

Consultation Paper

Joint and Trust Account Disclosure By-law

July 20, 2018

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A. Introduction

The *Budget Implementation Act, 2018, No.1*, (“**BIA 1**”)¹, which received Royal Assent on June 21, 2018, amends the Canada Deposit Insurance Corporation (“**CDIC**”) Act to reflect the conclusions of the Deposit Insurance Review. Key amendments include changes to the coverage framework and to certain requirements for trust deposits to receive separate coverage. The amendments will come into force on a day to be fixed by order of the Governor in Council. It is proposed that the CDIC Act amendments pertaining to trust deposits come into force on April 30, 2020. A summary of the changes to the coverage framework is in Appendix 1 and an extract of BIA 1 (Part 6, Division 2 – Amendments to the CDIC Act) is provided in Appendix 2.

To complete this new framework, CDIC’s *Joint and Trust Account Disclosure By-law* (“**JTDB**”) needs to be amended to provide the supporting details necessary to determine deposit insurance coverage, including:

- Specific information that trustees of trust deposits must provide to *member institutions*² and CDIC, and the timing for providing such information;
- Requirements for *member institutions* regarding the management of information for trust deposits; and,
- Disclosure requirements for *co-owned deposits* and registered deposits held in a nested trust.

It is proposed that the changes to the JTDB would come into force at the same time as the legislative amendments for trust deposits.

The purpose of this paper is to seek stakeholders’ comments on the proposed changes to the JTDB³. Input received from this consultation will assist CDIC in finalizing the JTDB. Note that the final language contained in the JTDB may differ from that outlined in the consultation paper. Please send your written comments by September 28, 2018 to:

¹ *Budget Implementation Act, 2018, No.1, An Act to implement certain provisions of the budget tabled in Parliament on February 27, 2018 and other measures*, http://www.parl.ca/Content/Bills/421/Government/C-74/C-74_4/C-74_4.PDF

² Terms in italic are defined in Appendix 3.

³ Information received throughout this submission process is subject to the *Access to Information Act* and the *Privacy Act*. In the event a request for access to information is made, CDIC will contact you prior to disclosure.

Canada Deposit Insurance Corporation

By hand or mail to: 17th Floor, 50 O'Connor Street, Ottawa, Ontario K1P 6L2

By email to: consultation@cdic.ca

Interested parties will have another opportunity to comment on draft JTDB amendments when they are published in Part I of the *Canada Gazette*.

B. The New Trust Deposit Framework

CDIC's mandate is to provide insurance against the loss of deposits, promote and contribute to the stability of the financial system in Canada⁴, and act as resolution authority for its members while minimizing its exposure to loss. CDIC insures eligible deposits held at each *member institution* up to a maximum of \$100,000 (principal and interest combined) per depositor per insurance category⁵. Deposits that are held "in trust" by one party (the trustee) for the benefit of another (the beneficiary) (i.e., trust deposits) have their own insurance category, and receive separate coverage.

Recent BIA 1 amendments to the CDIC Act changed how deposit insurance will extend to certain types of trust deposits, as well as to the requirements that certain trustees must meet to ensure these deposits are protected.

Background

Under the deposit insurance framework, trust deposits have their own insurance category and are therefore eligible to be covered separately from other deposits in other insurance categories. When a deposit meets the deposit insurance requirements for trust deposits, beneficiaries are eligible to receive separate deposit insurance coverage for their portion of the deposit up to \$100,000. For example, if a trust deposit has two beneficiaries and meets the trusteeship requirements, each beneficiary would receive coverage up to \$100,000. This coverage would also be separate from another deposit that the beneficiary may hold at that *member institution* outside of a trust arrangement (e.g., in their own name or jointly with someone else). Similarly, any deposit held by the trustee at a *member institution* for the benefit of another person would be insured separately from any deposit made by the trustee in its own name at the same *member institution*.

CDIC's objective is to reimburse insured deposits as quickly as possible (within 7 business days) following the failure of a *member institution* as a way to promote financial stability at a time of

⁴ These objectives must be pursued for the benefit of persons having deposits with *member institutions* and in such manner as will minimize the exposure of CDIC to loss.

⁵ Further explanation on eligible deposits and insurance category can be found in Appendix 1.

financial uncertainty. To be able to reimburse insured deposits, CDIC relies on the information about the deposits and depositors available at the *member institution* at the time of failure. The *member institution* must provide to CDIC information on the identity of the depositor, the deposit insurance category of the deposit, and the amount owed to the depositor. For trust deposits, CDIC also needs the identity of the beneficiaries and their beneficial interest in the deposit. Absent the required trusteeship⁶ information, the deposit will not receive separate coverage under the trust category. As such, that deposit, along with other deposits the trustee depositor may have under his/her own name would be aggregated and insured up to \$100,000.

The Canadian financial marketplace for trust deposits has changed significantly since the disclosure requirements for trust deposits were established. Brokers acting as a nominee for their clients now play a significant role in placing deposits at CDIC's *member institutions*. Similarly, professional firms hold large sums of money on behalf of clients.

The changes in the trust marketplace have increased the importance for the Government and CDIC to clarify and apply new standards for *nominee brokers* and *professional trustees*⁷. While the general requirements for a deposit to be considered made in trust for a beneficiary have not changed, the requirements for *nominee broker deposits* and deposits held in *professional trustee* accounts have been adapted to contribute to the protection of depositors and to promote financial stability. The proposed changes to the JTDB also support these objectives.

Overview of the legislative requirements

The amended legislation clarifies and modifies requirements for trusts deposits. A trust deposit receives separate coverage when the trusteeship is disclosed on the records of the *member institution* in accordance with the legislation and the JTDB⁸. For trusts with more than one beneficiary, each beneficiary's interest in the deposit needs to be disclosed, unless the trust deposit

⁶ The trusteeship requirements differ depending on the trustee. The specific requirements for each type of trustee are discussed in the next section.

⁷ *Nominee broker* and *professional trustee* are terms defined in the legislation. A *nominee broker* means a person who is a party to an agreement with a *member institution* in order to make deposits as a nominee on behalf of another person. A *professional trustee* means a public trustee of a province whose duties involve holding moneys in trust for others; a federal, provincial or municipal government; a lawyer or partnership of lawyers, a law corporation, or a notary or partnership of notaries in the province of Quebec, when they act in that capacity as a trustee of moneys for others; a person who is acting as a trustee of moneys for others in the course of business and is required by or under a statute to hold the deposit in trust; a person who is acting as a trustee of moneys for others in the course of business and is subject to the rules of a securities commission, stock exchange or other regulatory or self-regulating organization that audits compliance with those rules, but is not a *nominee broker*; and, a regulated federal or provincial trust company acting in the capacity of a depositor. For a complete definition, please refer to Appendix 3.

⁸ Sections 6(1) and 6(2) of the *Schedule* to the CDIC Act.

is made in a *professional trustee* account⁹. The legislation requires CDIC to aggregate the deposits for a beneficiary made by the same trustee at the same *member institution* and insure the deposit up to \$100,000, regardless of whether the deposit is made under a different trust arrangement.

To receive coverage at the beneficiary level when making a deposit, a *nominee broker* must, in addition to the general requirements described above, disclose the fact that the deposit is made by a *nominee broker* and provide a unique alphanumeric code for each beneficiary of a trust deposit¹⁰. Further, *nominee brokers* must be able to provide, within three business days upon request from CDIC, the alphanumeric code of each beneficiary and the name and address associated with that code¹¹. *Nominee brokers* are also required to provide certain attestations as to whether they have the capacity to provide beneficiary information within the required timeframe¹². An example of the information to be provided by a *nominee broker* is presented in Appendix 4.

When a trust deposit is made in a *professional trustee* account, *professional trustees* do not have to disclose to *member institutions* specific information about their beneficiaries, as long as the *professional trustee* meets attestation, account identification and record-keeping requirements¹³. However, *professional trustees* must provide the beneficiary information to CDIC if CDIC makes a request.

CDIC can only make payments of insured deposits to a *nominee broker* or a *professional trustee* in relation to a trust deposit once the information about the beneficiaries of the trust deposits is received by CDIC from the trustee¹⁴.

The legislation also provides CDIC with new disclosure powers to help promote *nominee broker* compliance and protect depositors¹⁵. Notably, if a *nominee broker* fails to comply with the requirements (e.g., use of a unique client alphanumeric code), CDIC will have the ability to disclose the non-compliance to the government agency or body that regulates the *nominee broker*. CDIC will also be able to disclose broker non-compliance to the public for the purpose of protecting the interests and rights of the beneficiaries of a *nominee broker*. The compliance framework including disclosure practice will be the subject of future consultations.

⁹ Section 6(3) of the *Schedule* to the CDIC Act.

¹⁰ Section 7(1) of the *Schedule* to the CDIC Act.

¹¹ Section 7(1) of the *Schedule* to the CDIC Act.

¹² Section 8 of the *Schedule* to the CDIC Act.

¹³ Sections 9, 10, 11 and 12 of the *Schedule* to the CDIC Act.

¹⁴ Section 14(1.01) of the CDIC Act.

¹⁵ Sections 45.2(3) and 45.2(4) of the CDIC Act.

Question of particular interest:

Are there issues CDIC should consider in the design of the nominee broker compliance framework?

C. Detailed Outline of Revised JTDB

CDIC is seeking feedback on the proposed JTDB changes and has highlighted a number of questions of particular interest (the proposed JTDB changes and specific questions are in purple boxes).

Stakeholders are also invited to indicate areas where further clarification may be required or additional guidance is needed. CDIC wants to ensure that the trust deposit framework is clear and well-understood. Based on the feedback received, CDIC will be issuing further guidance to support the implementation of the changes.

1. Trust Deposits

The following sections describe the requirements depending on the type of trust deposits:

- **Section 1.1 - General trust deposits:** Requirements that apply when the trust deposit is not made by a nominee broker or deposited in a professional trustee account.
- **Section 1.2 - Nominee broker deposits:** Requirements that apply for trust deposits made by a nominee broker.
- **Section 1.3 – Professional trustee accounts:** Requirements for trust deposits made by a professional trustee in an account identified as a professional trustee account.

A table of the new legislative and proposed JTDB requirements for trust deposits is provided in Appendix 5.

1.1 General Trust Deposits

Trusteeship Requirements

Currently, the JTDB requires a depositor that is acting as a trustee for a beneficiary to disclose, before the date of failure of the *member institution*, the following information for inclusion in the records of the *member institution*:

- A statement that the deposit is held in trust by the trustee or co-trustees;
- The name and address of the trustee or co-trustees; and,
- The name and address of the beneficiary (ies).

When there is more than one beneficiary, the trustee must indicate that the trust has multiple beneficiaries and disclose annually the amount or percentage of each beneficiary's interest in the deposit.

The JTDB is being amended to require *member institutions* to ask depositors to provide the information on trust deposits (i.e., name and address of the trustee and the beneficiary (ies) and the amount or percentage of each beneficiary's interest in the deposit) at the time the deposit is made.

Other Requirements

The current JTDB also requires *member institutions* to annually send written notifications to trustees to disclose the amount or percentage of each beneficiary's interest in the deposit when the trust has more than one beneficiary. CDIC is proposing to maintain this annual notification process but to extend the disclosure requirements to confirm all information on the records of a *member institution* (i.e., the name and address of the trustee and the beneficiary (ies), and the amount or percentage of each beneficiary's interest in the deposit when a trust has multiple beneficiaries). If a trustee fails to update the information, CDIC would reimburse based on the information on the records of the *member institution* at the time of failure.

