

Guidelines for Nominee Brokers



Policies and Procedures for
Compliance with
the Co-Owned and Trust
Deposits Disclosure By-law
(COTDB)



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Glossary Table

For the purposes of this Guideline, the following terms and definitions apply:

Term	Definition
Association of Persons	Defined under the Schedule to the <i>Canada Deposit Insurance Corporation (CDIC) Act</i> , which provides that “ <i>person includes an association of persons and a government.</i> ” Used in nominee broker (NB) arrangements whereby a carrying broker (CB) and its related introducing broker (IB) may be treated as an association of persons when acting together to place deposits with a CDIC member institution (MI) on behalf of a client.
Attestation	A representation submitted by the Nominee Broker (NB) to CDIC confirming the NB’s capability to meet CDIC’s NB obligations. Includes: initial attestation within 30 days of entering an agreement with a CDIC Member Institution (MI); annual re-attestation by May 31 each year; and re-attestations within 10 days for NB legal name changes or changes in capability.
Brokered Deposit Advisory Group (BDAG)	An industry group, established to assist with implementation and consistent adoption of the CDIC deposit insurance rules affecting the nominee brokered deposit industry, which came into effect on April 30, 2022. Best practices developed by BDAG guide the design and use of Unique Client Identifiers (UCIs) and Legal Entity Identifiers (LEIs) for NB activities. BDAG best practices are referenced as the standard against which NB P&Ps should align or from which deviations should be documented. Brokered Deposit Advisory Group — CDIC .
Carrying Broker (CB)	A broker that carries accounts and records for clients of Introducing Brokers (IBs) or Portfolio Managers (PMs), and that is responsible for applying UCIs/LEIs and transmitting required information to MIs and CDIC in the nominee context.
Canada Deposit Insurance Corporation (CDIC)	A federal Crown Corporation established by the Government of Canada to protect deposits in case of bank failures. As the federal deposit insurer, CDIC determines deposit insurance coverage, requests and tests NB data and reimburses eligible depositors in the event of an MI’s failure. CDIC requirements for NBs stem from the <i>Canada Deposit Insurance Corporation Act (CDIC Act)</i> and the <i>Co-owned and Trust Deposit Disclosure By-law (COTDB)</i> .
Canada Deposit Insurance Corporation Act (CDIC Act)	The legislation that establishes CDIC and sets out its objects and powers, including the power to make By-laws. Among other things, the <i>CDIC Act</i> sets out NB/MI obligations related to NBDs, including UCI provision to MIs, Nominee Broker Deposit (NBD) information provision to CDIC, and related timelines.

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CDIC NB Portal	The secure portal used by NBs to manage attestations, contacts, and administrative changes (e.g., replacing Admin users, updating Senior Officers, addresses, and notifying CDIC of changes in agreements or CB/IB/PM arrangements), and for submission of the Nominee Broker Data Requirements (NBDR) extracts and other compliance-related files, such as a Compliance Action Plan (CAP).
Compliance Action Plan (CAP)	A documented plan created, reviewed, and monitored by the NB to remediate deficiencies identified during CDIC NBD compliance testing; also used to capture lessons learned for future NBDR submissions and P&P updates.
Co-owned and Trust Deposit Disclosure By-law (COTDB)	CDIC by-law specifying the information that NBs must maintain and provide to MIs and CDIC for co-owned and trust deposits, including NBDs, as well as establishing timelines for attestations and data submissions.
False Positive	A test result flagged by CDIC's compliance testing that appears as a warning is verified by the NB as compliant upon investigation and approval prior to sharing results with CDIC.
Guaranteed Investment Certificate (GIC) (including Market-Linked GIC)	Deposit products commonly offered under the NB model and eligible for CDIC coverage when requirements are met; market-linked GICs have returns tied to market measures.
High-Interest Savings Account /Investment Savings Account (HISA/ISA)	Deposit account products placed by NBs at MIs that may be eligible for CDIC coverage when requirements are met.
Introducing Broker (IB)	A broker that introduces client accounts to a carrying broker; the CB typically applies UCIs and manages transmissions to MIs/CDIC for IB/PM clients in accordance with the nominee framework.
Legal Entity Identifier (LEI)	A unique, 20-character alphanumeric code based on the ISO 17442 standard, which is assigned to legal entities that are counterparties to financial transactions. In relation with the <i>CDIC Act</i> and the <i>COTDB</i> , the LEI is used in situation where the "Nominee Broker" is achieved through an "association of persons"—notable when there is a CB and IB involved in placing a deposit with a CDIC MI.
Member Institution (MI)	A CDIC member institution that receives UCI and other required information (either directly or through an intermediary) from NBs at the time a NBDs is made and upon each change; MIs must notify NBs of failures to deliver UCIs/beneficiary information.
Nominee Broker (NB)	An intermediary that places/holds deposits at MIs on behalf of clients in nominee name; must structure, record, and report NBDs per the <i>CDIC Act</i> and the <i>COTDB</i> , including assigning UCIs, transmitting required info to MIs, providing data to CDIC, and completing attestations.
Nominee Brokered Deposit (NBD)	A deposit placed at an MI by an NB in nominee name for clients/beneficiaries; eligible for separate CDIC insurance if NB and MI meet legislative/by-law obligations.

