



Nominee Brokered Deposits

Unique Client Identifier (UCI) - Data Transmission

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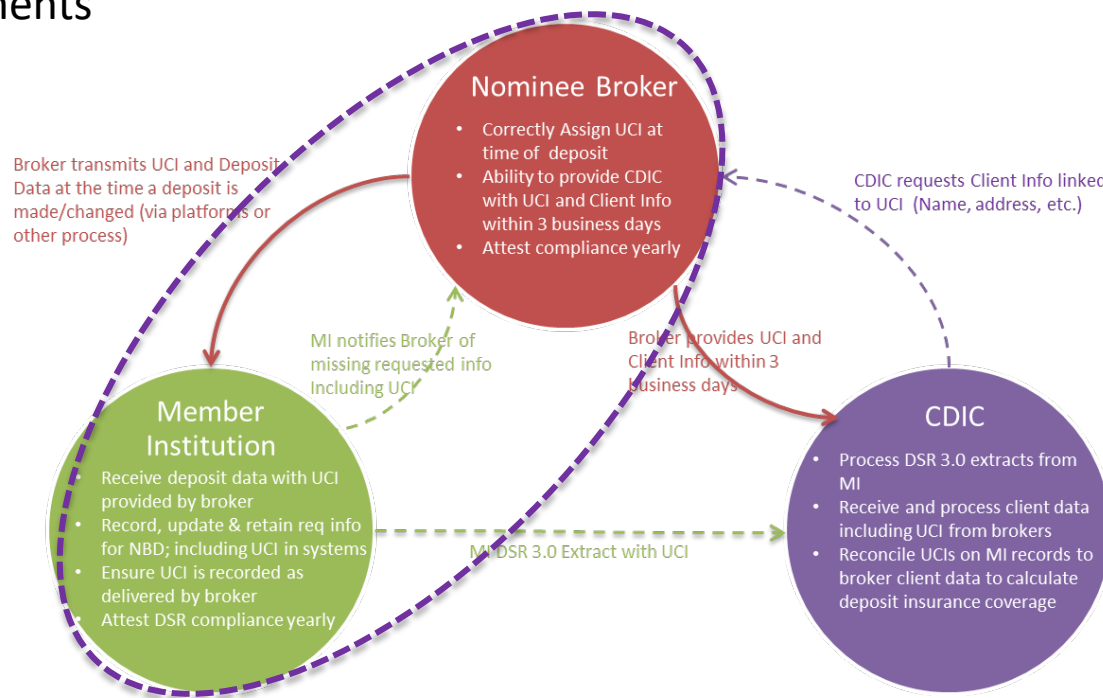
Introduction

- The Unique Client Identifier (UCI) Data Transmission document was developed by the Brokered Deposit Advisory Group (BDAG) to support a coordinated approach for transmission and reconciliation of information between key participant groups in the data transmission flow for nominee brokered deposits including:
 - Nominee Brokers and Vendors/Service Providers;
 - Member Institutions (MIs) and Vendors/Service Providers;
 - Financial Exchange Platforms (CANNEX, Fundserv);
 - Canada Deposit Insurance Corporation (CDIC).
- This document provides line-of-sight into the key steps each participant group will take in the lead up to April 30, 2022, when the new *CDIC Act* requirements for nominee brokered deposits take effect. It should be read in partnership with the published UCI Industry Best Practice document.
- The overview also reflects anticipated timeframes for each step as provided by participant group and key interdependencies between participants.
- It is recognized that different organizations will establish their own processes and timelines to achieve compliance with the new requirements.



Background

- Proper flow of deposit information between brokers/dealers and member institutions is the cornerstone to support broader data flow requirements
- BDAG Steering Committee highlighted data transmission as a key issue to be addressed to ensure a cohesive implementation of new deposit insurance requirements





Purpose

- Ensure processes in place for the transmission of deposit information are ready to address new requirements by the new coming-into-force date (April 2022)
 - For net new deposit (post April 30, 2022)
 - For existing deposits (as at April 30, 2022)
- Set out common industry parameters/standards to promote coordinated approach for information/data transmission and reconciliation
- Establish key procedures to be followed by participants and identify support required



Objectives

- Assist with coordination efforts to create, transmit and receive nominee deposit information
- Help gauge progress/readiness throughout the implementation process
- Help highlight key interdependencies between participants
- Keying off point for both brokers and MIs is UCI Implementation date for the platforms (CANNEX/Fundserv)
- An anonymized list of milestones for brokers and MIs would be developed for the following set of activities
 - System specification and design
 - Development and design testing
 - User acceptance test
 - Implementation and production