Proposed By-law Requirements

- 1.1.1. At the time the deposit is made, the *member institution* must ask the depositor that is acting as a trustee to provide the following information (e.g., through account opening documentation) for inclusion in the records of the *member institution*:
 - A statement that the deposit is held in trust by the trustee or co-trustees;
 - The full usual name and address of the trustee or co-trustees;
 - The full usual name and address of the beneficiary (ies); and,
 - When there is more than one beneficiary, the amount or percentage of each beneficiary's interest in the deposit.
- 1.1.2. A depositor that is acting as a trustee must provide the information requested by the *member institution* before the *determination date*¹⁶.

Other Requirements

- 1.1.3. By no later than April 30 of each year, the *member institution* must ask the trustee in writing to update, by May 31 of each year, the information on its records (i.e., the full

¹⁶ The *determination date* refers to the time at which CDIC would make a payment of insured deposits. For the complete definition, see Appendix 3.

name and address of the trustee, the full name and address of each beneficiary and the amount or percentage of each beneficiary's interest).

1.1.4. A trustee can update or change the information any time before the *determination date*.

1.1.5. *Member institutions* must record and maintain the information submitted by trustees, and any updates provided by a trustee.

CDIC is exploring the possibility of requesting additional information about the beneficiary such as the date of birth or a corporate identifier to facilitate CDIC's capacity to confirm and aggregate deposits of the same beneficiary. Relying on the name and address of the beneficiary as a means to link the identity of the beneficiary could be challenging when the name of an individual is not reported consistently and the address is not up to date between accounts. CDIC is seeking to find other beneficiary identifiers that are already collected by *member institutions*, do not change through time, and are reported in a fixed format.

Questions of particular interest

What would be an appropriate additional beneficiary identifier (e.g., date of birth or a number assigned by the *member institution* such as a client ID)?

Are there areas where trustees and *member institutions* would benefit from further guidance in implementing the requirements?

1.2 Requirements for *Nominee Broker* Deposits

This section discusses the additional requirements applicable to *nominee broker deposits*. While some of the information required to be disclosed is set out under the current framework (e.g., certain trustees, such as *nominee brokers*, can currently disclose an alphanumeric code instead of the name and address of the beneficiary), the concept of *nominee broker* is new to the legislation. Accordingly, some of the requirements proposed in the by-law are new as well.

Additional Trusteeship Requirements for *Nominee Brokers*

In addition to the general legislative trusteeship requirements¹⁷ for a deposit held by a *nominee broker* to receive coverage under the trust category, the new legislation¹⁸ requires the following information be provided to the *member institution* at the time the deposit is made and each time a change is made to the deposit:

- The deposit is made by a *nominee broker*;

¹⁷ Disclosing the fact that the deposit is held in trust and providing the interest of each beneficiary in the deposit when the deposit has multiple beneficiaries.

¹⁸ Subsection 7(1) of the *Schedule* to the CDIC Act.

- The unique alphanumeric code for each beneficiary of the deposit;
- The amount or percentage of each beneficiary's interest in the deposit.

A *nominee broker* who fails to disclose the required information should take actions to rectify its non-compliance status as soon as possible and no later than the *determination date* to receive separate coverage for each beneficiary. Failure to do so will result in having deposits that do not comply with the requirements to be aggregated together, along with other deposits made by the *nominee broker* in its own name at that *member institution*, and having the aggregated amount insured up to \$100,000.

The new legislation¹⁹ stipulates that where beneficiaries co-own a deposit (i.e., they own an equal and undivided interest in the funds as a whole, which are usually referred to as a joint account), those persons are considered a single beneficiary and a unique alphanumeric code must be assigned by the *nominee broker* to identify and represent the co-ownership. The co-owners of the trust deposit are deemed to be a single beneficiary separate from any deposits that each co-owner has in their own name in a trust. For example, CDIC would not aggregate the deposit of a beneficiary (single account) with the deposit that the same beneficiary holds with other co-owners (joint account).

Proposed By-law Requirements

1.2.1. Assignment of alphanumeric code

- a) A *nominee broker* can only identify a beneficiary of a trust deposit made at a *member institution* with one alphanumeric code. The same alphanumeric code must be used for all deposits made by the *nominee broker* on behalf of the same beneficiary even if the beneficiary has more than one trust deposit at the same *member institution*.
- b) If there are multiple beneficiaries under the same trust deposit, the unique alphanumeric code of each beneficiary must be disclosed.
- c) A single and unique alphanumeric code must represent and be used to identify two or more persons only if they are co-owners of a deposit. The same unique alphanumeric code must be used consistently for all deposits owned by the same co-owners at the same *member institution*.

[Note: The alphanumeric code of a beneficiary does not have to be the same across *member institutions*.]

1.2.2. Maintenance of records

¹⁹ Subsection 7(2) of the *Schedule* to the CDIC Act.

- a) *Member institutions* must record the information provided by the *nominee broker* as soon as the information is received.

In order to facilitate an insurance determination and reimbursement should a CDIC *member institution* fail, the CDIC Act²⁰ will require *nominee brokers* to provide the following information to CDIC within three business days after the day on which a request is made by CDIC:

- i. Each unique alphanumeric code provided to the *member institution*;
- ii. The current name and address of the beneficiary associated with that code; and,
- iii. Any other information specified in the by-law.

The new legislation²¹ stipulates that CDIC shall not make payments of insured deposits to a *nominee broker* in relation to a trust deposit until the information for that deposit is provided to CDIC.

Proposed By-law Requirement

- 1.2.3. The *nominee broker* must provide the full usual name of the beneficiary (i.e., no initials, no nicknames or shortened names (e.g., Bob for Robert)). The *nominee broker* must provide the information to CDIC in a suitable²² electronic format.

Member Institution Requirements for Nominee Broker Deposits

The new legislation²³ requires that when a *member institution* becomes aware that a *nominee broker* has not provided the required information, the *member institution* must notify the *nominee broker* as soon as possible regarding the information as specified in the JTDB.

Proposed By-law Requirement

- 1.2.4. The notification must be in writing, specify the missing information, and indicate that the *nominee broker* is not meeting the disclosure requirements to receive separate coverage.

²⁰ Paragraph 7(1)(b) of the *Schedule* to the CDIC Act.

²¹ Subsection 14 (1.01) of the CDIC Act.

²² This means in a format compatible with CDIC's systems, including Excel, MS Access, SQL Server, but no PDF.

²³ Subsection 8(5) of the *Schedule* to the CDIC Act.

The new legislation²⁴ requires a *member institution* that has an agreement²⁵ with a *nominee broker* to include the following provisions:

1. The *nominee broker* must provide to CDIC each unique alphanumeric code, the current name and address of the beneficiary associated with the code and any other information specified in the by-law within three business days after the day that a request is made by CDIC.
2. The *nominee broker* must make an initial attestation to CDIC and updated attestations in accordance with the by-law that state whether the *nominee broker* is capable, or not, of fulfilling its obligations of providing the information specified in legislation within three business days.
3. The *nominee broker* must provide and update to the *member institution* the *nominee broker's* contact information in accordance with the by-law.

The legislation²⁶ also requires *member institutions* to annually, in April, ask *nominee brokers* to update their attestation and provide updated contact information.

Proposed By-law Requirements

1.2.5. Initial attestation and contact information

- a) The initial attestation must be sent to CDIC electronically no later than thirty days after a *nominee broker* and a *member institution* enter into an agreement or, after an existing agreement is being amended to include the new requirements for *nominee brokers*.
- b) The attestation must:
 - include the contact information of the *nominee broker*, i.e., the full usual name of at least two persons who would be responsible for providing the information to CDIC, their phone numbers, work addresses and email addresses;
 - include the name of the *member institutions* to which the attestation refers;
 - be signed by a senior officer of the *nominee broker* (e.g., Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO)).

²⁴ Subsection 8(1) of the *Schedule* to the CDIC Act.

²⁵ CDIC understands that *member institutions* have agreements in place with their *nominee brokers* and that amending those agreements may be challenging. Accordingly, separate agreements could be developed or amendments to current agreements could be put in place when it is deemed appropriate during the transition period leading to the coming into force of the by-law.

²⁶ Subsection 8(2) of the *Schedule* to the CDIC Act.

- c) If the attestation indicates that the *nominee broker* is not capable of carrying out its obligations, the attestation must include the reason for non-compliance and the actions to be taken and associated timeframes to achieve compliance.
- d) A *nominee broker* does not have to send an initial attestation to CDIC when:
 - The *nominee broker* has already attested its capacity to CDIC for another *member institution*; and,
 - The *nominee broker* is capable of fulfilling its obligations with that *member institution*.

1.2.6. Updated attestation and contact information

- a) A *nominee broker* must send electronically one updated attestation to CDIC no later than May 31 of each year that must:
 - include the contact information of the *nominee broker*, i.e., the full name of at least two persons who would be responsible for providing the information to CDIC, their phone numbers, work addresses and email addresses;
 - include the name of the *member institutions* to which the attestation refers, and identify if certain *member institutions* have been added or removed from the attestation;
 - be signed by a senior officer of the *nominee broker* (e.g., Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO)).
- b) If the attestation indicates that the *nominee broker* is not capable of carrying out its obligations, the attestation must include the reason for non-compliance and the actions to be taken and associated timeframes to achieve compliance.

1.2.7. The *nominee broker* must provide the *member institution* and keep up-to-date the full name of two persons that CDIC could contact if needed who would be responsible for providing requested information²⁷ to CDIC, their phone numbers, work addresses and email addresses.

The new legislation²⁸ requires a *member institution* that enters or ends an agreement with a *nominee broker* to notify CDIC in accordance with the by-law.

Proposed By-law Requirement

²⁷ As per paragraph 7(1)(b) of the *Schedule* to the CDIC Act.

²⁸ Subsection 8(4) of the *Schedule* to the CDIC Act.

- 1.2.8. If a *member institution* enters or ends an agreement respecting *nominee broker deposits*, it must electronically send a notification to CDIC to this effect as soon as possible after entering or ending the agreement.

1.3 Professional Trustee Accounts

The following section presents the requirements contained in the legislation for *professional trustees* and the proposed additional JTDB specifications. These proposed by-law requirements are new and differ from the current framework.

Trusteeship Requirements

The new legislation²⁹ requires *member institutions* to identify an account as a *professional trustee* account if a *professional trustee*:

1. Makes an attestation stating that they are a *professional trustee* in accordance with the by-law;
2. Provides contact information in accordance with the by-law; and
3. Requests that the account be identified as a *professional trustee* account.

Once an account has been identified as a *professional trustee* account, *professional trustees* do not have to disclose specific information about their beneficiaries and their interest in the deposit³⁰ prior to the failure of the *member institution*, as long as the *professional trustee* meets key attestation, account identification, and record keeping requirements.

Proposed By-law Requirements

- 1.3.1. A *professional trustee* does not have to disclose on the records of a *member institution* the name and address of the beneficiary if the deposit was made in an account identified as a *professional trustee* account.
- 1.3.2. Contact information requirements
- a) The *professional trustee* must provide the full name, phone number, address and email of the primary trustee contact.
 - b) The *member institution* must maintain the contact information in its records.

²⁹ Section 9 of the *Schedule* to the CDIC Act.

³⁰ Section 10 of the *Schedule* to the CDIC Act.

To receive separate coverage, the legislation³¹ requires that *professional trustees*:

1. Maintain a record that sets out the current name and address of each beneficiary of a deposit in the account and the amount or percentage of the interest of each beneficiary in accordance with the by-law;
2. In accordance with the by-law, provide information respecting deposits in the account to CDIC if a request is made by CDIC; and
3. Each April,
 - a. make an attestation to the *member institution* stating that they continue to be a *professional trustee* in accordance with the by-law;
 - b. confirm with the *member institution* that the account is to continue to be identified as a *professional trustee* account; and
 - c. update the contact information in accordance with the by-law.

The legislation specifies that, for the purpose of calculation of insurance premiums, the *member institution* must use the total amount of deposits in accounts identified as *professional trustee* accounts as the amount of insured deposits³².

