

**From:** Airdrie-Cochrane <[Airdrie.Cochrane@assembly.ab.ca](mailto:Airdrie.Cochrane@assembly.ab.ca)>  
**Sent:** Thursday, August 31, 2023 4:45 PM  
**To:** Brett Oland <[boland@bowvalleycu.com](mailto:boland@bowvalleycu.com)>  
**Subject:** RE: Reply from Minister Horner AR56228

Good afternoon,

Our office was copied on the email you received from the Ministry. We hope you found this information helpful.

We would like to thank you once again for reaching out to our office with your concerns. We appreciate hearing from our constituents.

Kind Regards,

**Jody Maul** | Constituency Assistant  
The Honourable Minister Peter Guthrie, MLA for Airdrie-Cochrane  
Unit 1B – 60 Railway Street East Cochrane, AB T4C 1B5  
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**From:** Minister of Treasury Board and Finance <[tbf.minister@gov.ab.ca](mailto:tbf.minister@gov.ab.ca)>  
**Sent:** Thursday, August 31, 2023 9:20 AM  
**To:** [boland@bowvalleycu.com](mailto:boland@bowvalleycu.com)  
**Cc:** Airdrie-Cochrane <[Airdrie.Cochrane@assembly.ab.ca](mailto:Airdrie.Cochrane@assembly.ab.ca)>  
**Subject:** Reply from Minister Horner AR56228

Dear Mr. Oland:

Thank you for your June 29, 2023, email to the Honourable Pete Guthrie, MLA for Airdrie-Cochrane regarding legislative changes for Alberta credit unions. My colleague has asked me to respond on his behalf, and I am happy to do so, addressing your three requests for legislative change in the order of their presentation.

First, you request the creation of a legislative environment for Alberta-based credit unions wherein they are not legally bound to follow federal Financial Transactions and Reports Analysis Centre (FINTRAC) standards, but rather an Alberta standard. The Government of Alberta is not considering introducing or amending legislation to either exempt Alberta credit unions from the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and FINTRAC reporting requirements or to create an independent Alberta standard. We are supportive of measures to reduce money laundering and terrorist financing. Because the PCMLTFA and FINTRAC reporting requirements are applicable to provincially regulated financial institutions, including Alberta credit unions, we expect credit unions to comply with the PCMLTFA and FINTRAC requirements. However, we share your concerns regarding the federal government's use of the *Emergencies Act* and the Emergency Economic Measures

Order, and we have communicated those directly to the federal government. In addition, our government will continue to monitor the PCMLTFA and FINTRAC to ensure requirements are applied appropriately.

Second, you request the creation of a legislative environment for Alberta-based credit unions wherein they are not legally bound to follow the Office of the Superintendent of Financial Institution's (OSFI) Climate Risk Management Guidelines (B-15) or *Public Bill (Senate) S-243 (44-1)*. As noted in your correspondence, Guideline B-15 and Senate Bill S-243 do not apply to Alberta credit unions. The Government of Alberta has no plans to adopt Guideline B-15 or Senate Bill S-243 for provincially regulated financial institutions. We have communicated our concerns to the federal government regarding the potential impacts of Guideline B-15 on Alberta's energy industry, as well as the positive response Alberta's Environmental, Social and Governance approach has received from investors and other financial institutions. We continue to engage with the federal government regarding Guideline B-15, which includes participating in the OSFI's Climate Risk Forum, to ensure our concerns are heard.

Lastly, you request that either a ministerial exception to the *Alberta Credit Union Act* be provided to allow Bow Valley Credit Union to carry precious metals on its balance sheet categorized as a "currency" rather than a "commodity" at fair market value or that the *Alberta Credit Union Act* be updated – specifically, to allow for precious metals to be categorized as a "currency" rather than a "commodity" at fair market value.

The Government of Alberta is not considering providing Bow Valley Credit Union with an exemption from the *Credit Union Act*, or amending the Act, to allow Bow Valley Credit Union to carry precious metals on its balance sheet. The purpose of a credit union's investment policy is to provide a safe source of liquidity, with safety of principal as the first goal of all credit union investment policies. As gold is a commodity with significant exposure to market volatility, a devaluation of the commodity would negatively affect a credit union's capital level. More importantly, as commodities are not as liquid as cash, categorizing gold or silver as cash could severely limit a credit union from providing liquidity for its members when needed. Allowing credit unions to invest in, or otherwise carry, commodities could negatively impact the safety and soundness of Alberta's credit union system. For these reasons, no amendments to the *Credit Union Act* are being considered.

We understand your concerns with the Government of Canada's recent monetary policies and potential inflationary concerns. However, the safety and soundness of Alberta's credit union system is key to ensuring ongoing economic prosperity for all Albertans. The policy changes suggested could be construed as reducing the safety and soundness of Alberta's financial system. It is for this reason we cannot consider your suggestions at this time.

I invite you to work with Credit Union Central of Alberta and my officials to determine if there are other policy and legislative tools available to protect Albertans. If you wish to

do so, please contact Mr. Chris Merriman, Executive Director, Financial Institutions and Markets, Policy and Regulation, by email at [Chris.Merriman@gov.ab.ca](mailto:Chris.Merriman@gov.ab.ca) to discuss the issue.

Sincerely,

Nate Horner  
President of Treasury Board and  
Minister of Finance

cc: Honourable Pete Guthrie  
MLA, Airdrie-Cochrane