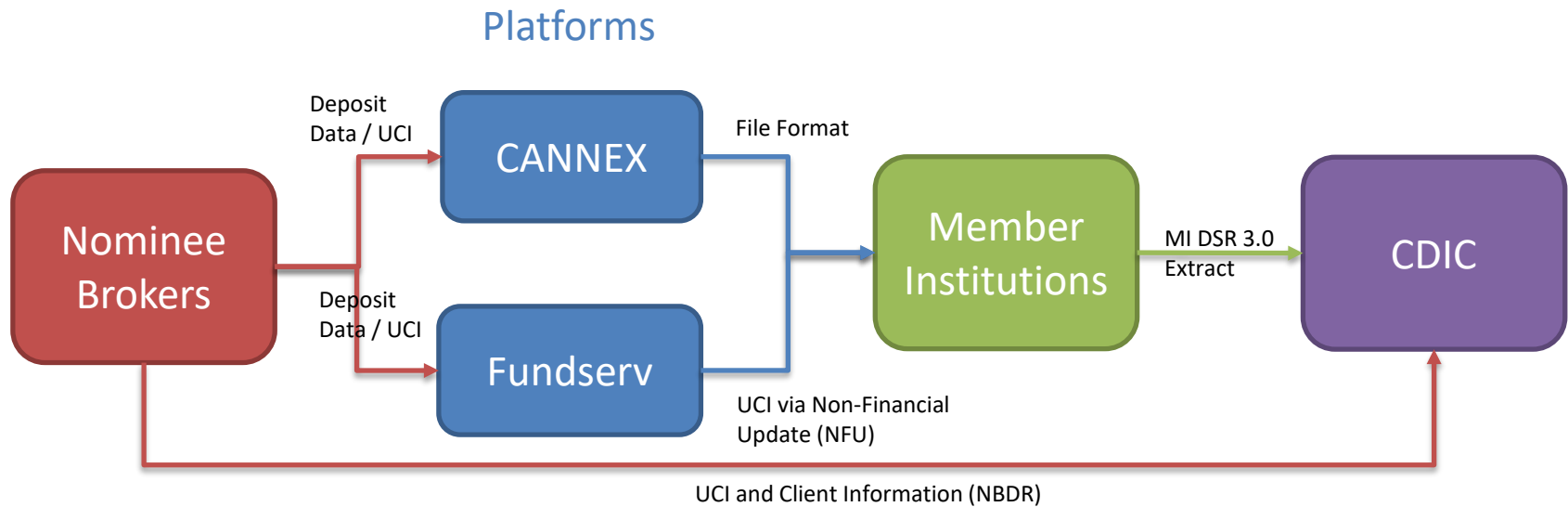


Key Participants / Reference Material

- Coordinate activities between four key participant groups in the data transmission flow:
 - Nominee Brokers and Vendors
 - Exchange Platforms – CANNEX and Fundserv
 - Member Institutions and Vendors
 - CDIC
- Key pieces of information have been developed and shared with industry to facilitate the implementation work:
 - Data and System Requirements (DSR) 3.0
 - Unique Client Identifier (UCI) Industry Best Practices
 - Nominee Broker Data Requirements (NBDR) - Draft