Proposed By-law Requirements

- 1.3.3. Upon request from CDIC, the information to be provided by the *professional trustee* must be sent in a suitable³³ electronic format.³⁴
- 1.3.4. The attestations and confirmations must be in writing, as well as updates to the contact information.
- 1.3.5. The *member institution* must update the information in its records as soon as possible following receipt of the information from the *professional trustee*.

³¹ Section 11 of the *Schedule* to the CDIC Act.

³² Section 25.4 of the CDIC Act.

³³ This means in a format compatible with CDIC's systems, including Excel, MS Access, SQL Server but no PDF.

³⁴ CDIC is not proposing to provide a specific timing for a *professional trustee* to send the information to CDIC. However, CDIC cannot make a payment to a *professional trustee* for trust deposits until the information requested from the *professional trustee* has been received. For all claims, the CDIC Act provides a time limit of ten years after a winding-up order has been issued to make a claim to CDIC.

The new legislation³⁵ stipulates that CDIC shall not make payments of insured deposits to a *professional trustee* in relation to a trust deposit until the information requested by CDIC is provided for that deposit.

The legislation³⁶ clarifies for greater certainty that the provision by a *professional trustee* to CDIC of information that is subject to solicitor-client privilege or the professional secrecy of advocates and notaries, does not constitute a waiver of the privilege or secrecy in relation to that deposit.

Other Requirements

The new legislation³⁷ requires that each March, a *member institution* must ask the *professional trustee* to attest and confirm the designation of the account as a *professional trustee* account, and update their contact information. *Member institutions* must remove the *professional trustee* account designation if the information is not submitted by April 30³⁸ or when requested by the depositor.

A depositor who has requested that the account be identified as a *professional trustee* account and who is no longer a *professional trustee*, must notify the *member institution* and request that the designation be removed³⁹. In such circumstances, deposits would then fall under the general trust requirements, if the applicable requirements are met. If the general trust requirements are not met, the deposit would be aggregated with deposits of the trustee made in the trustee's own name.

Proposed By-law Requirement

- 1.3.6. *Member institutions* must notify the *professional trustee* in writing and indicate the reason why the designation was removed.

2. Deposits Held in More than One Name (Not a Trust Deposit)

Currently, it is required that a depositor of a deposit held in more than one name, i.e., a *co-owned deposit* (formerly known as joint account), disclose, before the date of failure of a *member institution*, the fact that the deposit is co-owned and the full name and address of each of the co-owners for inclusion in the records of the *member institution*. A depositor of a *co-owned deposit* can update or change the information any time before the *determination date*. The requirements for *co-owned deposits* are not changing substantially from the current framework. The only proposed change to the JTDB is to require that at the time the deposit is made *member institutions*

³⁵ Subsection 14 (1.01) of the CDIC Act.

³⁶ Section 13 of the *Schedule* to the CDIC Act.

³⁹ Subsection 12(2) of the *Schedule* to the CDIC Act.

ask the depositor to provide the information to be disclosed (e.g., through account opening documentation) for inclusion in the records of the *member institution*.

Proposed By-law Requirements

Disclosure requirements

- 2.1. *Member institutions* must ask the depositor of a co-owned deposit to disclose the following information for inclusion in the records of the *member institution*:
 - The deposit is co-owned; and
 - The full usual name and address of each of the co-owners.
- 2.2. A depositor must provide the information requested by the *member institution* before the *determination date*.
- 2.3. A depositor may update or change the information any time before the *determination date*.

3. Requirements for Registered Deposits in Nested Trusts

Deposits made in Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs), Tax-Free Savings Accounts (TFSAs), Registered Education Savings Plans (RESPs) and Registered Disability Savings Plans (RDSPs) can be made directly by the beneficiary of a registered plan or by a trustee on behalf of the beneficiary under the plan. CDIC can determine coverage appropriately when the name of the beneficiary (either as the depositor or as the beneficiary) appears on the *member institution's* records.

However, deposits can also be made by a trustee on behalf of an entity⁴⁰ that manages the plan for the beneficiary, which creates a nested trust (i.e., a trustee in trust for an entity, which is also in trust for a beneficiary). To address these types of arrangements, the legislation clarifies⁴¹ that coverage will be available for these registered plans at the level of the ultimate beneficiary (i.e., the person who would ultimately benefit from the funds on deposit), regardless of whether the funds are held under one or more than one level of trusteeship, as long as the required information about the ultimate beneficiary is on the records of the *member institution*. If the information about the ultimate beneficiary is not on the records of the *member institution*, the entity managing the plan would be considered the beneficiary and the insurance coverage of the deposit of the entity will be limited to \$100,000.

⁴⁰ Such entity is sometimes referred to as the issuer, carrier or administrator of the plan.

⁴¹ Sections 5(1), 5(2), 5(3), 5(4) and 5(5) of the *Schedule* to the CDIC Act.

Proposed By-law Requirements

- 3.1. When a depositor makes a deposit in respect of a registered plan, the *member institution* must ask the depositor the following information for inclusion in the records of the *member institution* :
- The full usual name and address of the depositor;
 - The full usual name and address of each beneficiary of the registered plan; and
 - Where there are multiple beneficiaries, the percentage/amount of each beneficiary's interest in the deposit.
- 3.2. The depositor must provide the requested information before the *determination date*.
- 3.3. A depositor may update or change the information any time before the *determination date*.

CDIC is exploring the possibility of requesting an additional piece of information about the beneficiary of the plan to facilitate the confirmation of the beneficiary's identity for aggregation purposes. Given that the deposit is registered, CDIC believes that the social insurance number may be an appropriate identifier since it is already collected by *member institutions* for tax purposes.

Questions of particular interest

Is the social insurance number automatically provided to *member institutions* when a registered deposit is made? If not, what would be in your opinion an appropriate second identifier of the beneficiary?

4. Proposed Transition Period

As the new legislative requirements and proposed changes to the JTDB may involve changing current practices and systems, it is proposed that the CDIC Act amendments pertaining to trust deposits come into force on April 30, 2020. CDIC is proposing to align the coming-into-force of the proposed changes to the JTDB at the same time. Once the legislation is in force, *member institutions* and trustees will have to be compliant with the new legislation and the JTDB. The new framework will apply to all deposits regardless if the deposits were made prior to the date of the coming-into-force, which means, for example, that the information on the records of *member institutions* may have to be updated accordingly.

Question of particular interest

Is the proposed transition period appropriate?

Appendix 1: Changes to the Deposit Insurance Coverage Framework with BIA 1

CDIC insures eligible deposits at each *member institution* up to a maximum of \$100,000 (principal and interest combined) per depositor per insurance category. This means that by holding eligible deposits in more than one category, depositors may be able to access coverage in excess of \$100,000 at the same *member institution*.

BIA 1 introduces two new insurance categories and removes the category related to deposits for realty taxes on mortgaged property (i.e., deposits in mortgage tax accounts). Amounts in accounts held for the payment of realty taxes on mortgages would remain eligible for deposit insurance but would no longer have a separate insurance category and coverage limit. This would bring the number of distinct insurance categories to eight as outlined in Table 1.

Table 1: New Insurance Categories	
1) Deposits held in one name (individual)	5) Deposits held in Registered Retirement Income Funds (RRIFs)
2) Deposits held in more than one name (<i>co-owned deposits</i> ⁴² , previously referred to as “joint account”)	6) Deposits held in Tax-free Savings Accounts (TFSAs)
3) Deposits held in trust for another person (trust deposits)	7) Deposits held in Registered Education Savings Plans (RESPs) <i>[New]</i>
4) Deposits held in Registered Retirement Savings Plans (RRSPs)	8) Deposits held in Registered Disability Saving Plans (RDSPs) <i>[New]</i>

BIA 1 also amends which deposits are eligible for deposit insurance. Deposits with terms over 5 years and deposits held in foreign currencies would be eligible for insurance. However, travellers’ cheques would no longer be deposits eligible for insurance, as *member institutions* no longer issue them.

⁴² The new legislation uses the term “co-owned” to refer to a “joint” deposit. This change in terminology does not impact the substance of holding of the property (i.e., each joint or co-owner owns individually an equal and undivided interest in the funds as a whole).

The Table 2 shows examples of eligible and non-eligible deposits.

Table 2: New Eligible and Non-Eligible Deposits	
Eligible Deposits	Non-eligible Deposits
<p>Deposits eligible for deposit insurance coverage must be payable in Canada, and include funds held in all currencies [New] in the following:</p> <ul style="list-style-type: none"> Savings accounts Chequing accounts Term deposits (such as GICs) Debentures issued to evidence deposits by CDIC <i>member institutions</i> (other than banks) Money orders and bank drafts issued by CDIC <i>member institutions</i> Cheques certified by CDIC <i>member institutions</i> 	<p>Deposits not eligible for deposit insurance coverage include:</p> <ul style="list-style-type: none"> Deposits payable outside of Canada Deposits payable to the Government of Canada Travellers' cheques [New] Stocks, mutual funds and bonds

Appendix 2: Division 2 of BIA 1

DIVISION 2

R.S., c. C-3

Canada Deposit Insurance Corporation Act

Amendments to the Act

202 Section 2 of the Canada Deposit Insurance Corporation Act is amended by adding the following in alphabetical order:

nominee broker means a person who is a party to an agreement or arrangement with a member institution in order to make deposits as a nominee on behalf of another person. (*courtier-fiduciaire*) 5

nominee broker deposit means a deposit made at a member institution by a nominee broker acting as a nominee on behalf of another person. (*dépôt de courtier-fiduciaire*) 10

professional trustee means any of the following who is not a nominee broker:

(a) the public trustee of a province or a similar public official whose duties involve holding moneys in trust for others; 15

(b) a federal, provincial or municipal government, or a department or agency of such a government;

(c) a lawyer or partnership of lawyers, a law corporation, or a notary or partnership of notaries in the province of Quebec, when they act in that capacity as a trustee of moneys for others; 20

(d) a person who is acting as a trustee of moneys for others in the course of business and is required by or under a statute to hold the deposit in trust; 25

(e) a person who is acting as a trustee of moneys for others in the course of business and is subject to the rules of a securities commission, stock exchange or other regulatory or self-regulating organization that audits compliance with those rules; or 30

(f) a regulated federal or provincial trust company acting in the capacity of a depositor. (*fiduciaire professionnel*)

SECTION 2

L.R., ch. C-3

Loi sur la Société d'assurance-dépôts du Canada

Modification de la loi

202 L'article 2 de la Loi sur la Société d'assurance-dépôts du Canada est modifié par adjonction, selon l'ordre alphabétique, de ce qui suit :

courtier-fiduciaire Personne qui est partie à une entente ou à un arrangement avec une institution membre afin de déposer des sommes en tant que fiduciaire pour le compte d'une autre personne. (*nominee broker*) 5

dépôt de courtier-fiduciaire Dépôt effectué auprès d'une institution membre par un courtier-fiduciaire qui agit en tant que fiduciaire pour le compte d'une autre personne. (*nominee broker deposit*) 10

fiduciaire professionnel S'entend, à l'exception des courtiers-fiduciaires :

a) du curateur public d'une province ou du fonctionnaire semblable qui est chargé de détenir en fiducie ou en fidéicommiss des sommes pour autrui; 15

b) des administrations fédérales, provinciales ou municipales, et des ministères ou organismes de ces administrations;

c) de l'avocat ou de l'étude d'avocats constituée en société de personnes ou en société, ou du notaire de la province de Québec ou de l'étude de notaires constituée en société de personnes, qui agit en cette qualité comme fiduciaire ou fidéicommissaire de sommes pour autrui; 20 25

d) de la personne qui agit comme fiduciaire ou fidéicommissaire de sommes pour autrui dans le cadre de ses activités et qui est tenue par la loi de détenir le dépôt en fiducie ou en fidéicommiss;

e) de la personne qui agit comme fiduciaire ou fidéicommissaire de sommes pour autrui dans le cadre de ses activités et qui est assujettie aux règles d'une commission de valeurs mobilières, d'une bourse ou d'un autre organisme de réglementation ou d'auto-réglementation qui vérifie la conformité à ces règles; 30 35

f) de la société de fiducie provinciale ou fédérale réglementée qui agit au nom du déposant. (*professional trustee*)

203 Paragraph 12(a) of the Act is replaced by the following:

(a) a deposit that is not payable in Canada;

204 (1) Section 14 of the Act is amended by adding the following after subsection (1):

Inability to form opinion

(1.01) The Corporation shall not make any money available under subsection (1) to a nominee broker or a professional trustee in relation to a trust deposit if information that the Corporation has requested under paragraph 7(1)(b) of the schedule or paragraph 11(b) of the schedule, as the case may be, has not been provided in relation to that deposit.