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Nominee Broker Data Requirements (NBDR)	The standardized data and formatting specifications for NB submissions to CDIC (upon request within legislated timelines).
Policies and Procedures (P&Ps)	The NB's documented controls and processes that operationalize CDIC's requirements (e.g., UCI assignment, MI transmissions, reconciliation, NBDR preparation/testing/defect remediation, and attestations), with governance, version control, and training.
Portfolio Manager (PM)	An investment manager whose client deposits may be carried by a CB under the nominee model.
Senior Officer	As set out in the <i>COTDB</i> , a person, within an organization that is a NB, who is: <ul style="list-style-type: none"> (a) its chief executive officer or a member of its board of directors, or an individual who performs functions similar to those normally performed by someone occupying one of those positions; or (b) an officer who reports directly to a person referred to in paragraph (a) above, or to the board of directors.
Special Income Arrangement (SIA)	Set out in Division G of the <i>Income Tax Act</i> . For the purposes of deposit insurance, the <i>CDIC Act</i> refers to six types of Special Income Arrangements that receive separate deposit insurance protection. These are: 1. Registered Retirement Savings Plans (RRSPs), 2. Registered Retirement Income Funds (RRIFs), 3. Registered Education Savings Plans (RESPs), 4. Registered Disability Savings Plans (RDSPs), 5. Tax-Free Savings Accounts (TFSA), and 6. First Home Savings Accounts (FHSA).
Unique Client Identifier (UCI)	A unique, consistent identifier assigned by the NB to each client and (where applicable) to beneficiaries, used across products, MIs, and affiliates to support CDIC coverage determination.
Registered Plans (including RRSP, RRIF, TFSA, RESP, RDSP, FHSA)	Account wrappers in which NBD products may be held; P&Ps should reflect any product/plan variations affecting processes, data, or transmission requirements.

Overview and Context

On April 30, 2022, amendments to the [Canada Deposit Insurance Corporation Act \(CDIC Act\)](#) came into force and [the Co-owned and Trust Deposit Disclosure By-law \(COTDB\)](#) replaced the former CDIC trust bylaw, establishing updated requirements for deposits held in trust, including for Nominee Brokered Deposits (NBDs). These requirements help ensure that Canada Deposit Insurance Corporation (CDIC) receives the information needed to make timely and accurate deposit insurance determinations and reimburse depositors in the event of a member institution failure.

Nominee Brokers (NBs) and Member Institutions (MIs) must ensure that NBDs are structured, recorded, and reported in a way that supports accurate insurance coverage. CDIC has the authority to request information from both parties to determine and pay insured deposits. See Appendix I for the Summary of Key CDIC Requirements.

The *COTDB* specifies the information CDIC may request from NBs and outlines the obligations NBs must meet for their deposits to be eligible for separate deposit insurance coverage. The Nominee Broker Data Requirements (NBDR) complements these obligations by establishing standardized data and formatting specifications for NB submissions. NBs must also provide CDIC with an annual attestation confirming their ability to meet these requirements, supported by a description of the policies and procedures (P&Ps) that demonstrate how compliance is achieved in practice.

