



April 13, 2026

Proposed Amendments to the Standards Establishing Criteria for the Approval of First Nation Borrowing Laws, 2016

Standards established by the First Nations Tax Commission (the “FNTC”) reflect best practices in property taxation, and are designed to support First Nation economic growth, First Nation jurisdiction, harmonization and the interests of stakeholders in the First Nation property tax system.

Under the *First Nations Fiscal Management Act* (the “Act”), the FNTC reviews and approves laws. Section 35(1)(a) of the Act gives the FNTC the authority to establish standards, not inconsistent with the regulations, respecting the form and content of local revenue laws. The standards established by the FNTC are additional requirements and, together with the Act and its associated regulations, form the regulatory framework governing First Nation taxation under the Act.

As a matter of policy, the FNTC seeks public input prior to introducing or significantly amending its standards. This input is critical in developing standards that are acceptable and effective for participating First Nations and taxpayers.

The *Standards Establishing Criteria for the Approval of First Nation Borrowing Laws, 2016* (the “Current Standards”) set out the criteria for approval of First Nation borrowing laws enacted under paragraph 5(1)(d) of the Act. The Current Standards are used by the FNTC in its review and approval of First Nations’ borrowing laws, pursuant to section 31 of the Act, and are in addition to those requirements set out in the Act.

In March 2026, the FNTC approved proposed amendments to the Current Standards (the “Proposed Standards”) for the purposes of seeking public input. New provisions in the Proposed Standards are designed to enable First Nations to leverage a greater proportion of their property transfer tax (“PTT”) revenues for the purpose of borrowing, secured by local revenues, through the First Nations Finance Authority.

The proposed changes would amend sections 1 and 2 of the Current Standards as follows:

- Under the Current Standards, First Nations’ debt servicing costs are limited to between 25% to 40% of previous year’s (non-PTT) local revenues and 25% of previous year’s PTT revenues.

- The Proposed Standards would, for certain First Nations, increase the debt servicing cost limit associated with the previous year's PTT revenues from 25% to potentially 50% or 75%, as follows:
 - A First Nation's debt servicing cost limit would be 50% of the previous year's PTT revenues if:
 - the First Nation has levied and collected PTT for at least the immediately preceding three years;
 - the First Nation's annual PTT revenues have not decreased by more than 50% from one year to the next in any of the immediately preceding five years; and
 - the First Nation's average annual PTT revenues over the immediately preceding five years does not exceed 50% of the average local revenues collected from property value taxes in the immediately preceding five years.
 - A First Nation's debt servicing cost limit would be 75% of the previous year's PTT revenues if:
 - the First Nation has levied and collected PTT for at least the immediately preceding five years;
 - the First Nation's annual PTT revenues have not decreased by more than 25% from one year to the next in any of the immediately preceding five years; and
 - the First Nation's average annual PTT revenues over the immediately preceding five years does not exceed 50% of the average local revenues collected from property value taxes in the immediately preceding five years.
 - A First Nation's debt servicing cost limit would continue to be 25% of the previous year's PTT revenues if it didn't meet the criteria set out above for either the 50% or 75% debt servicing cost limit.

Related amendments to effect the changes set out above are being proposed in PART V- Definitions and section 5 of the Proposed Standards.

In addition, in subsections 7.5 and 7.6 of the Proposed Standards, the threshold amounts for the average residential tax levy have been updated to reflect inflation since 2016.

Certain other minor housekeeping changes related to gender neutrality and the changed address of the FNTC have been made in the drafting of the Proposed Standards.

The FNTC is seeking public input in respect of the proposed Standards. Electronic versions of the proposed Standards (changes are highlighted in red) are available at www.fntc.ca or by clicking the link below:

[Proposed Standards Establishing Criteria for the Approval of First Nation Borrowing Laws, 2026](#)

Please direct your comments on or before May 15, 2026 to:

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