(2) Section 14 of the Act is amended by adding the following after subsection (2.91):

Foreign currency exchange

(2.92) For the purposes of calculating the payment to be made by the Corporation in respect of any deposit payable in a foreign currency that is insured by deposit insurance, the amount of the deposit must be determined in Canadian currency in accordance with the Bank of Canada's published exchange rate on the applicable date referred to in subsection (2.9) or, if there is no such published rate, the last exchange rate published by the member institution before that applicable date.

205 The Act is amended by adding the following after section 25.3:

Interpretation

25.4 For the purposes of sections 21 to 25.3, the deposits that are considered to be insured by the Corporation include the total amount of all deposits held in accounts that are identified as professional trustee accounts in accordance with section 9 of the schedule.

206 Subsection 26.01(2) of the Act is replaced by the following:

Exception

(2) For the purposes of subparagraph 26.03(1)(c)(iii) and paragraph 26.03(1)(d), *deposit* has the meaning that would be given to it by the schedule, for the purposes of deposit insurance, but does not include deposits not payable in Canada.

203 L'alinéa 12a) de la même loi est remplacé par ce qui suit :

a) les dépôts payables à l'étranger;

204 (1) L'article 14 de la même loi est modifié par adjonction, après le paragraphe (1), de ce qui suit :

Impossibilité d'estimer le droit au paiement

(1.01) La Société ne fait pas le paiement visé au paragraphe (1) à un courtier-fiduciaire ou à un fiduciaire professionnel relativement à un dépôt en fiducie si les renseignements visés à l'alinéa 7(1)b) de l'annexe ou à l'alinéa 11b) de l'annexe, selon le cas, n'ont pas été fournis relativement à ce dépôt.

(2) L'article 14 de la même loi est modifié par adjonction, après le paragraphe (2.91), de ce qui suit :

Devises étrangères

(2.92) Dans le calcul du paiement de la Société à l'égard d'un dépôt payable en devises étrangères couvert par l'assurance-dépôts, le montant du dépôt est calculé en devises canadiennes conformément au taux de change publié par la Banque du Canada à la date applicable visée au paragraphe (2.9) ou, dans le cas où un taux n'est pas publié, au dernier taux publié par l'institution membre avant cette date.

205 La même loi est modifiée par adjonction, après l'article 25.3, de ce qui suit :

Interprétation

25.4 Pour l'application des articles 21 à 25.3, les dépôts que la Société estime assurés comprennent le montant total des dépôts détenus dans un compte assimilé à un compte de fiduciaire professionnel en application de l'article 9 de l'annexe.

206 Le paragraphe 26.01(2) de la même loi est remplacé par ce qui suit :

Exception

(2) Pour l'application du sous-alinéa 26.03(1)c)(iii) et de l'alinéa 26.03(1)d), *dépôt* s'entend au sens que lui donne l'annexe, dans le cadre de l'assurance-dépôts, à l'exclusion toutefois des dépôts payables à l'étranger.

207 The Act is amended by adding the following after subsection 45.2(2):

Information respecting nominee brokers

(3) The Corporation may, if it is satisfied that the information will be treated as confidential by the recipient, disclose information that is obtained by it — or is produced by or for it — respecting the non-compliance of a nominee broker with section 7 of the schedule to

- (a) any government agency or body that regulates or supervises nominee brokers, for purposes related to that regulation or supervision; or
- (b) any other agency or body that regulates or supervises nominee brokers, for purposes related to that regulation or supervision.

Making information public

(4) Despite subsection (1), for the purpose of protecting the interests and rights of beneficiaries of nominee broker deposits, the Corporation may make information referred to in subsection (3) available to the public in a manner that it considers advisable.

208 The schedule to the Act is amended by replacing the section references after the heading “SCHEDULE” with the following:

(Section 2, subsections 11(2.1), 12.1(2) and (3) and 14(1.01), sections 25.4 and 26.01 and subsection 45.2(3))

209 The schedule to the Act is amended by adding the following before section 1:

Interpretation

210 Section 1 of the schedule to the Act is amended by adding the following in alphabetical order:

registered education savings plan has the same meaning as in subsection 146.1(1) of the *Income Tax Act*. (*régime enregistré d'épargne-études*)

registered disability savings plan has the same meaning as in subsection 146.4(1) of the *Income Tax Act*. (*régime enregistré d'épargne-invalidité*)

211 (1) Paragraph 2(1)(a) of the schedule to the Act is replaced with the following:

- (a) has given or is obligated to give credit to that person's account or has issued or is obligated to issue a

207 L'article 45.2 de la même loi est modifié par adjonction, après le paragraphe (2), de ce qui suit :

Renseignements — courtiers-fiduciaires

(3) La Société peut, si elle est convaincue qu'ils seront traités de façon confidentielle par le destinataire, communiquer aux entités mentionnées ci-après les renseignements recueillis par elle, ou produits par ou pour elle, concernant la non-conformité d'un courtier-fiduciaire à l'article 7 de l'annexe :

- a) l'agence publique ou l'organisme public qui réglemente ou supervise des courtiers-fiduciaires, à des fins liées à la réglementation ou à la supervision;
- b) toute autre agence ou tout autre organisme qui réglemente ou supervise des courtiers-fiduciaires, à des fins liées à la réglementation ou à la supervision.

Publication des renseignements

(4) Malgré le paragraphe (1), la Société peut rendre public les renseignements visés au paragraphe (3) de la manière qui lui paraît opportune afin de protéger les droits et les intérêts des bénéficiaires des dépôts d'un courtier-fiduciaire.

208 Les renvois qui suivent le titre « ANNEXE », à l'annexe de la même loi, sont remplacés par ce qui suit :

(article 2, paragraphes 11(2.1), 12.1(2) et (3) et 14(1.01), articles 25.4 et 26.01 et paragraphe 45.2(3))

209 L'annexe de la même loi est modifiée par adjonction, avant l'article 1, de ce qui suit :

Définitions et interprétation

210 L'article 1 de l'annexe de la même loi est modifié par adjonction, selon l'ordre alphabétique, de ce qui suit :

régime enregistré d'épargne-études S'entend au sens du paragraphe 146.1(1) de la *Loi de l'impôt sur le revenu*. (*registered education savings plan*)

régime enregistré d'épargne-invalidité S'entend au sens du paragraphe 146.4(1) de la *Loi de l'impôt sur le revenu*. (*registered disability savings plan*)

211 (1) L'alinéa 2(1)a) de l'annexe de la même loi est remplacé par ce qui suit :

- a) d'une part, de le porter au crédit du compte de cette personne ou de délivrer un document — notamment

receipt, certificate, debenture (other than a debenture issued by a bank to which the *Bank Act* applies), transferable instrument, draft, certified draft or cheque, prepaid letter of credit, money order or other instrument in respect of which the institution is primarily liable, and

reçu, certificat, débenture (à l'exclusion de celle émise par une banque régie par la *Loi sur les banques*), effet négociable, traite, traite ou chèque visés, lettre de crédit payée d'avance ou mandat – aux termes duquel elle est le principal obligé;

(2) Section 2 of the schedule to the Act is amended by adding the following after subsection (1.1):

(2) L'article 2 de l'annexe de la même loi est modifié par adjonction, après le paragraphe (1.1), de ce qui suit :

Included moneys

Précision

(1.2) For greater certainty, moneys are considered to be a deposit or part of a deposit if they are paid in respect of a deposit that is held in a registered education savings plan or registered disability savings plan under or because of

(1.2) Il est entendu que sont réputées être un dépôt ou partie d'un dépôt les sommes versées au titre d'un régime enregistré d'épargne-études ou d'un régime enregistré d'épargne-invalidité en vertu ou par l'effet, selon le cas :

(a) the *Canada Education Savings Act* or a *designated provincial program* as defined in subsection 146.1(1) of the *Income Tax Act*;

a) de la *Loi canadienne sur l'épargne-études* ou d'un *programme provincial désigné* au sens du paragraphe 146.1(1) de la *Loi de l'impôt sur le revenu*;

(b) any other program that has a similar purpose to a designated provincial program referred to in paragraph (a) and that is funded, directly or indirectly, by a province;

b) de tout autre programme dont l'objet est semblable à celui d'un programme provincial désigné visé à l'alinéa a) et qui est financé, directement ou indirectement, par une province;

(c) the *Canada Disability Savings Act* or a *designated provincial program* as defined in subsection 146.4(1) of the *Income Tax Act*; or

c) de la *Loi canadienne sur l'épargne-invalidité* ou d'un *programme provincial désigné* au sens du paragraphe 146.4(1) de la *Loi de l'impôt sur le revenu*;

(d) any other program that has a similar purpose to a designated provincial program referred to in paragraph (c) and that is funded, directly or indirectly, by a province.

d) de tout autre programme dont l'objet est semblable à celui d'un programme provincial désigné visé à l'alinéa c) et qui est financé, directement ou indirectement, par une province.

(3) Subsections 2(2) to (2.2) of the schedule to the Act are replaced with the following:

(3) Les paragraphes 2(2) à (2.2) de l'annexe de la même loi sont remplacés par ce qui suit :

Excluded moneys

Exclusion

(2) Moneys held by the institution that were received by it when it was not a federal institution, a provincial institution or a local cooperative credit society are excluded from the moneys referred to in subsection (1).

(2) Pour l'application du paragraphe (1), ne constituent pas des dépôts les sommes détenues par l'institution et reçues alors qu'elle n'était pas une institution fédérale, une institution provinciale ni une société coopérative de crédit locale.

(4) The schedule to the Act is amended by replacing the portion of subsection 2(5) before paragraph (a) by the following:

(4) Le passage du paragraphe 2(5) de l'annexe de la même loi précédant l'alinéa a) est remplacé par ce qui suit :

Moneys received on or after April 1, 1977

Sommes reçues le 1^{er} avril 1977 ou par la suite

(5) Despite subsection (1), for the purposes of deposit insurance with the Corporation, if moneys are or were received by a member institution on or after April 1, 1977 for which the institution has issued or is obligated to

(5) Malgré le paragraphe (1), les règles suivantes s'appliquent, dans le cadre de l'assurance-dépôts, aux sommes reçues par une institution membre le 1^{er} avril 1977 ou par la suite et relativement auxquelles elle a

issue an instrument evidencing a deposit, other than a draft, certified draft or cheque, prepaid letter of credit or money order,

(5) The schedule to the Act is amended by replacing subsection 2(6) with the following:

Moneys received on or after January 1, 1977

(6) Despite subsection (1), moneys received by a member institution on or after January 1, 1977, for which the institution has issued or is obligated to issue an instrument of indebtedness, other than a draft, certified draft or cheque, prepaid letter of credit or money order, do not constitute a deposit where the instrument is payable outside Canada.

212 Section 3 of the schedule to the Act is replaced by the following:

Not part of deposit

3 If a member institution is obligated to repay to a person any moneys that are received or held by the institution and the date on which the person acquires their interest or right in the moneys is a date subsequent to the date on which the policy of deposit insurance of the member institution is terminated or cancelled, the amount of the moneys is considered not to constitute part of a deposit for the purposes of deposit insurance with the Corporation.