The *CDIC Act* does not prescribe the format or structure of an NB's P&Ps. However, experience gained through successive attestation cycles and NBDR compliance testing indicated that a more detailed and structured P&P guide is needed to support greater consistency, completeness, and clarity across documentation submitted by NBs.

Required and Recommended Elements of P&Ps

P&Ps must clearly demonstrate how the NB meets each required NBD obligation set out in the *CDIC Act* and the *COTDB*. In addition to these mandatory elements, it is also recommended that P&Ps include supporting governance and operational details, such as roles, responsibilities, and practical guidance, that help NBs apply CDIC requirements consistently, manage risks, and carry out NBD activities effectively.

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Where there are material changes to the NB's business model or operations, the NB is expected to review and update its P&Ps, as appropriate, to ensure continued alignment with CDIC requirements.

1. NB Overview

This section should provide a concise overview of the NB's business model to give the context needed to understand how NBD activities operate within the organization. For more complex or integrated business structures, a high-level organizational chart may be included to show governance, reporting lines, and how NBD activities fit within overall operations.

The overview may be presented as a standalone section or be integrated throughout P&Ps, depending on what best reflects NBs' structure and documentation practices. Where this information is addressed elsewhere, it may be cross-referenced rather than duplicated.

Recommended Content

Key elements include:

- ✓ CDIC deposit insurance eligible offerings: the NBD products offered (e.g., GICs, HISAs/ISAs, Market-Linked GICs) and the trust or registered plans in which they are held (e.g., RRSP, RRIF, TFSA, RESP, RDSP and FHSA)
- ✓ Operational processes: platforms and systems used to support NBD activities (e.g., CANNEX, Fundserv), along with any manual processes and key variations by product or MI issuer
- ✓ Third-party involvement: any service providers engaged to support NBD operations and a description of their roles
- ✓ Business model: whether the NB operates as a direct clearer, Carrying Broker (CB), Introducing Broker (IB), or a combination of these models

2. Document Governance and Oversight

This section should describe how the document is developed, approved and maintained on an ongoing basis. The section outlines the governance and lifecycle controls applied to ensure P&Ps remain current, accurate, and aligned with CDIC requirements.

Recommended Content

Key elements include:

- ✓ Governance structure for drafting, approving, and overseeing P&Ps
- ✓ Roles and responsibilities for maintaining and implementing NBD-related P&Ps
- ✓ Review frequency and triggers for updates
- ✓ Version control practices and documentation standards
- ✓ Recordkeeping and audit-trail requirements
- ✓ Processes for reporting and escalating non-compliance
- ✓ Senior management or board oversight
- ✓ Staff training expectations to ensure continued organizational knowledge of CDIC requirements

3. Scope and Objectives of P&Ps

This section should clearly state the purpose of the document, the activities it covers, the teams required to follow it, and where it can be accessed.

Where P&Ps are dispersed across multiple documents or are not consolidated, NBs should submit only those elements that are relevant to CDIC requirements for NBDs.

Recommended Content**Key elements include:**

- ✓ Purpose: how the P&Ps support compliance with CDIC requirements for NBDs
- ✓ Scope: NBD activities, products, and processes included (and major exclusions)
- ✓ Applicability: individuals, teams, and functions required to follow the P&Ps
- ✓ References: identifying documents when NBD or P&Ps content is distributed across sources
- ✓ Accessibility: where the current approved P&Ps are stored
- ✓ Regulatory linkage: CDIC requirements that the P&Ps operationalize
- ✓ Readiness: ability to provide relevant P&Ps to CDIC upon request

4. CDIC Requirements for NBDs

P&Ps should outline the requirements for NBDs regarding the assignment of Unique Client Identifiers (UCIs), data transmission to MIs, reconciliation of NBD positions, NBD data provision to CDIC (including alignment with NBDR, compliance testing and remediation of defects), and annual attestations. This is important, as P&Ps support consistent and reliable compliance with CDIC's NBD rules and facilitate demonstration of compliance during regulatory reviews and/or CDIC assessments.

