Enhanced Data Collection (EDC) Webinar

Financial Services Regulatory Authority of Ontario

Date: May 29, 2025

Speaker: Flavia Popa, Director, Macro Surveillance and Analytics

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David Maxwell, Head, Integrated Credit Union Supervision

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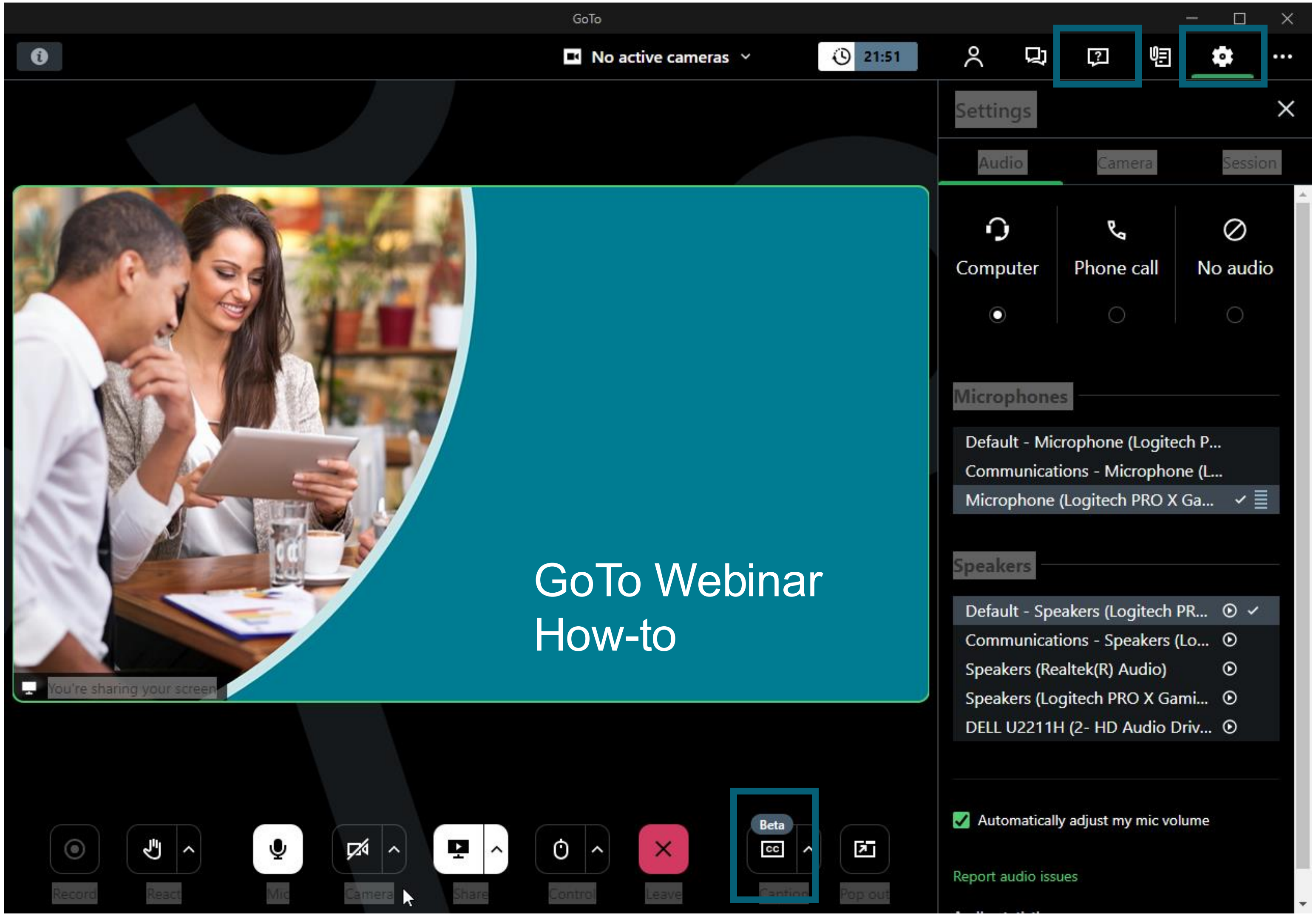

Land Acknowledgement

We acknowledge the land we are on is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg (ah-nish-naw-bek), the Chippewa, the Haudenosaunee (hoodt-en-oh-show-nee) and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. We acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit and the Williams Treaties signed with multiple Mississaugas and Chippewa bands.

Agenda

1. Introductions
2. Land Acknowledgement
3. EDC Update
4. Benefits for Credit Unions and the Sector
5. Changes in RRDS V3
    - The impacts of RRDS V3
    - Preparing for RRDS V3
6. EDC Communication from FSRA
7. Q&A

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Introductions

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Flavia Popa – Director, Macro Surveillance and Analytics

Dan Oprescu – Head, Regulation and Strategic Initiatives

David Maxwell – Head, Integrated Credit Union Supervision

EDC Update

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What is the EDC status and impact to Credit Unions?