Co-ownership of Deposits

Co-owned deposits

4 (1) If a member institution is obligated to repay moneys to a depositor who is acting as a co-owner with another person and the co-ownership is disclosed on the records of the member institution, in accordance with the by-laws, the deposit of the depositor is, for the purposes of deposit insurance with the Corporation, considered to be a deposit separate from any deposit of the depositor acting in their own right, in a trust capacity or in another co-ownership capacity with the member institution.

Co-ownership

(2) For greater certainty, if two or more persons are co-owners of two or more deposits, the aggregate of those deposits shall be insured to a maximum of one hundred thousand dollars.

délivré ou est obligée de délivrer un document faisant foi d'un dépôt autre qu'une traite, une traite ou un chèque visés, une lettre de crédit payée d'avance ou un mandat :

(5) Le paragraphe 2(6) de l'annexe de la même loi est remplacé par ce qui suit :

Sommes reçues le 1^{er} janvier 1977 ou par la suite

(6) Malgré le paragraphe (1), ne constituent pas un dépôt les sommes reçues par une institution membre le 1^{er} janvier 1977 ou par la suite et relativement auxquelles elle a délivré ou est obligée de délivrer un document — autre qu'une traite, une traite ou un chèque visés, une lettre de crédit payée d'avance ou un mandat — qui est payable à l'étranger.

212 L'article 3 de l'annexe de la même loi est remplacé par ce qui suit :

Exclusion du dépôt

3 Les sommes qu'une institution membre a reçues ou détient et qu'elle est tenue de rembourser sont réputées ne pas faire partie d'un dépôt assurable si la date d'acquisition des droits ou intérêts sur ces sommes est postérieure à celle de l'annulation de l'assurance-dépôts ou de la résiliation de la police.

Dépôts en copropriété

Cas de copropriété

4 (1) En cas d'obligation pour une institution membre de rembourser des sommes à un déposant qui agit en qualité de copropriétaire avec une autre personne, le dépôt du déposant est, en ce qui concerne l'assurance-dépôts, réputé être un dépôt distinct de tout dépôt effectué par le déposant qui agit en son propre nom, en qualité de fiduciaire pour une autre fiducie ou en qualité de copropriétaire d'un dépôt à condition d'être inscrit dans les registres de l'institution conformément aux règlements administratifs.

Propriété conjointe

(2) Il est entendu que dans les cas où deux personnes ou plus sont copropriétaires de plusieurs dépôts, l'assurance maximale applicable au total de ces dépôts est de cent mille dollars.

Deferred or Other Special Income Arrangements

Registered retirement savings plans

5 (1) Despite subsection 6(2), for the purposes of deposit insurance with the Corporation, if moneys that constitute a deposit or part of a deposit are received by a member institution from a depositor in accordance with a *registered retirement savings plan*, as defined in subsection 146(1) of the *Income Tax Act*, and the plan is for the benefit of an individual, then the aggregate of those moneys and any other moneys received from that depositor in accordance with any other registered retirement savings plan that constitute a deposit or part of a deposit for the benefit of that individual is considered to be a single deposit separate from any other deposit for the benefit of that individual.

Registered retirement income funds

(2) Despite subsection 6(2), for the purposes of deposit insurance with the Corporation, if moneys that constitute a deposit or part of a deposit are received by a member institution from a depositor under a *registered retirement income fund*, as defined in subsection 146.3(1) of the *Income Tax Act*, and the plan is for the benefit of an individual, then the aggregate of those moneys and any other moneys that constitute a deposit or part of a deposit received from that depositor under any other registered retirement income fund that is for the benefit of that individual, is considered to be a single deposit separate from any other deposit for the benefit of that individual.

Tax-free savings accounts

(3) Despite subsection 6(2), for the purposes of deposit insurance with the Corporation, if moneys that constitute a deposit or part of a deposit are received by a member institution from a depositor under a tax-free savings account, within the meaning assigned by section 146.2 of the *Income Tax Act*, and the account is for the benefit of an individual, then the aggregate of those moneys and any other moneys that constitute a deposit or part of a deposit received from that depositor under any other tax-free savings account that is for the benefit of that individual is considered to be a single deposit separate from any other deposit for the benefit of that individual.

Régime de participation différée et autres arrangements spéciaux

Dépôts effectués au titre d'un régime enregistré d'épargne-retraite

5 (1) Malgré le paragraphe 6(2), les sommes qu'une institution membre reçoit d'un même déposant, au titre d'un *régime enregistré d'épargne-retraite* au sens du paragraphe 146(1) de la *Loi de l'impôt sur le revenu* établi pour un particulier et qui constituent un dépôt ou partie d'un dépôt effectué pour le même particulier sont, ainsi que les autres sommes qui sont reçues du même déposant au titre de tout autre régime enregistré d'épargne-retraite établi pour un particulier et qui constituent un dépôt ou partie d'un dépôt effectué pour ce particulier, sont réputées constituer, dans le cadre de l'assurance-dépôts, un dépôt unique, distinct de tout autre dépôt effectué pour ce particulier.

Fonds enregistré de revenu de retraite

(2) Malgré le paragraphe 6(2), les sommes qu'une institution membre reçoit d'un déposant au titre d'un *fonds enregistré de revenu de retraite*, au sens du paragraphe 146.3(1) de la *Loi de l'impôt sur le revenu* établi pour un particulier et qui constituent un dépôt ou partie d'un dépôt effectué pour un individu, ainsi que les autres sommes qui sont reçues du même déposant au titre de tout autre fonds enregistré de revenu de retraite établi pour un particulier et qui constituent un dépôt ou partie d'un dépôt effectué pour cet individu, sont réputées constituer, dans le cadre de l'assurance-dépôts, un seul dépôt distinct de tout autre dépôt fait pour cet individu.

Compte d'épargne libre d'impôt

(3) Malgré le paragraphe 6(2), les sommes qu'une institution membre reçoit d'un déposant au titre d'un compte d'épargne libre d'impôt — visé à l'article 146.2 de la *Loi de l'impôt sur le revenu* — établi pour un particulier et qui constituent un dépôt ou partie d'un dépôt effectué pour un particulier, ainsi que les autres sommes qui sont reçues du même déposant au titre de tout autre compte d'épargne libre d'impôt établi pour un particulier et qui constituent un dépôt ou partie d'un dépôt effectué pour ce particulier, sont réputées constituer, dans le cadre de l'assurance-dépôts, un dépôt unique, distinct de tout autre dépôt effectué pour ce particulier conformément aux règlements administratifs.

Registered education savings plans

(4) Despite subsection 6(2), for the purposes of deposit insurance with the Corporation, if moneys that constitute a deposit or part of a deposit are received by a member institution from a depositor under a registered education savings plan that is for the benefit of an individual, then the aggregate of those moneys and any other moneys that constitute a deposit received from that depositor under any other registered education savings plan that is for the benefit of that individual is considered to be a single deposit separate from any other deposit for the benefit of that individual.

Registered disability savings plans

(5) Despite subsection 6(2), for the purposes of deposit insurance with the Corporation, if moneys that constitute a deposit are received by a member institution from a depositor under a registered disability savings plan that is for the benefit of an individual, then the aggregate of those moneys and any other moneys that constitute a deposit or part of a deposit received from the same depositor under any other registered disability savings plan that is for the benefit of that individual is considered to be a single deposit separate from any other deposit for the benefit of that individual.

Government moneys

(6) For the purposes of subsections (4) and (5) moneys received by a member institution from a depositor in accordance with a registered education savings plan or a registered disability savings plan are considered to include moneys received from the government of Canada or the government of a province under that plan.

Trust Deposits

General

Trust deposits

6 (1) If a member institution is obligated to repay moneys to a depositor who is acting as a trustee for another person and the trusteeship is disclosed on the records of the member institution, in accordance with the by-laws, the deposit of the depositor is, for the purposes of deposit insurance with the Corporation, considered to be a deposit separate from any deposit of the depositor acting in their own right, in a co-ownership capacity or acting in a trust capacity for another person with the member institution.

Régime enregistré d'épargne-études

(4) Malgré le paragraphe 6(2), les sommes qu'une institution membre reçoit d'un déposant au titre d'un régime enregistré d'épargne-études établi pour un particulier et qui constituent un dépôt ou partie d'un dépôt effectué pour un particulier, ainsi que les autres sommes qui sont reçues du même déposant au titre de tout autre régime enregistré d'épargne-études établi pour un particulier et qui constituent un dépôt ou partie d'un dépôt effectué pour ce particulier, sont réputées constituer, dans le cadre de l'assurance-dépôts, un dépôt unique, distinct de tout autre dépôt effectué pour ce particulier.

Régime enregistré d'épargne-invalidité

(5) Malgré le paragraphe 6(2), les sommes qu'une institution membre reçoit d'un déposant au titre d'un régime enregistré d'épargne-invalidité établi pour un particulier et qui constituent un dépôt ou partie d'un dépôt effectué pour un particulier, ainsi que les autres sommes qui sont reçues du même déposant au titre de tout autre régime enregistré d'épargne-invalidité établi pour un particulier et qui constituent un dépôt ou partie d'un dépôt effectué pour ce particulier, sont réputées constituer, dans le cadre de l'assurance-dépôts, un dépôt unique, distinct de tout autre dépôt effectué pour ce particulier.

Sommes reçues d'un gouvernement

(6) Pour l'application des paragraphes (4) et (5), les sommes qu'une institution membre reçoit d'un déposant au titre d'un régime enregistré d'épargne-études ou d'un régime enregistré d'épargne-invalidité sont réputées inclure les sommes reçues du gouvernement du Canada ou du gouvernement d'une province au titre de ce régime.

Dépôts en fiducie

Dispositions générales

Dépôts en fiducie

6 (1) En cas d'obligation pour une institution membre de rembourser des sommes à un déposant qui agit en qualité de fiduciaire pour une autre personne, et si la fiducie est inscrite dans les registres de l'institution, y compris les renseignements inscrits conformément aux règlements administratifs, le dépôt qu'il effectue en fiducie pour une autre personne est, dans le cadre de l'assurance-dépôts, réputé constituer un dépôt distinct de tout dépôt effectué par le déposant qui agit en son propre nom en qualité de fiduciaire du dépôt ou en qualité de copropriétaire d'un dépôt.

Separate trust deposit

(2) If a member institution is obligated to repay moneys to a depositor who is acting as trustee for a beneficiary and the trusteeship is disclosed on the records of the member institution, in accordance with the by-laws, the interest or right of the beneficiary in the deposit is, for the purposes of deposit insurance with the Corporation, considered to be a deposit separate from any deposit of the beneficiary made with the member institution in their own right for their own use and separate from any interest or right of the beneficiary in respect of any other trust deposit made by another depositor of which the beneficiary is a beneficiary.

Deposit of beneficiary

(3) Subject to section 10, if a member institution is obligated to repay moneys to a depositor who is acting as trustee for two or more beneficiaries and the interest or right of a beneficiary in the deposit is disclosed on the records of the member institution, in accordance with the by-laws, the interest or right of that beneficiary in the deposit is, for the purposes of deposit insurance with the Corporation, considered to be a separate deposit.

Multiple deposits

(4) For greater certainty, if a member institution is obligated to repay moneys to a depositor who is acting as trustee for two or more trusteeships under which the same beneficiary is a beneficiary, the aggregate of the interest or right of that beneficiary in those deposits shall be insured to a maximum of one hundred thousand dollars.

Notice to trustees

(5) The Corporation may, in accordance with the by-laws, require a member institution who is obligated to repay moneys to a depositor who is acting as a trustee for another person to provide the trustee with the information specified by the Corporation.

