ramped up advocacy efforts and supported credit unions' outreach with their local MLAs and cabinet ministers in the fall of 2016. All 61 MLAs received SaskCentral's Engines of Growth brochure which highlighted credit union contributions to Saskatchewan's economy, along with a detailed policy brief on

the credit union tax issue. By the end of 2016, nearly 30 MLAs had been contacted for meetings with local credit union representatives. The tax advocacy campaign is continuing into the first quarter of 2017 in advance of the provincial budget.

### New Legislative and Regulatory Framework for SaskCentral

In January 2017, SaskCentral transitioned to the supervision of the provincial government. Shifting the credit union centrals to provincial supervision was one of the major changes affecting the credit union system announced in the 2014 federal Economic Action Plan legislation, commonly known as Bill C-43. To facilitate this change, SaskCentral required a new provincial legislative and regulatory framework. In 2016, SaskCentral continued extensive collaboration with officials in the ministries of Justice and Finance to draft the legislation and regulations. To ensure timely passage of the legislation, SaskCentral representatives met with key elected officials to discuss the implications of the changes. Meetings were held with the provincial ministers of Finance, Justice and the NDP Critic for Justice to discuss and to obtain their support. In June of 2016, *The Credit Union Central of Saskatchewan Act, 2016* passed with unanimous support from the provincial government and the opposition. The Act appoints Credit Union Deposit Guarantee Corporation (CUDGC) as

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the supervisor of SaskCentral, and assigns responsibility for oversight of CUDGC to the Financial and Consumer Affairs Authority's Registrar of Credit Unions.

## Electronic Signatures

In the fall of 2016, Saskatchewan credit unions welcomed a provincial legislative amendment that permitted the use of electronic signatures on mortgage related documents. In 2015, SaskCentral had pursued an opportunity to support credit unions' efficiency and proposed that the Minister of Justice introduce the same amendment to *The Electronic Information and Documents Act* to allow electronic signatures on mortgage related documents. SaskCentral's advocacy on electronic signatures was bolstered by a coalition of support from the Saskatchewan Chamber of Commerce and the Association of Saskatchewan Realtors.

## Support for Federal Advocacy Initiatives

### Postal Banking

As Canada Post reviews its core business lines, the crown corporation is considering entry into the financial services industry as a postal bank. To express concern about this proposal, SaskCentral representatives supported federal

submissions made by the Canadian Credit Union Association (CCUA) and appeared before the House of Commons Standing Committee on Government Operations and Estimates in Regina in the fall of 2016. SaskCentral representatives outlined opposition to the proposal and advised the House of Commons Committee credit unions did not want to compete with a crown corporation in the financial services sector.

### Hike the Hill Advocacy Initiatives

SaskCentral representatives participated in the CCUA's Hike the Hill advocacy day in Ottawa in October. During the event, credit union advocates advanced two recommendations from CCUA's federal pre-budget submission, asking legislators to urge the Finance Minister to apply a risk-based approach to implementation of the Common Reporting Standard (CRS) and to urge the minister to include the principle of fair taxation for different kinds of businesses as a guiding aim of the federal tax review.

In addition, advocates shared a letter from CCUA to the minister in response to the changes concerning CMHC mortgage insurance. The letter urged the government to take a regulatory pause before considering a potential mortgage insurance deductible that could hurt home ownership in moderately priced markets.

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SaskCentral also supported credit unions in meetings with Saskatchewan Members of Parliament in their home constituencies.

### **Farm Credit Canada (FCC) Liaison Committee**

Along with other credit union representatives, as well as representatives from FCC, SaskCentral continued to participate in the FCC Liaison Committee.

The committee made tangible progress in collaboration and information sharing including identifying over \$76 million in funded co-lending opportunities by late 2016 as well as \$17.2 million in FCC referrals to credit unions.