4.1 UCI Assignment

This section should describe the methodology and processes for assigning UCIs to clients and beneficiaries, including how UCIs are assigned across key scenarios, as well as any deviations from the Brokered Deposit Advisory Group (BDAG) best practices.

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For NBs acting as CBs, this section should also address UCI assignment for IB/PM clients and outline the process for acquiring and maintaining Legal Entity Identifiers (LEIs), including any deviations from [BDAG LEI best practices](#).

Required Content**Key Elements include:**

- ✓ NB-specific methodology for assigning UCIs
- ✓ UCI assignment across different scenarios:
 - Same client with different Special Income Arrangements (SIA) types
 - Deposits held with different MIs
 - Deposits placed by different affiliates
 - Deposits placed through introducers where NB acts as a CB
- ✓ Any divergence from BDAG UCI best practices, including rationale
- ✓ Controls and documentation supporting UCI assignment logic, including internal verification to detect/prevent duplicate UCIs
- ✓ Description of methodology, controls and documentation when acting as a CB

4.2 Transmission of NBD Information to MIs

This section should outline processes for transmitting required NBD information to MIs for new deposits and/or updates across all product types, indicating where processes are automated, manual, or hybrid, and noting platform - specific considerations.

For NBs acting as CBs, this section should include a separate description of how UCIs and LEIs for IB/PM clients are transmitted and any variations by product, platform, or operational setup.

Required Content

Key Elements include:

- ✓ Transmission processes for new purchases and updates to existing NBDs
- ✓ Transmission methods used (e.g., automated or manual transmission approaches, including any platforms or services relied upon such as CANNEX Term W, Term R; or Fundserv)
- ✓ Variation by product type and/or platform
- ✓ Description of transmission processes/methods when acting as a CB

4.3 Reconciliation of NBD information with MI Records

This section should describe the processes used to reconcile NBD transactions and associated data with MI records to ensure all required information has been correctly transmitted, received, and recorded.

For NBs acting as CBs, this section should include a separate description of reconciliation processes for deposits placed on behalf of IB/PM clients.

Recommended Content**Key elements include:**

- ✓ Scope data/product being reconciled, including identification of NBD, in trust for deposits, NB details, deposit type, UCIs for associated clients/individuals, and the related amounts or percentage interests
- ✓ Frequency and timelines of transmission
- ✓ Transmission methods used (e.g., automated or manual transmission approaches, including any platforms or services relied upon such as CANNEX Term W, Term R; or Fundserv)
- ✓ Approach to addressing reconciliation errors (timelines, automated or manual process)
- ✓ Description of the reconciliation process when acting as a CB

4.4 Provision of NBD Information to CDIC

This section should describe how NBD information submitted to CDIC aligns with the NBDR and is provided within legislated timeframes. It should set out how the information is prepared, reviewed, validated, approved, and securely transmitted to CDIC, as well as how the NB conducts internal testing to confirm accuracy and compliance with NBDR requirements as well as timelines for submission.

This section should also explain how the NB supports CDIC's ongoing compliance testing, addresses and remediates identified deficiencies, and implements corrective actions to prevent recurrence, including through revisions to underlying data files supporting NBDR submissions and updates to P&Ps.

Required Content for NBDR Data Extract-Related Activities

Key Elements include:

- ✓ Preparation, review, and approval of the NBDR when a request is received from CDIC, including:
 - Steps and teams for data extraction/validation, and coordination when data is generated from internal systems
 - Vendor data protocols, including communication, delivery timelines, validation, and integration of third-party data to meet CDIC requirements
- ✓ Accuracy, completeness controls, and alignment with the NBDR prior to submission
- ✓ Review, approval, and secure transmission within legislated timeframes

Required Content for NBDR Testing-Related Activities

Key Elements include:

- ✓ Approach to CDIC's ongoing/business-as-usual NBD data compliance testing, including development, review, approval, and monitoring of CAPs when deficiencies are identified
- ✓ Processes for validating specific test results, including:
 - Identification, review, and approval of False Positives before sharing results with CDIC
 - Verification, review, and approval of UCI uniqueness prior to sharing information with CDIC
- ✓ Approach to incorporating lessons learned from CAPs into future NBDR production/submission and updates to the NB's P&Ps
- ✓ Approach to continuous compliance, including documentation of processes, controls, and oversight related to NBD data activities

4.5 Annual Attestation

This section should describe processes for ensuring that all attestations (initial, annual or updated) required under the *CDIC Act* and the *COTDB* are completed and submitted within prescribed timelines.