Nominee Broker Deposits

Additional conditions

7 (1) The following conditions apply to nominee broker deposits in addition to those set out in section 6:

(a) at the time the deposit is made and each time a change is made to the deposit, the nominee broker must provide the following information to the member institution for it to disclose on its records

(i) the fact that the deposit is made by a nominee broker,

Dépôt distinct

(2) En cas d'obligation pour une institution membre de rembourser des sommes à un déposant qui agit en qualité de fiduciaire pour un bénéficiaire, et si la fiducie est inscrite dans les registres de l'institution, y compris les renseignements inscrits conformément aux règlements administratifs, le droit ou l'intérêt du bénéficiaire du dépôt en cause est réputé, quant au bénéficiaire, dans le cadre de l'assurance-dépôts, constituer un dépôt distinct des dépôts qu'il effectue en son propre nom ou des dépôts en fiducie effectués par un autre déposant dont il est le bénéficiaire.

Dépôt d'un bénéficiaire

(3) Sous réserve de l'article 10, en cas d'obligation pour une institution membre de rembourser des sommes à un déposant qui agit en qualité de fiduciaire pour plusieurs bénéficiaires, le droit ou l'intérêt d'un bénéficiaire sur le dépôt est réputé, dans le cadre de l'assurance-dépôts, être un dépôt distinct, à condition d'être inscrit dans les registres de l'institution conformément aux règlements administratifs.

Dépôts multiples – précision

(4) Il est entendu qu'en cas d'obligation pour une institution membre de rembourser des sommes à un déposant qui agit comme fiduciaire dans le cadre de deux ou de plusieurs fiducies pour un même bénéficiaire, l'assurance maximale applicable au total des droits ou intérêts de celui-ci dans les dépôts qu'il détient est de cent mille dollars.

Avis au fiduciaire

(5) La Société peut, conformément aux règlements administratifs, exiger d'une institution membre, si celle-ci a l'obligation de rembourser des sommes à un déposant qui agit comme fiduciaire pour une autre personne, qu'elle fournisse au fiduciaire les renseignements spécifiés par la Société.

Dépôts de courtiers-fiduciaires

Conditions supplémentaires

7 (1) Les conditions ci-après s'appliquent aux dépôts de courtiers-fiduciaires, en plus de celles qui sont visées à l'article 6 :

a) au moment du dépôt et chaque fois que ce dépôt est modifié, le courtier-fiduciaire fournit à l'institution membre les renseignements ci-après afin qu'ils soient inscrits aux registres de celle-ci :

<p>(ii) the unique alphanumeric code for each beneficiary of the deposit, assigned in accordance with the by-laws,</p> <p>(iii) the amount or percentage of the interest or right of the beneficiary associated with that code, 5 and</p> <p>(iv) any other information specified in the by-laws; and</p> <p>(b) the nominee broker must provide, in accordance with the by-laws, the following to the Corporation, 10 within three business days after the day on which a request is made by the Corporation:</p> <p>(i) each unique alphanumeric code provided under subparagraph (a)(ii),</p> <p>(ii) the current name and address of the beneficiary 15 associated with that code, and</p> <p>(iii) any other information specified in the by-laws respecting the deposit.</p>	<p>(i) le fait que le dépôt est effectué par un courtier-fiduciaire,</p> <p>(ii) le code alphanumérique distinct de chaque bénéficiaire du dépôt, attribué conformément aux règlements administratifs, 5</p> <p>(iii) la somme ou le pourcentage représentant le droit ou l'intérêt du bénéficiaire associé à ce code,</p> <p>(iv) tout autre renseignement prévu dans les règlements administratifs;</p> <p>b) le courtier-fiduciaire doit, conformément aux règlements administratifs, fournir à la Société dans les trois jours ouvrables suivant la demande de celle-ci : 10</p> <p>(i) un code alphanumérique distinct, fourni au titre du sous-alinéa a)(ii),</p> <p>(ii) les nom et adresse à jour du bénéficiaire associé 15 à ce code,</p> <p>(iii) tout autre renseignement réglementaire concernant les dépôts.</p>
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Co-ownership

(2) If two or more persons are co-owners of a deposit, they are, for the purposes of assigning a unique alphanumeric code, considered to be a single beneficiary, separate from any of the persons as a beneficiary — in their own right, in a trust capacity or in another co-ownership capacity — of a deposit made by the same nominee broker with the same member institution. 20 25

Propriété conjointe

(2) Si plusieurs personnes sont copropriétaires d'un dépôt, elles sont, en ce qui concerne l'attribution du code alphanumérique distinct, réputées être un seul bénéficiaire, distinct de toute personne qui agit comme bénéficiaire — en leur propre intérêt, en qualité de fiduciaire ou en qualité de copropriétaire — d'un dépôt effectué par le même courtier-fiduciaire auprès de l'institution membre. 20 25

Member institution requirements — agreements and arrangements

8 (1) If a member institution enters into an agreement or arrangement respecting nominee broker deposits, the member institution must ensure that the agreement or arrangement includes provisions that require the nominee broker 30

- (a) to provide information to the Corporation in accordance with paragraph 7(1)(b);
- (b) to make an initial attestation to the Corporation and updated attestations in accordance with the by-laws that state whether the nominee broker is, or is not, capable of fulfilling the obligations set out in paragraph 7(1)(b); and 35
- (c) to provide and update contact information in accordance with the by-laws to the member institution.

Exigences de l'institution membre — ententes ou arrangements

8 (1) L'institution membre inscrit des clauses imposant au courtier-fiduciaire les obligations ci-après dans toute entente ou tout arrangement visant des dépôts de courtier-fiduciaire :

- a) fournir à la Société les renseignements, conformément aux règlements administratifs; 30
- b) fournir à la Société une attestation et des mises à jour périodiques de celle-ci conformément aux règlements administratifs, indiquant s'il peut ou non s'acquiescer des obligations visées à l'alinéa 7(1)b); 35
- c) fournir à l'institution membre ses coordonnées visées aux règlements administratifs ainsi que leur mise à jour.

Updates

(2) The member institution must ask the depositor to make an updated attestation under paragraph (1)(b) and to provide updated contact information under paragraph (1)(c) each April.

Notice

(3) If a member institution enters into an agreement or arrangement respecting nominee broker deposits, the member institution must notify the Corporation in accordance with the by-laws.

Notice — end of agreement or arrangement

(4) If a member institution that has entered into an agreement or arrangement respecting nominee broker deposits is no longer a party to that agreement or arrangement, the member institution must notify the Corporation in accordance with the by-laws.

Failure to comply with paragraph 7(1)(a)

(5) If the member institution receives moneys from or holds moneys in a nominee broker deposit and the nominee broker fails to comply with paragraph 7(1)(a), the member institution must, as soon as possible after the failure, provide the nominee broker with the information specified in the by-laws.

Professional Trustee Accounts

Professional trustee account

9 A member institution must identify an account as a professional trustee account if the depositor

- (a) makes an attestation, in accordance with the by-laws, stating that they are a professional trustee;
- (b) provides contact information in accordance with the by-laws; and
- (c) requests that the account to be identified as a professional trustee account.

Deposit of beneficiary

10 If a deposit referred to in subsection 6(3) is held in an account identified as a professional trustee account, the interest or right of each beneficiary in the deposit does not have to be disclosed on the records of the member institution. However, the interest or right of each beneficiary in the deposit is not, for the purposes of deposit insurance with the Corporation, considered to be a separate deposit unless the depositor meets the conditions set out in section 11.

Mises à jour

(2) L'institution membre demande au déposant de fournir la mise à jour de l'attestation visée à l'alinéa (1)b) et de la mise à jour visée à l'alinéa (1)c), chaque mois d'avril.

Avis

(3) Si une institution membre conclut une entente ou un arrangement visant les dépôts d'un courtier-fiduciaire, l'institution membre en avise la Société conformément aux règlements administratifs.

Avis — fin de l'entente ou de l'arrangement

(4) Si une institution membre qui a conclu une entente ou un arrangement visant les dépôts d'un courtier-fiduciaire n'est plus partie à cette entente ou à cet arrangement, elle en avise la Société conformément aux règlements administratifs.

Défaut de se conformer — alinéa 7(1)a)

(5) Une institution membre qui reçoit des sommes lors d'un dépôt d'un courtier-fiduciaire au nom d'un individu ou qui détient des sommes pour le courtier-fiduciaire doit, dès que possible après le défaut de celui-ci de se conformer à l'alinéa 7(1)a), lui fournir les renseignements prévus dans les règlements administratifs.

Comptes de fiduciaire professionnel

Comptes de fiduciaire professionnel

9 L'institution membre considère un compte comme un compte de fiduciaire professionnel si le déposant :

- a) atteste, conformément aux règlements administratifs, qu'il est un fiduciaire professionnel;
- b) fournit les coordonnées conformément aux règlements administratifs;
- c) demande que le compte soit considéré comme un compte de fiduciaire professionnel.

Dépôt d'un bénéficiaire

10 Dans le cas où un dépôt visé au paragraphe 6(3) est détenu dans un compte considéré comme un compte de fiduciaire professionnel, le droit ou l'intérêt de chaque bénéficiaire sur le dépôt n'a pas à être inscrit dans les registres de l'institution membre. Toutefois, le droit de chaque bénéficiaire sur le dépôt, dans le cadre de l'assurance-dépôts, n'est pas réputé être un dépôt distinct, à moins que le déposant remplisse les conditions visées à l'article 11.

Additional conditions

11 In respect of a deposit held in an account identified as a professional trustee account, the following conditions apply in addition to those set out in subsections 6(1) and (2):

- (a) the depositor must, in accordance with the by-laws, maintain a record that sets out the current name and address of each beneficiary of a deposit in the account and the amount or percentage of the interest or right of each beneficiary; 5
- (b) the depositor must provide, in accordance with the by-laws, information respecting deposits in the account to the Corporation if a request is made by the Corporation; and 10
- (c) each April, the depositor must provide the member institution with 15
 - (i) an attestation, in accordance with the by-laws, stating that they continue to be a professional trustee,
 - (ii) confirmation that the account is to continue to be identified as a professional trustee account, and 20
 - (iii) updated contact information in accordance with the by-laws.

Updates

12 (1) A member institution that has identified an account as a professional trustee account must ask the depositor to carry out the actions referred to in paragraph 11(c) each March. 25

Change of status

(2) A depositor who has requested that the account to be identified as a professional trustee account and who is no longer a professional trustee, must notify the member institution that they are no longer a professional trustee and request that the designation be removed. 30

Designation removed

(3) A member institution must remove the designation of an account identified as a professional trustee account if

- (a) the depositor requests that the designation be removed; or 35
- (b) the depositor fails to carry out the actions referred to in paragraph 11(c) by April 30.

Exigences supplémentaires

11 Les exigences ci-après s'appliquent au dépôt détenu dans un compte considéré comme un compte de fiduciaire professionnel, en plus de celles prévues aux paragraphes 6(1) et (2) :

- a) le déposant doit, conformément aux règlements administratifs, conserver des registres dans lesquels sont inscrits les nom et adresse à jour de chaque bénéficiaire d'un dépôt effectué dans ce compte ainsi que la somme ou le pourcentage représentant le droit ou l'intérêt de chacun de ces bénéficiaires; 5 10
- b) le déposant doit, conformément aux règlements administratifs, fournir les renseignements concernant les dépôts dans ce compte à la Société, à la demande de celle-ci;
- c) le déposant fournit à l'institution membre, en avril de chaque année : 15
 - (i) conformément aux règlements administratifs, une attestation indiquant qu'il est encore un fiduciaire professionnel,
 - (ii) la confirmation que le compte continue d'être considéré comme un compte d'un fiduciaire professionnel, 20
 - (iii) une mise à jour de ses coordonnées conformément aux règlements administratifs.

