



Thomson Reuters Regulatory Intelligence

COVID-19 COVERAGE - CANADA

May 3, 2021

The COVID-19 pandemic has created unprecedented challenges for compliance professionals in Canada. The following is a selection of federal and provincial legislative and regulatory actions as well as news and analysis articles compiled by the Thomson Reuters Regulatory Intelligence editorial staff. The selection includes Regulatory Intelligence and Reuters news coverage. More COVID-19 news and information can be found via the [TRRI platform's search facility](#).

Additional COVID-19 resources are also available on the [Thomson Reuters COVID-19 Resource Center](#). For a regularly updated list of U.S. federal regulations related to the COVID-19/novel coronavirus update, please visit the [Skopos Labs Coronavirus Policy Tracker](#).

You can create your own custom **My Updates** through the **Create a Custom My Updates** link on the Regulatory Intelligence homepage. Select your geography and/or content types you would like resources from and include the following keyword search: **covid! or coronavirus**.

As countries, markets and individuals recover from the last year of a global pandemic, regulatory responses are tapering off. As a result, our Regulatory Intelligence COVID-19 Report for Canada will transition as well. Going forward, the Canada COVID-19 report will be published on a bi-weekly basis.

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¹ This COVID-19 Coverage was compiled by Thomson Reuters Regulatory Intelligence editorial staff and other contributors.

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FEDERAL AND PROVINCIAL REGULATORS – COVID-19 UPDATES

Federal Regulators

Bank of Canada

[Annual Report 2020](#) (April 22, 2021)

The Bank of Canada has issued its Annual Report for 2020. The report includes a foreword from Tiff Macklem, the Governor, as well as important numbers and figures from 2020. The report also includes detailed sections on Monetary Policy, the Financial System, Fund Management, Risk Management, and Financial Statements, and relates the impact and challenges presented by the pandemic in 2020 and the expected response in 2021. For more information see the [link here](#).

Office of the Superintendent of Financial Institutions (OSFI)

[Preserving Financial Resilience in Banking - Remarks by Assistant Superintendent Ben Gully](#) (April 27, 2021)

OSFI has published remarks made by Ben Gully, OSFI's Assistant Superintendent of Regulation Sector, delivered to the Global Risk Institute on April 27, 2021. The speech discusses the importance of the Basel III reforms, how they are improving the existing regulatory framework that underpins the safety and soundness of Canadian banks, and impact of COVID-19 on the future design of bank regulation. For more information see the [link here](#).

Provincial Regulators

Ministry of Finance (British Columbia)

[2021/22 - 2023/24 Service Plan](#) (April 26, 2021)

The Ministry of Finance (British Columbia) has published its service plan for 2021/22 to 2023/24, which outlines the ministry's plan for supporting people, businesses and communities through the COVID-19 pandemic, and into economic recovery while ensuring that British Columbia remains fiscally sound in the long term. For more information see the [link here](#).

New Brunswick Financial and Consumer Services Commission

[Canadian Anti-Fraud Centre Bulletin: Loan Scams](#) (April 27, 2021)

The New Brunswick Financial and Consumer Services Commission has listed the warning signs of fraudulent loan websites and issued guidance aimed at Canadians on how they can protect themselves. It states many Canadians are experiencing financial hardship as a consequence of the current pandemic. While funding options are available through the Government of Canada, some Canadians are looking for loans. Unfortunately, the reporting of fraudulent loan websites is increasing. These websites are designed to look like legitimate lending institutions. Their fraudulent loan applications are used to collect personal information. This can result in identity theft and fraud. For more information see the [link here](#).

SROs, EXCHANGES AND SECURITIES REGULATORS

Investment Industry Association of Canada (IIAC)

[IIAC Responds to 2021 Federal Budget](#) (April 19, 2021)

The IIAC has provided its response to the 2021 Federal Budget. In its response, the IIAC is critical of the details included within the budget, stating the government failed to establish a clear plan to budget balance that will gradually restore the federal net debt-to-GDP ratio to its pre-pandemic levels of 30 percent, instead it simply stated the government is committed to "reducing the federal debt as a share of the economy over the medium-term." For more information see the [link here](#).

Ontario Securities Commission (OSC)

[Quick rise of do-it-yourself investing explored by OSC study](#) (April 21, 2021)

The OSC has published a new study focused on the recent experiences of self-directed or do-it-yourself (DIY) retail investors. The OSC surveyed 2000 Canadian investors who trade a portion or a majority of their investments through the order-execution-only (OEO) dealer channel. Among the findings, 16% of DIY investors started investing through an advisor due to the COVID-19 pandemic. This significant minority of self-directed investors were managing their own portfolio, but the pandemic caused them to seek out professional investment advice. For more information see the [link here](#).

OTHER NEWS AND SUMMARIES

Tighter mortgage, bidding standards may be needed to slow home market - National Bank of Canada CEO

(Reuters) - National Bank of Canada's CEO said on Friday that additional macro- and micro-prudential adjustments may be required over the next few months to avoid a potential burst of a speculative bubble in the country's housing market.²

² Nicole Saminather, Tighter mortgage, bidding standards may be needed to slow home market – National Bank of Canada CEO, Reuters (April 26, 2021) at <http://go-ri.tr.com/t4wM8y>.

Regulators may need to implement additional tweaks to Canada's mortgage underwriting criteria and consider new measures. That might include banning blind bidding - the practice of bidding on a property without knowing the value of competing offers - to slow the speed of the home price growth, Louis Vachon said at the lender's annual shareholder meeting.