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This section should also outline practices for managing the CDIC NB Portal, including controls over user access and authentication, and processes for submission to support accurate and timely portal-based reporting.

Required Content for Attestation Process Oversight**Key Elements include:**

- ✓ Description of the attestation types required under the *CDIC Act* and the *COTDB*, including annual re-attestation, attestation for new MI onboarding, attestation for NB capability changes, and attestation for NB legal name changes
- ✓ Process for preparing and reviewing attestations to ensure accuracy and completeness of Senior Officers representations prior to submission to CDIC
- ✓ Process for appointing or replacing Senior Officers, confirming individuals meet eligibility requirements under the *CDIC Act* and the *COTDB*
- ✓ Explanation of how related NB processes (e.g., NB-specific MI onboarding and approval) support completion of required attestations and align with regulatory obligations

Required Content for CDIC NB Portal Account Management**Key Elements include:**

- ✓ Description of how NB Portal access is maintained, including the process for assigning or replacing the Admin user
- ✓ Process for updating NB Signatories and Senior Officers, ensuring individuals meet *CDIC Act* requirements before being granted NB Portal roles or signing authority
- ✓ Explanation of how NB address and user contact information are reviewed and kept current within the NB Portal
- ✓ Process for notifying CDIC of required changes, including updates to MI agreements or arrangements (additions/deletions), CB status, and IB or PM arrangements
- ✓ Explanation of how the NB informs MIs of changes to NB-designated Senior Officers

Appendix I – Summary of Key CDIC Requirements Applicable to NBs

The following provides a summary of the key requirements applicable to NBs for the NBDs they place/hold for their clients at CDIC MIs, and where these requirements are set out in the *CDIC Act* or the *COTDB*.

Summary of NB Obligations	CDIC Act/COTDB Reference
NB Obligations to CDIC	
NB must provide CDIC with an initial attestation upon entering an agreement or arrangement with an MI in respect of NBDs, or within 30 days of the first agreement or arrangement if the NB enters into more than one agreement or arrangement with an MI or more than one MI.	ss. 11(1) and 11(2) of the <i>COTDB</i>
NB must provide CDIC: (1) an updated attestation annually by May 31 of each year, (2) an attestation within 10 days of any change to the NB's legal name, and (3) an attestation within 10 days of a change to the NB's capability to fulfill the obligations set out in paragraph 7(1)(b) of the Schedule to the <i>CDIC Act</i> .	s. 11(3) of the <i>COTDB</i>
NB must provide to CDIC an NBDR extract within 3 days following a request by CDIC.	s. 7(1)(b) of the Schedule to the <i>CDIC Act</i> & ss. 9 and 10 of the <i>COTDB</i>
NB Obligations to MIs	
NB must assign and provide a UCI and other specified information to MIs in respect of NBDs, at the time each deposit made and every change thereafter.	ss. 7(1)(a) and 7(2) of the Schedule to the <i>CDIC Act</i> & ss. 6(1), 6(2), 6(3) of the <i>COTDB</i>
NB must provide specified contact information to MIs, and update it within 10 days of any changes to it.	ss. 12(1) and 12(2) of the <i>COTDB</i>
For Information: MI Obligations Impacting NBs	
MI must ensure that their agreements or arrangements with NBs contain terms requiring them to comply with CDIC requirements for NBs.	ss. 8(1) and (2) of the Schedule to the <i>CDIC Act</i>
MI must notify NBs of any failure to deliver a UCI or other specified information to MIs in respect of NBDs, as soon as possible after the failure.	s. 8(5) of the Schedule to the <i>CDIC Act</i> and s. 14 of the <i>COTDB</i>