



UPDATE as of May 19, 2020

On May 19, the Government of Canada advised CDIC that changes to deposit protection originally slated for April 30, 2021 are deferred by one year and **will now come into force on April 30, 2022**. Content on this page was posted prior to this announcement. References to April 30, 2021 should be read as April 30, 2022.

Peter D. Routledge

President and Chief Executive Officer
Président et premier dirigeant

March 23, 2020

Members of Canada Deposit Insurance Corporation

Dear Member:

As Canada adapts to the challenges posed by the pandemic caused by the novel coronavirus, Covid-19, the Canada Deposit Insurance Corporation (CDIC) remains committed to protecting the deposits of Canadian households and businesses, and to promoting their trust in the Canadian financial system and the confidence that their hard-earned savings placed with our member institutions remain safe and secure.

In recent days, our partner agencies within the federal financial safety net have initiated a number of programs and measures to help support the Canadian financial industry as it navigates the ongoing global economic and market uncertainty. Like our partners, CDIC continues to dedicate itself to supporting the availability and efficacy of financial services to effectively meet the needs of Canadian households and businesses.

Today, I am writing to inform you of specific measures that CDIC will implement to help our members allocate more of their resources towards directly supporting the needs of depositors during this highly challenging economic and financial environment. The measures listed below shall take effect immediately.

1. Deferral of premium due date until December 15, 2020

Pursuant to the *CDIC Act*, at least one half of a member institution's annual deposit insurance premium payable should be received by July 15 of each year, while the remainder of the premium payable should be paid, without interest, by no later than December 15 of each year. ***For the 2020 premium year only, CDIC will allow a delay of the 1st premium instalment.*** While CDIC remains ready to accept payment as per the regular schedule, the full value of a member's annual premium payable to CDIC is to be delivered, without interest, by no later than December 15, 2020.

2. Delay submission of the stratification section of the RID

Pursuant to the *CDIC Act*, and to facilitate annual premium administration, member institutions are required to submit a completed Return of Insured Deposits (RID) by July 15 of each year. The RID contains a stratification of eligible deposits by insurance category. For the 2020 premium

year, member institutions may submit a partially completed RID form by July 15, 2020 (i.e., absent a completed deposit stratification) and may submit the completed stratification page to CDIC by no later than December 15, 2020.

3. Offer acceptable delays on complying with DIIB requirements in light of changes to CDIC deposit insurance coverage effective April 30, 2020

Important changes to CDIC deposit insurance protection will come into force on April 30, 2020 at which time revised coverage rules will apply. Pursuant to the CDIC *Deposit Insurance Information By-law (DIIB)*, member institutions must minimize incidence of misleading or erroneous claims regarding CDIC deposit protection.

Due to today's exceptional circumstances, we realize that it may be challenging for member institutions to ensure that accurate information regarding the upcoming changes to deposit insurance is on display through their physical branch networks or online channels. Therefore, CDIC's expectation is that member institutions will update information in line with the upcoming changes to Canadians' deposit insurance coverage as soon as practical after coming into effect on April 30, 2020.

4. Testing for Data and System Requirements (DSR 2.0) compliance

Given operational efforts required for member institutions to prepare the data extract for compliance testing during this time, CDIC has decided to delay the routine compliance cycle until the Fall. In addition, for the 2020 premium year, CDIC will waive the requirement that members attest to compliance with the *CDIC Data and System Requirements By-law (DSRB)* as part of the July 15, 2020 RID filing.

5. Waive the annual notification to multi-beneficiary trust depositors

Pursuant to the CDIC *Joint and Trust Account Disclosure By-law*, member institutions must notify multi-beneficiary trust depositors about their disclosure requirements during the month of April. In recognition that current circumstances may give rise to inability on the part of member institutions to provide the notification to multi-beneficiary trust depositors, CDIC has waived this requirement.

6. Stepping up our public awareness activities

In response to public concerns about Covid-19 and its impact on CDIC member institutions, CDIC will ramp up its communications activities to help maintain confidence and trust in the safety and security of depositors' hard-earned savings. This will include boosting the CDIC's advertising on TV, digital and social media channels. In addition, I have posted a statement on CDIC's website, Facebook page and Twitter accounts, which I encourage you to share with customers via digital and social media channels. You can find this statement and links at <https://www.cdic.ca/>.

We would also be welcome to exploring with each of your institutions how CDIC could further leverage your channels to your customers to reassure them that CDIC deposit insurance is there

to protect their hard-earned savings. Please contact my colleague Brad Evenson (BEvenson@cdic.ca) to discuss. You may also hear from us on this matter in coming days.

7. Data System Requirements 3.0 (DSR 3.0) and *Co-owned and Trust Deposit Disclosure By-law*

In light of the government's recent [statement](#) that financial institutions should remain focused on managing uncertainties brought on by the COVID-19 pandemic rather than on previously announced regulatory changes, CDIC will work with the Department of Finance to seek a necessary delay to the coming into force date for the *CDIC Act* amendments scheduled to take effect on April 30, 2021. CDIC will ensure that the dates upon which the CDIC Data and System Requirements (DSR) 3.0 and the *CDIC Co-owned and Trust Deposit Disclosure By-law (COTDB)* take effect align with the new legislative coming-into-force date.

We anticipate that the above measures will offer member institutions some operational reprieve to aid in weathering the ongoing economic and market uncertainty and to focus resources on client service delivery.

As always, member institutions are encouraged to contact CDIC at members@cdic.ca with any inquiries related to this message or to inform us of any anticipated technical or operational challenges related to meeting the CDIC's requirements.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter Routledge".

Peter Routledge
President and Chief Executive Officer
Canada Deposit Insurance Corporation

cc: Canadian Bankers Association
The Trust Companies Association of Canada