Data Transmission Flow



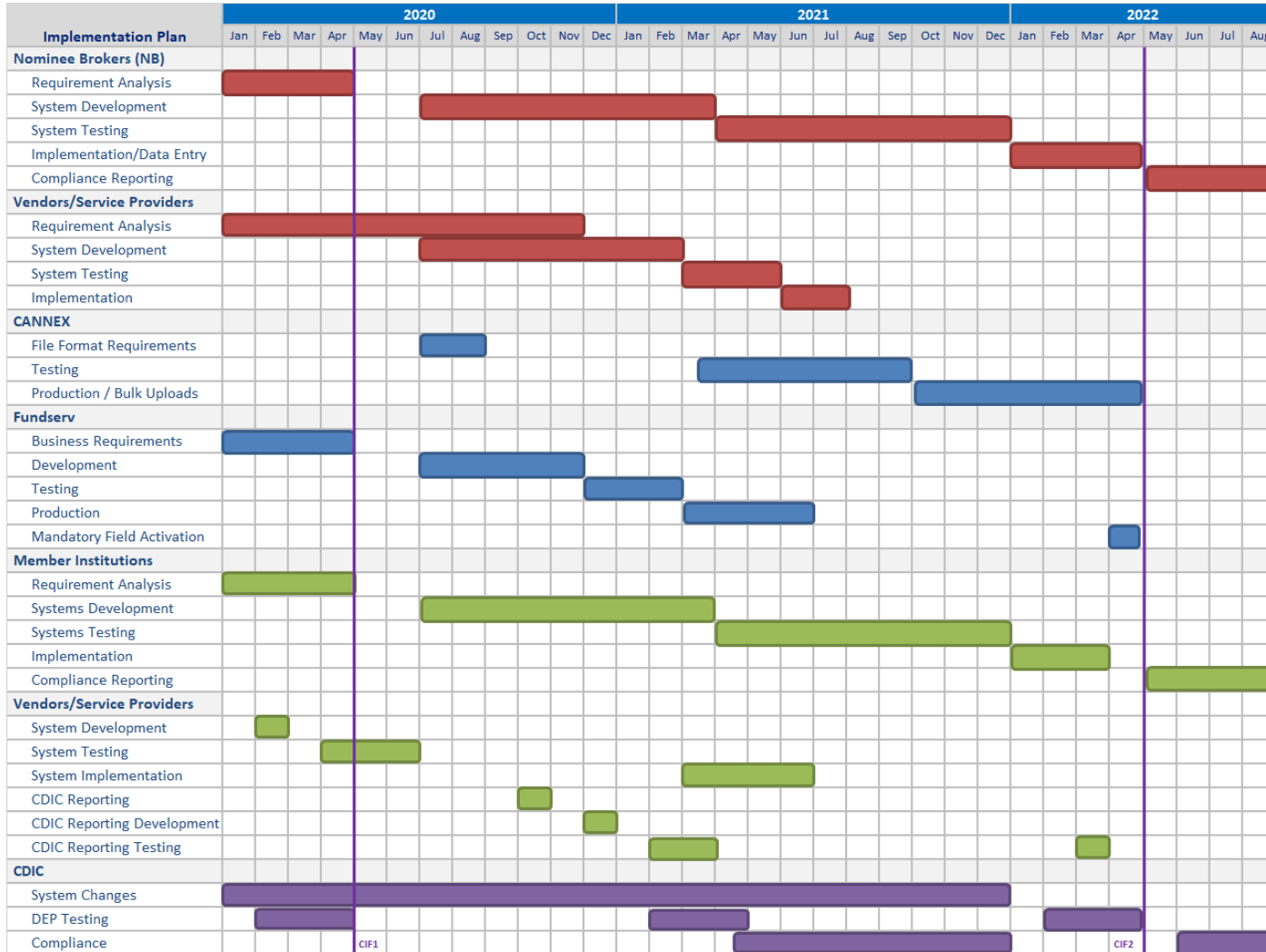


Critical Path

Type	Activity	Description	Responsibility	Dates
NB Information Systems	Nominee Broker systems updated to include UCI data element	<ul style="list-style-type: none"> Nominee Brokers Service Providers have updated systems to assign a UCI when a deposit is made Meets the UCI Industry Best Practice 	NB Service Providers	31 Jul 2021
NB Data Entry	Nominee Brokers assign UCI to existing deposit records	<ul style="list-style-type: none"> All existing deposits must have an associated UCI Utilize bulk uploads 	Nominee Brokers	30 Apr 2022
Platform	CANNEX platform updated to transmit the UCI	<ul style="list-style-type: none"> Orders processed with new file format with or without new “mandatory” UCI Bulk Upload facility available 	CANNEX	2-3 Oct 2021
Platform	CANNEX platform updated to transmit the UCI as “Mandatory”	<ul style="list-style-type: none"> Mandatory fields will be enforced Transaction files missing these elements will be rejected 	CANNEX	1 May 2022
Platform	Fundserv platform updated to transmit the UCI	<ul style="list-style-type: none"> Fundserv Business Requirements Issued – June 2020 Ready to transmit Production will be live June 14, 2021. Customers can begin sending UCIs for new and existing accounts 	Fundserv	14 Jun 2021
Platform	Fundserv platform update to transmit UCI as “Mandatory”	<ul style="list-style-type: none"> Customers must send the UCI for new accounts 	Fundserv	30 Apr 2022
CDIC Information Systems	CDIC Systems updated for DSR 3.0	<ul style="list-style-type: none"> CDIC internal systems have been updated to accept DSR 3.0 extracts 	CDIC	30 Apr 2022



Implementation Timeline





Conclusion

- The Brokered Deposit Advisory Group (BDAG) was established to assist with the implementation of the new CDIC deposit insurance rules affecting the nominee brokered deposit industry that will take effect on April 30, 2022.
- In January 2020, the BDAG issued Unique Client Identifier (UCI) Industry Best Practices which provide standards and parameters setting out industry expectations about the UCI design and application and aim to further improve the quality of information being transmitted for nominee brokered deposits.
- The Data Transmission document highlights the key activities and milestones which must be in place for the successful implementation of the changes.
- The activities and timelines presented will be monitored by the BDAG Working Group and any issues escalated following BDAG governance structure.
- For more information on the BDAG see: <https://www.cdic.ca/financial-community/for-brokers-and-other-financial-professionals/new-changes-to-deposit-insurance-affecting-nominee-brokers/industry-best-practices-brokered-deposit-advisory-group-bdag/>

**Brokered Deposit
Advisory Group**
BDAG



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