Home prices have been on a tear in Canada during the coronavirus pandemic, with the latest data showing an increase of nearly 11% in March from a year earlier, far exceeding gains during the last peak in 2017.

"New macroprudential adjustments to mortgage underwriting criteria may be required over the next few months," Vachon said. "But there are a lot of moving parts" and further analysis is needed to understand whether these are permanent or transitory, he added.

He suggested federal agencies conduct surveys on baby boomers' plans to sell their single family homes, whose pullback has contributed to a shortage of houses; the role and impact of parental support in financing current buyers; and how long work-from-home arrangements are likely to last, to inform additional measures.

Vachon called for public consultations as a first step on measures to bring increased price transparency to the homebuying process.

Bank of Canada Says It Is Expecting Strong Growth in Second Half of 2021

(Reuters) - The Bank of Canada is expecting strong consumption-led growth in the second half of the year as vaccinations against COVID-19 continue, Governor Tiff Macklem said on Tuesday.³

In comments to the House of Commons finance committee, he reiterated that considerable uncertainty surrounded the central bank's forecast that economic slack should be absorbed in the second half of next year.

The bank signaled last week it could start hiking rates from their record lows in late 2022, as it sharply boosted its outlook for the Canadian economy and reduced the scope of its bond-buying program.

Macklem said the biggest potential cause of uncertainty was how the coronavirus progressed.

"This is a bad third wave and we need to get through that ... as we can get back to more normal activities, we think consumers, Canadians, are going to go spend money and that will lead the recovery," he told legislators.

Macklem noted that some sectors had been very badly hit by the pandemic and reiterated that full employment was critical to keeping inflation sustainably at the bank's 2% target.

³ Peter Cooney, David Ljunggren and Leslie Adler, Bank of Canada says it is expecting strong growth in second half of 2021 (April 27, 2021) at <https://www.reuters.com/article/canada-cenbank/bank-of-canada-says-it-is-expecting-strong-growth-in-second-half-of-2021-idUST5N29R010>.

Canadian Tour Operator Transat Close to Government Aid Deal - Sources

(Reuters) - Struggling Canadian tour operator Transat AT is very close to reaching a financial aid deal with the federal government involving a loan, two sources familiar with the matter told Reuters on Wednesday.⁴

The deal would involve a loan under Canada's Large Employer Emergency Financing Facility (LEEFF), the sources said on condition of anonymity because the talks are confidential.

Transat, which is scheduled to hold its annual general meeting on Thursday, declined to comment. The federal finance ministry, which is leading the talks with Transat, was not immediately available for comment.

It was not clear whether a deal would be reached by Thursday.

Air Canada dropped its merger plans with Transat earlier this month, creating uncertainty for the Montreal-based operator of leisure carrier Air Transat, which was already struggling due to the pandemic.

Transat has previously said it was holding discussions with the government regarding the LEEFF program and sectoral aid.

Transat, which has suspended flights until June due to pandemic restrictions that have battered travel, has said it needs at least C\$500 million (\$406 million) in financing this year.

It has obligations due on April 29 for a \$50 million revolving facility and a C\$250 million short-term loan that matures on June 30. If it does not meet the April 29 requirements, or obtain another extension, creditors could accelerate the repayment obligation.

Air Canada, itself struggling with a collapse in traffic due to the COVID-19 pandemic, reached a deal earlier this month on a long-awaited aid package with the federal government that would allow it to access up to C\$5.9 billion (\$4.69 billion) in funds.

Newmont Flags More COVID-19 Hits in S. America, Idles Canada Mine

(Reuters) - Top gold producer Newmont Corp on Thursday warned of more hits to its South American operations due to the COVID-19 pandemic, which also prompted it to suspend activity at a Canadian mine, sending its shares down more than 3%.⁵

The S&P 500-listed miner said it expects impacts to continue at its mines in Argentina and Peru, countries currently grappling with a second wave of the pandemic, until they begin mass coronavirus vaccinations.

Newmont said it had also paused operations for five days in April at its Musselwhite mine in Canada's Ontario province, which has emerged as a COVID-19 hotspot after reporting 3,480 new cases and 24 deaths on Wednesday.

⁴ Allison Lampert, Canadian tour operator Transat close to government aid deal -sources, Reuters (April 28, 2021) at <https://www.reuters.com/article/transat-at-canada-aid/update-1-canadian-tour-operator-transat-close-to-government-aid-deal-sources-idUSKBN2ML3FL>.

⁵ Jeff Lewis and Arundhati Sarkar, Newmont flags more COVID-19 hits in S. America, idles Canada mine, Reuters (April 29, 2021) at <https://www.reuters.com/business/energy/newmont-first-quarter-profit-nearly-doubles-gold-price-rise-2021-04-29/>.

The miner, which idled operations across all these regions due to pandemic-led curbs in 2020, said 12 of its employees had died as a result of the coronavirus over the last year.

Despite these interruptions, Chief Executive Officer Tom Palmer said the company would be able to meet its annual gold production target of 6.5 million ounces, driven by its Ahafo and Boddington operations in Ghana and Western Australia, respectively.

Newmont on Thursday reported a 1.4% fall in production partly due to the sale of its Red Lake mine in Canada and virus-related disruptions at its Cerro Negro mine in Argentina.

First-quarter adjusted profit of 74 cents per share on revenue of \$2.87 billion fell below analysts' estimates of 77 cents per share on a revenue of \$3.21 billion, according to Refinitiv IBES data.