



SUMMARY OF KEY DIFFERENCES

E2 - FINANCIAL ADMINISTRATION LAW STANDARDS FOR SELF-GOVERNING AND MODERN TREATY NATIONS

Background

On October 10, 2025, the Adaptation Regulations were enacted. Through the Adaptation Regulations, self-governing and modern treaty nations (**Indigenous Groups**) may benefit from the provisions of the *First Nations Fiscal Management Act* (FMA) or obtain services of the bodies established under that the FMA, specifically the ability to obtain financing from the First Nations Finance Authority (FNFA) through *other revenues*.

With this change in the FMA regime, the FMB must adapt its suite of standards to support the delivery of services to Indigenous Groups. Part of this service delivery includes the creation of FAL Standards for Self-Governing and Modern Treaty First Nations, ensuring equitable access to the FNFA borrowing pool. To fulfill this mandate, the FMB must ensure that its standards framework is appropriately adapted to reflect the distinct governance and regulatory context of these Indigenous groups while maintaining consistency with existing financial oversight and borrowing requirements.

Summary of Key Differences

Given that the new FAL Standards for Self-Governing and Modern Treaty First Nations are based on the existing FAL Standards for First Nation Governments, necessary changes have been flown through to [2026-05-07 E2 - FAL Standards for Self-governing and Modern Treaty Nations - EN DRAFT.pdf](#). The differences described below are technical and contextual in nature and do not introduce new FAL requirements:

General

The background section was updated to reflect the inclusion of Indigenous groups under the Adaptation Regulations, ensuring the Standards accurately describe the expanded legislative context.

Adapted Terminology

Terminology changes were made to reflect the governance structures and legal language used by Self-Governing and Modern Treaty Indigenous groups, ensuring consistency with the Adaptation Regulations and associated agreements.

Recognition of Treaty and Self-Government Legal Frameworks

The Standards were updated to explicitly recognize that Indigenous groups may operate under a combination of a constitution, laws, and modern treaties or self-government agreements with Canada. The revised approach confirms that these instruments form part of the legal framework within which a FAL operates, and that compliance is assessed with due regard to these governance arrangements rather than presuming an *Indian Act* First Nation structure.

Revised Conflict-of-Law Framework

Conflict-of-law provisions were reviewed and revised to reflect the legal realities of Self-Governing and Modern Treaty Indigenous groups. The Standards clarify how a FAL interacts with other Indigenous group laws and governing instruments, including treaties and constitutions, while maintaining the principle that applicable federal legislation and regulations prevail in the event of a conflict. These provisions are intended to support clarity and legal certainty and are not limited solely to circumstances where an Indigenous group is a borrowing member.

Removal of Indian Act-Based Assumptions

The Standards were systematically updated to remove structural assumptions associated with the *Indian Act*, including references to reserve-based administration, Section 9 First Nation-centric governance models, and default taxation authorities. This ensures the Standards are governance-neutral and capable of being applied to Indigenous groups whose authority and administrative arrangements are derived from treaty or self-government frameworks.

Additional definitions

Additional definitions were added to clarify key concepts, such as “governing body” and “Regulation”, that are specific to Indigenous groups operating under the Adaptation Regulations. These definitions help ensure consistent interpretation and application of the Standards.

Removal of Local Revenue Sections

Local Revenue-related provisions were removed, as subsection 76(3)(b) of the Adaptation Regulations excludes their application to Self-Governing and Modern Treaty Indigenous groups.