Mises à jour

12 (1) L'institution membre qui a considéré un compte comme un compte de fiduciaire professionnel demande au déposant, chaque mois de mars, de fournir les renseignements visés à l'alinéa 11c). 25

Changement de condition

(2) Un déposant — dont le compte est considéré comme un compte de fiduciaire professionnel — qui n'est plus un fiduciaire professionnel doit aviser l'institution membre qu'il n'est plus un fiduciaire professionnel et demander que sa désignation soit supprimée. 30

Désignation supprimée

(3) Une institution membre supprime la désignation d'un compte comme compte de fiduciaire professionnel dans les cas suivants : 35

- a) le déposant demande que la désignation soit supprimée;
- b) le déposant a omis de fournir les renseignements visés à l'alinéa 11c) au plus tard le 30 avril. 40

Information privileged

13 For greater certainty, the provision by a depositor to the Corporation of information respecting deposits held in an account identified as a professional trustee account that is subject to solicitor-client privilege or the professional secrecy of advocates and notaries does not constitute a waiver of the privilege or secrecy. 5

By-laws

By-laws

14 For the purposes of the provisions of this schedule, the Board may make by-laws

- (a) respecting information that is to be disclosed on the records of a member institution in respect of a co-ownership interest, a trusteeship or the interest or right of a beneficiary in a deposit; 10
- (b) respecting the assignment of unique alphanumeric codes for beneficiaries of nominee broker deposits; 15
- (c) specifying information that is to be disclosed on the records of a member institution in respect of a nominee broker deposit;
- (d) specifying the information a nominee broker is to provide, and the form and manner in which it is to be provided, under paragraph 7(1)(b); 20
- (e) respecting attestations by nominee brokers and professional trustees;
- (f) respecting contact information referred to in paragraph 8(1)(c) and 9(b) and subparagraph 11(c)(iii); 25
- (g) respecting notification requirements for agreements or arrangements respecting nominee broker deposits;
- (h) specifying information for the purposes of subsection 8(4); 30
- (i) respecting records to be maintained under paragraph 11(a);
- (j) specifying the information a professional trustee is to provide, and the form and manner in which it is to be provided, under paragraph 11(b); and 35
- (k) respecting the provision of information to trustees under subsection 6(5).

Renseignements protégés — précision

13 Il est entendu que la communication par un déposant à la Société de renseignements relativement à des dépôts dans un compte considéré comme un compte de fiduciaire professionnel qui sont protégés par le secret professionnel qui lie un avocat à son client ne constitue pas une renonciation à cette protection. 5

Règlements administratifs

Règlements administratifs

14 Pour l'application de la présente annexe, le conseil peut prendre des règlements administratifs :

- a) concernant les renseignements qui doivent être inscrits dans les registres d'une institution membre relativement à un droit ou un intérêt dans une copropriété, à une fiducie ou au droit ou à l'intérêt d'un bénéficiaire dans un dépôt; 10
- b) concernant l'attribution de codes alphanumériques distincts pour chaque bénéficiaire d'un dépôt de courtier-fiduciaire; 15
- c) prévoyant les renseignements qui doivent être inscrits dans les registres d'une institution membre relativement à un dépôt de courtier-fiduciaire; 20
- d) prévoyant les renseignements qu'un courtier-fiduciaire doit fournir, et les modalités selon lesquelles les renseignements sont fournis, au titre de l'alinéa 7(1)b);
- e) concernant l'attestation fournie par un courtier-fiduciaire et un fiduciaire professionnel; 25
- f) concernant les renseignements sur les coordonnées visés aux alinéas 8(1)c) et 9b) et au sous-alinéa 11c)(iii);
- g) concernant les exigences en matière d'avis pour les ententes ou les arrangements visant les dépôts d'un courtier-fiduciaire; 30
- h) prévoyant les renseignements pour l'application du paragraphe 8(4);
- i) concernant les registres à conserver au titre de l'alinéa 11a); 35
- j) prévoyant les renseignements qu'un fiduciaire professionnel doit fournir, et les modalités selon lesquelles les renseignements sont fournis, au titre de l'alinéa 11b); 40

k) concernant la fourniture de renseignements aux fiduciaires au titre du paragraphe 6(5).

Coming into Force

Order in council

213 (1) Subject to subsection (2), this Division comes into force on a day to be fixed by order of the Governor in Council.

Order in council

(2) Section 203, subsection 204(2), section 206 and subsections 211(1) and (3) to (5) come into force on a day to be fixed by order of the Governor in Council.

Entrée en vigueur

Décret

213 (1) Sous réserve du paragraphe (2), la présente section entre en vigueur à la date fixée par décret.

5

Décret

(2) L'article 203, le paragraphe 204(2), l'article 206 et les paragraphes 211(1) et (3) à (5) entrent en vigueur à la date fixée par décret.

Appendix 3: Definitions

The definitions are consistent with those used in the JTDB and the CDIC Act.

Co-owned deposit (“formerly referred to as a joint deposit”) means a deposit where individuals own an equal and undivided interest in the funds as a whole.

Determination date means, in respect of a *member institution*,

- (a) where a winding-up order is made in respect of the institution before the day on which CDIC makes payment in respect of the majority in number or value of the deposits with the institution that are insured by deposit insurance, the day on which the petition or other originating process was filed in respect of the winding-up, or
- (b) where a winding-up order is not made in respect of the institution before the day on which CDIC makes payment in respect of the majority in number or value of the deposits with the institution that are insured by deposit insurance, the day on which any of the circumstances described in subsection 14(2.1) of the Act first occurred in respect of the institution.

Member institution means a corporation that has deposit insurance under the CDIC Act. As of June 30, 2018, there are 83 CDIC *member institutions*.

Nominee broker means a person who is a party to an agreement or arrangement with a *member institution* in order to make deposits as a nominee on behalf of another person.

Nominee broker deposit means a deposit made at a *member institution* by a *nominee broker* acting as a nominee on behalf of another person.

Professional trustee means any of the following who is not a *nominee broker*: (a) a public trustee of a province or a similar public official whose duties involve holding moneys in trust for others; (b) a federal, provincial or municipal government, or a department or agency of such a government; (c) a lawyer or partnership of lawyers, a law corporation, or a notary or partnership of notaries in the province of Quebec, when they act in that capacity as a trustee of moneys for others; (d) a person who is acting as a trustee of moneys for others in the course of business and is required by or under a statute to hold the deposit in trust; (e) a person who is acting as a trustee of moneys for others in the course of business and is subject to the rules of a securities commission, stock exchange or other regulatory or self-regulating organization that audits compliance with those rules; (f) a regulated federal or provincial trust company acting in the capacity of a depositor.

Schedule means the schedule to the CDIC Act.

Appendix 4: Example of information to be provided for trust deposits made by a *nominee broker*

A *nominee broker* named “ABC” makes deposits at *member institution* “X” for its clients.

At the time the deposit is made, the *nominee broker* should provide at a minimum the following information to the *member institution* in order to receive separate coverage for the beneficiaries. The records of the *member institution* would show:

1) Deposit	Nominee broker “ABC” in trust for	ID #12345	\$50,000
2) Deposit	Nominee broker “ABC” in trust for	ID #45678	\$50,000
3) Deposit	Nominee broker “ABC” in trust for	ID #78910	\$50,000
4) Deposit	Nominee broker “ABC” in trust for	ID #12345	40% of \$200,000
		ID #45678	25% of \$200,000
		ID #78910	35% of \$200,000
5) Deposit	Nominee broker “ABC” in trust for	ID #14785	25% of \$100,000
		ID #12345	40% of \$100,000
		ID #45678	35% of \$100,000

The *nominee broker* would send this information to CDIC within three business days following a request by CDIC:

Nominee Broker “ABC”		
Alphanumeric	Full Name	Address or Second identifier
ID #12345	Krista Annie Bordeleau	3060 St-René, Québec, QC J8P 3T4
ID #45678	John Colin Cosman	25 Hawthorne, Ottawa, On, K1R 5X2
ID #78910	Mathieu Gregory Parkhill & Joanne Josée McCluskey	80 Broad St., Montreal, QC, K1W 8T2
ID #14785	Joanne Josée McCluskey	80 Broad St., Montreal, QC, K1W 8T2

This is how CDIC would determine coverage based on the books of the *member institution* and the information received from the *nominee broker*.

ID	Deposit	Coverage	Full Name	Address or Second Identifier	Verification
ID #12345	\$50,000				
ID #12345	40% of \$200,000				
ID #12345	40% of \$100,000				
ID #12345	\$170,000	\$100,000	Krista Annie Bordeleau	3060 St-René, Québec, QC J8P 3T4	Comply
ID #45678	\$50,000				
ID #45678	25% of \$200,000				
ID #45678	35% of \$100,000				
ID #45678	\$135,000	\$100,000	John Colin Cosman	25 Hawthorne, Ottawa, On, K1R 5X2	Comply
ID #78910	\$50,000				
ID #78910	35% of \$200,000				
ID #78910	\$120,000	\$100,000	Mathieu Gregory Parkhill Joanne Josée McCluskey	80 Broad St., Montreal, QC, K1W 8T2	Comply
ID #14785	25% of \$100,000				
ID #14785	\$25,000	\$25,000	Joanne Josée McCluskey	80 Broad St., Montreal, QC, K1W 8T2	Comply

CDIC would remit \$325,000 to *nominee broker* “ABC” as a payment of deposit insurance for the beneficiaries. Had the *nominee broker* not been assigning an alphanumeric code unique to each beneficiary and/or had the beneficial interest of each beneficiary not been disclosed to the *member*

institution, the deposit would not be considered a *nominee broker deposit* as it would not have met the disclosure requirements. As such, the *nominee broker deposits* that do not meet the trusteeship requirements would be aggregated and be considered a deposit of the *nominee broker* made in its own name. As such, the *nominee broker* would only be entitled to an insured amount of \$100,000 whereas under the trust deposit category, the *nominee broker* would have received \$325,000.

Appendix 5: Table presenting the new legislative and proposed by-law requirements

When	Legislative requirements for trustee disclosure and <i>member institutions</i> under the new legislative framework	Proposed by-law requirements pertinent to trustee disclosure	Proposed by-law requirements for <i>member institutions</i>	Differences between previous and new framework
Trust deposits NOT made by <i>nominee brokers</i> or <i>professional trustees</i>				
At time of deposit and ongoing	The depositor must disclose the trusteeship. When there is more than one beneficiary, the interest or right of the beneficiary in the deposit has to be disclosed.	<p>Trustees must disclose before the <i>determination date</i>:</p> <ul style="list-style-type: none"> • a statement that the deposit is held in trust by a trustee or co-trustees; • the full name and address of the trustee or co-trustees; • the full name and address [and possibly a second identifier] of the beneficiary (ies); and, • when there is more than one beneficiary, the amount or percentage of each beneficiary's interest or right in the deposit <p>A trustee may update or change the information any time before the <i>determination date</i>.</p>	<p>At the time the deposit is made, the <i>member institution</i> must ask the depositor to provide the following information for inclusion in the records of the <i>member institution</i>:</p> <ul style="list-style-type: none"> • a statement that the deposit is held in trust by a trustee or co-trustees; • the full name and address of the trustee or co-trustees; • the full name and address [and possibly a second identifier] of the beneficiary (ies); and, • when there is more than one beneficiary, the amount or percentage of each beneficiary's interest or right in the deposit. <p><i>Member institutions</i> must record and maintain the information and updates provided by a trustee.</p>	<p>Requesting another type of second identifier instead of an address.</p> <p><i>Member institutions</i> must ask for information at the time the deposit is made.</p> <p><i>Member institutions</i> must record and maintain the information and updates provided by a trustee.</p>
Annually	CDIC may require a <i>member institution</i> to provide the trustee with the information specified by CDIC.	None	By no later than April 30 of each year, the <i>member institution</i> must ask the trustee in writing to update, by May 31 of each year, the information on its records.	Updates to the information must be disclosed in the records of the <i>member institution</i> as soon as the information is received.