- FSRA's EDC portal go-live has been delayed due the complex nature of the initiative.
- FSRA conducted internal testing to ensure that the EDC platform is performing at the expected standards. Results have shown that the platform's overall performance is lacking on certain standards in this moment.
- FSRA has changed its approach based on feedback from the CU sector to keep up the momentum and facilitate a smooth transition for CUs to the EDC platform:
    - Updates to RRDS version 5.1.7 amendment 3
    - No further changes to RRDS until all CUs are onboarded
    - Phased approach to onboarding

EDC Going Forward

EDC has been restructured from a single go-live to a **phased approach** to allow credit unions with high readiness to come on board first and to provide priority data first. This change has not increased the total timeline or budget.

- FSRA supervisors are working with credit unions to improve data quality, which is currently uneven across the sector, in preparation for EDC onboarding

SUMMER 2025

PHASE 1 involves credit unions submitting instrument level (granular) and ad hoc data to FSRA

FALL 2025

PHASE 2 will enable credit unions to submit regulatory filings or aggregate financial information to FSRA

SPRING 2026

Benefits for Credit Unions and the Sector

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What does EDC mean for Credit Unions and the Sector?

- Automation of data management and collection **eliminates manual work**
- **Single source** of data for CU management and board and regulatory reporting
- FSRA will aggregate received data and **create benchmark reports** to share with the sector
- **Potential to reduce capital requirements** for lower risk loans, which will enable:
  - More lending
  - Reduced need for expensive forms of capital such as investment shares
  - Invest in better technology and products to better serve CU members and attract younger membership

Benefits for Credit Unions and the Sector

Data-informed, risk-based supervisory approach places less focus and intensity on lower risk CUs:

- Reduced number and duration of supervisory assessments
- Reduced intervention and supervisory recommendations
- Better data infrastructure enables better reporting and decision making by CU management and board

EDC data **promotes resilience**:

- Leads to better understanding of the risk profile of all assets and facilitates better crisis management
- More transparent balance sheet facilitates asset sales or purchases, amalgamations, collaboration and shared services (e.g. loan syndications, audit services, cybersecurity)
- Better data enables more effective ALM, leading to reduced earnings volatility and improved profitability

Benefits for Credit Unions and the Sector

- Enhanced risk management practices through data transparency increase the market confidence in the CU sector and its **long-term viability**.

- Enhanced **regulatory efficiency** in assessing the risk profile of CUs:
  - Reduces the likelihood of CU failure, risk to the DIRF and financial strain on the CU sector
  - Reduces the number of ad-hoc requests and uses standardized process for data submission
  - Facilitates timely access to liquidity support (e.g. DIRF, OFA LoC, possibly BoC ELA)

- Demonstrating a lower risk profile through more advanced data capabilities that enable more transparent risk management may lead to **reduced deposit insurance premiums**

FSRA is here to support you every step of the way

Please contact us at EDC@fsrao.ca

Or connect with your Relationship Manager

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Regulatory and Risk Data Standard 5.1.7 Amendment V3 (RRDS V3) Changes

Why are we making these RRDS V3 Changes?

The changes introduced in RRDS V3 directly respond to the valuable feedback we've received from all credit unions and stakeholders.

The different types of changes include:

- Data alignment, formula logic, and filing complexity.
- Reduction of inconsistencies and long-term system efficiency enhancement.
- Phase II - Onboarding preparation and data reporting accuracy.

There are no data mapping changes required between the previous version and RRDS V3

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RRDS V3 Changes: Unable to File (PHASE 2)

What are the changes in RRDS V3?

RRDS V3 introduces **changes** categorized by filing frequency and impact level.

Filing Type	Total Changes	Unable to File (Error)	Able to File
Monthly	603	98	505
Quarterly	420	75	345
Annually	70	33	37
Total	1093	206	887

Unable to File (Error)
ACTION REQUIRED
206 changes
(critical issues that block submission)

What Kind of Validation Rule Changes Impact Filing?

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Revision Difficulty
ACTION REQUIRED
EASY/MINOR: 134
COMPLEX: 72
(critical issues that block submission)

If any of these changes are not implemented, it can result in unsuccessful or erroneous filings in PHASE 2.

Revision Difficulty	Examples	Monthly	Quarterly	Annually	Total
Easy	Format Change	1		1	2
	Minor Change in Validation Rule	79	53		132
Complex	Refine Validation Rule	16	20	32	68
	New Validation Rule	2			2
	Add New format		2		2
	Total	98	75	33	206

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RRDS V3 Changes: Able to File

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Able to File
NO ACTION REQUIRED
887 changes
(informative nature)

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Able to File: 272 Formula Changes

- Business and validation formulas have been refined or added to ensure data accuracy.
- CUs should pay attention to the **272** formula changes and review where applicable.