When	Legislative requirements for trustee disclosure and <i>member institutions</i> under the new legislative framework	Proposed by-law requirements pertinent to trustee disclosure	Proposed by-law requirements for <i>member institutions</i>	Differences between previous and new framework
Trust deposits made by <i>nominee brokers</i>				
Entering into an agreement or arrangement between a <i>nominee broker</i> and a <i>member institution</i>	<p>A <i>member institution</i> that enters into an agreement with a <i>nominee broker</i> must include in the agreement provisions that require the <i>nominee broker</i> to:</p> <ol style="list-style-type: none"> 1) Provide the following information to CDIC, when requested, within three business days: <ul style="list-style-type: none"> - each unique alphanumeric code; - the current name and address of the beneficiary; and, - any other information specified in the by-law. 2) Make an initial attestation to CDIC and updated attestations of <i>nominee broker's</i> capacity, or not, to provide to CDIC the information set out above within three business days. 3) Provide and update contact information in accordance with the by-law. 	<p>The initial attestation must be sent to CDIC electronically as soon as possible after entering an agreement or amending an existing agreement.</p> <p>The initial attestation must include the contact information of the <i>nominee broker</i>, the name of the <i>member institution</i> for which the attestation is being made and be signed by a senior officer of the <i>nominee broker</i>.</p> <p>If the initial attestation indicates that the <i>nominee broker</i> is not capable, the attestation must include the reason for non-compliance and the actions and timeframes to achieve compliance.</p> <p>A <i>nominee broker</i> that has already attested its capacity to CDIC under an agreement with another <i>member institution</i> does not have to send another initial attestation to CDIC if the <i>nominee broker</i> is capable of fulfilling its obligations.</p> <p>If the agreement between the <i>member institution</i> and the <i>nominee broker</i> is amended or renewed and the <i>nominee broker</i> has already attested its capacity to CDIC, the <i>nominee broker</i> does not</p>	The notification must be sent electronically as soon as possible after entering or ending the agreement.	All new

When	Legislative requirements for trustee disclosure and <i>member institutions</i> under the new legislative framework	Proposed by-law requirements pertinent to trustee disclosure	Proposed by-law requirements for <i>member institutions</i>	Differences between previous and new framework
	A <i>member institution</i> must notify CDIC when entering or ending an agreement with a <i>nominee broker</i> in accordance with the by-law.	<p>have to send another initial attestation to CDIC if the <i>nominee broker</i> is capable of fulfilling its obligations with the <i>member institution</i>.</p> <p>The <i>nominee broker</i> must provide the <i>member institution</i> the full name of two persons that CDIC could contact if needed who would be responsible for providing requested information to CDIC, their phone numbers, addresses and emails.</p>		
Annually	Each April, <i>member institutions</i> must ask <i>nominee brokers</i> to make an updated attestation and to provide updated contact information.	<p><i>Nominee brokers</i> must send electronically the updated attestation to CDIC no later than May 31 of each year.</p> <p>The updated attestation must include the up-to-date contact information of the <i>nominee broker</i>, the name of the <i>member institutions</i> for which the attestation is being made and be signed by a senior officer of the <i>nominee broker</i>.</p> <p>If the updated attestation indicates that the <i>nominee broker</i> is not capable, the attestation must include the reason for non-compliance and the actions and timeframes to achieve compliance.</p>	None	All new

When	Legislative requirements for trustee disclosure and <i>member institutions</i> under the new legislative framework	Proposed by-law requirements pertinent to trustee disclosure	Proposed by-law requirements for <i>member institutions</i>	Differences between previous and new framework
At the time of a deposit and when there is a change	<p>The <i>nominee broker</i> must disclose the trusteeship and the following information:</p> <ul style="list-style-type: none"> The fact that the deposit is made by a <i>nominee broker</i>; The unique alphanumeric code for each beneficiary of the deposit in accordance with the by-law; The amount or percentage of the interest or right of the beneficiary associated with that code; and, Any other information specified in the by-law. <p>If a <i>nominee broker</i> fails to provide the required information, the <i>member institution</i> must, as soon as possible, provide the <i>nominee broker</i> with the information specified in the by-law.</p>	<p>Clarification of the use of a unique alphanumeric code:</p> <ul style="list-style-type: none"> <i>Nominee brokers</i> can only identify a beneficiary of a trust deposit made at a <i>member institution</i> with one alphanumeric code. The same alphanumeric code must be used for all deposits made by the <i>nominee broker</i> on behalf of the same beneficiary even if the beneficiary has more than one trust deposit at the same <i>member institution</i>. If there are multiple beneficiaries under the same trust deposit, the unique alphanumeric code of each beneficiary must be disclosed. A single and unique alphanumeric code must represent and be used to identify two or more persons only if they are co-owners of a deposit. The same unique alphanumeric code must be used consistently for all deposits owned by the same co-owners at the same <i>member institution</i>. 	<p>The <i>member institution</i> must record the information upon its receipt.</p> <p>The notification must be in writing, specify the missing information and indicate that the <i>nominee broker</i> is not meeting the disclosure requirements to receive separate coverage.</p>	<p>The mandatory use of a unique alphanumeric code.</p> <p>The obligation for <i>member institutions</i> to notify the <i>nominee broker</i> of a non-compliance status.</p> <p>The <i>member institution</i> must record the information upon its receipt.</p>
Upon CDIC's request	As per their agreements with <i>member institutions</i> , <i>nominee brokers</i> must provide, upon request from CDIC, the following	<i>Nominee brokers</i> must provide, if requested by CDIC, the full usual name of the beneficiary (i.e., no initials, no nicknames or shortened names) and	None	All new

When	Legislative requirements for trustee disclosure and <i>member institutions</i> under the new legislative framework	Proposed by-law requirements pertinent to trustee disclosure	Proposed by-law requirements for <i>member institutions</i>	Differences between previous and new framework
	<p>information within three business days:</p> <ul style="list-style-type: none"> • each unique alphanumeric code; • the current name and address of the beneficiary; and, • any other information specified in the by-law. 	the information must be sent in a suitable electronic format.		
Trust deposits made by <i>professional trustees</i>				
At the time a <i>professional trustee</i> account is opened	<p>The <i>professional trustee</i> must attest to be a <i>professional trustee</i>, provide contact information and request that an account be designated a <i>professional trustee</i> account.</p> <p>The identification of a <i>professional trustee</i> account exempts the <i>professional trustee</i> from having to disclose the interest or right of each beneficiary in the deposit.</p> <p>A <i>member institution</i> must identify an account as a <i>professional trustee</i> account if the <i>professional trustee</i>:</p>	<p>A <i>professional trustee</i> does not have to disclose on the records of a <i>member institution</i> the name and address of the beneficiary if the deposit was made in an account identified as a <i>professional trustee</i> account.</p> <p>The contact information and the attestation must be provided in writing. The contact information must include the full name, phone number, address and email of the primary trustee contact.</p>	A <i>member institution</i> must maintain in its records the contact information of the primary trustee contact.	All new

When	Legislative requirements for trustee disclosure and <i>member institutions</i> under the new legislative framework	Proposed by-law requirements pertinent to trustee disclosure	Proposed by-law requirements for <i>member institutions</i>	Differences between previous and new framework
	<ol style="list-style-type: none"> 1. Makes an attestation stating that they are a <i>professional trustee</i> in accordance with the by-law; 2. Provides contact information in accordance with the by-law; and 3. Requests that the account be identified as a <i>professional trustee</i> account. 			
Ongoing (i.e., at all time)	Professional trustees must maintain a record that sets out the current name and address of each beneficiary of a deposit in the account and the amount or percentage of the interest or right of each beneficiary in accordance of the by-law.	None	None	No change
Annually	Each April, a professional trustee must: <ol style="list-style-type: none"> a. Make an attestation to the <i>member institution</i> stating that they continue to be a 	The attestations and confirmations must be in writing, as well as the updated contact information.	The <i>member institution</i> must update the information in its records as soon as possible following receipt of the information.	All new

When	Legislative requirements for trustee disclosure and <i>member institutions</i> under the new legislative framework	Proposed by-law requirements pertinent to trustee disclosure	Proposed by-law requirements for <i>member institutions</i>	Differences between previous and new framework
	<p><i>professional trustee</i> in accordance with the by-law;</p> <p>b. Confirm with the <i>member institution</i> that the account is to continue to be identified as a <i>professional trustee</i> account; and</p> <p>c. Update the contact information in accordance with the by-law.</p> <p>Each March, a <i>member institution</i> must ask the <i>professional trustee</i> to re-attest and re-confirm the designation as a <i>professional trustee</i> account and update the contact information. If the <i>professional trustee</i> does not submit the information by April 30, the <i>member institution</i> must remove the designation of an account identified as a <i>professional trustee</i> account.</p> <p>A depositor that is no longer a <i>professional trustee</i> must notify the <i>member institution</i> and request that the designation be removed.</p>		<p>When a <i>professional trustee</i> account designation is being removed due to the <i>professional trustee</i> failing to confirm and/or attest of its status, the <i>member institution</i> must notify in writing the <i>professional trustee</i> of the removal and indicate the reason why the designation was removed.</p>	

When	Legislative requirements for trustee disclosure and <i>member institutions</i> under the new legislative framework	Proposed by-law requirements pertinent to trustee disclosure	Proposed by-law requirements for <i>member institutions</i>	Differences between previous and new framework
	The <i>member institution</i> must remove the designation of a <i>professional trustee</i> account if the depositor requests it.			
Upon CDIC's request	In accordance with the by-law, a <i>professional trustee</i> must provide information respecting deposits in the account to CDIC if a request is made.	The information must be provided in a suitable electronic format.	None	New
Deposits held in more than one name (not trust deposits)				
At the time of deposit and ongoing	The co-ownership must be disclosed on the records of the <i>member institution</i> .	Co-owners must disclose before the <i>determination date</i> : <ul style="list-style-type: none"> The deposit is co-owned; and The full usual name and address of each of the co-owners. A co-owner may update or change the information any time before the <i>determination date</i> .	At the time the deposit is made, the <i>member institution</i> must ask for the following information for inclusion in its records upon receipt : <ul style="list-style-type: none"> The deposit is co-owned; and The full usual name and address of each of the co-owners. 	Requiring <i>member institutions</i> to ask for the information at the time the deposit is made.
Registered deposits in nested trusts				
At the time of deposit and ongoing	Separate coverage will be provided for the aggregated amount placed in each of an RRSP, RRIF, TFSA, RESP or RDSP for the benefit of an individual.	Trustees of deposits in respect of registered plans must disclose before the <i>determination date</i> the following information: <ul style="list-style-type: none"> The full usual name and address of the depositor; 	When a depositor makes a deposit in respect of a registered plan, the <i>member institution</i> must ask the depositor to provide the following information for inclusion in the records of the <i>member institution</i> :	Requiring <i>member institutions</i> to ask for the information at the time the deposit is made. Allowing coverage to the beneficiary level if the information on the

When	Legislative requirements for trustee disclosure and <i>member institutions</i> under the new legislative framework	Proposed by-law requirements pertinent to trustee disclosure	Proposed by-law requirements for <i>member institutions</i>	Differences between previous and new framework
		<ul style="list-style-type: none"> The full usual name and address of each beneficiary of the registered plan [and possibly a second identifier]; and Where there are multiple beneficiaries, the percentage/amount of each beneficiary's interest in the deposit. <p>A trustee may update or change the information any time before the <i>determination date</i>.</p>	<ul style="list-style-type: none"> The full usual name and address of the depositor; The full usual name and address of each beneficiary of the registered plan [and possibly a second identifier]; and Where there are multiple beneficiaries, the percentage/amount of each beneficiary's interest in the deposit. 	<p>beneficiary is disclosed on the records of the <i>member institution</i>.</p> <p>The possibility of requesting another piece of information for identifying the beneficiary (e.g., social insurance number).</p>