Filing Type	Total Changes	Non-Formula Change	Formula Change	New Formula	Formula Refinement
Monthly	505	501	4	1	3
Quarterly	345	88	257	179	78
Annually	37	26	11	4	7
Total	887	615	272	184	88

How Do Formula Changes Impact Filing?

Able to File: 615 Changes

- Non-formula changes do not require action and should be treated as informative as they are embedded in the EDC user interface.

Able to File		Monthly	Quarterly	Annually	Total
Formula Removal*			19		19
Update	Label/Definition	30	2		32
	Domain Values	1			1
	UI Input & Other	118			118
Validation Rule	Removal	9	3		12
	Adding	139	5		144
	Change	204	59	26	289
	Total	501	88	26	615

***Note:** *Formula Removal* refers to data points where the label has changed from a **calculated data field** to an **input data field**, meaning Credit Unions (CUs) will now be required to manually **input the value**. For example, this can be seen in the RRDS where the **calculation cell is highlighted in light blue but appears blank**.

RRDS Examples

Business Validation Formula Update:

Field Name	Data Label	Business Validation formula
Does the credit union's policy permit the use of brokered deposits?	D11	IF (D11 = No or D11 = blank) and D12>0
If yes, what is the policy limit expressed as a percentage.	D12	Caution if D12 > 25%

Field Name	Data Label	Business Validation Formula
Does the credit union's policy permit the use of brokered deposits?	D11	If D12>0 then D11 = "Yes"
If yes, what is the policy limit expressed as a percentage.	D12	D12 <= 25%

Technical Validation Rule Update:

Field Name	Data Label	Technical Validation Rule
Does the credit union's policy permit the use of brokered deposits?	D11	Yes or no
If yes, what is the policy limit expressed as a percentage.	D12	>=0 or null

Field Name	Data Label	Technical Validation Rule
Does the credit union's policy permit the use of brokered deposits?	D11	D11="Yes" or D11="No"
If yes, what is the policy limit expressed as a percentage.	D12	>=0

RRDS Examples

Format Update:

Field Name	Data Label	Format
Financial Year End:-	CU_FYE	String

Field Name	Data Label	Format
Financial Year End:-	CU_FYE	Date

Formula Update:

Field Name	Data Label	Calculation Rule
Demand Deposits with a FI-Month 1	NCCF_BS53.1	
Demand Deposits with a FI->12 Months	NCCF_BS53.13	[NCCF_BS53]-[NCCF_BS53.1+NCCF_BS53.2+NCCF_BS53.3+NCCF_BS53.4+NCCF_BS53.5+NCCF_BS53.6+NCCF_BS53.7+NCCF_BS53.8+NCCF_BS53.9+NCCF_BS53.10+NCCF_BS53.11+NCCF_BS53.12]
Common equity share issued by non - financial institution (Level 2B asset)-Month 1	NCCF_BS55.1	
Common equity share issued by non - financial institution (Level 2B asset)->12 Months	NCCF_BS55.13	[NCCF_BS55]-[NCCF_BS55.1+NCCF_BS55.2+NCCF_BS55.3+NCCF_BS55.4+NCCF_BS55.5+NCCF_BS55.6+NCCF_BS55.7+NCCF_BS55.8+NCCF_BS55.9+NCCF_BS55.10+NCCF_BS55.11+NCCF_BS55.12]

Field Name	Data Label	Calculation Rule
Demand Deposits with a FI-Month 1	NCCF_BS53.1	NCCF_BS53
Demand Deposits with a FI->12 Months	NCCF_BS53.13	
Common equity share issued by non - financial institution (Level 2B asset)-Month 1	NCCF_BS55.1	NCCF_BS55
Common equity share issued by non - financial institution (Level 2B asset)->12 Months	NCCF_BS55.13	

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EDC Communication

Communications: what can you expect?

- Monthly **eblasts** on EDC progress
- Upcoming **training sessions** (ahead of onboarding)
- 1:1 Meetings to confirm **onboarding schedule** based on data completeness and operational readiness
- **Input from credit unions**: Direct feedback via onboarding sessions, 1:1 calls and meetings, and CU associations
- **Survey feedback**: Post-webinar and onboarding surveys

Next Steps

How should Credit Unions approach the RRDS Changes?

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1

Review the 206 validation and business rules that could potentially create errors in filling

- Prioritize validation rule refinements and net new rules
- Use the color-coding in RRDS to identify by complex and high-impact first

2

Pay attention to the 272 formula updates

- 4 in Monthly, 257 in Quarterly, and 11 in Annual schedules
- If automated logic is used to generate these files, it will require revisions

3

Ensure alignment of the remaining 615 general updates

- Even though they don't prevent filing, we suggest reviewing the rules to avoid misreporting
- Regularly cross-check your internal RRDS templates

Next Steps for Onboarding

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FSRA will reach out to credit unions individually to discuss timing of Phase 1 & Phase 2

- Order of onboarding is based on CU readiness
- Enhancements to data quality and completeness will be an ongoing focus of supervisory activity

QUESTIONS