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[Letter sent to each member institution]

January 11, 2011

Now in effect New requirement for CDIC member institutions Joint and Trust Account Disclosure By-law Amendments

The *By-law amending the Canada Deposit Insurance Corporation Joint and Trust Account Disclosure By-law*, as published in the October 13, 2010 edition of Part II of the Canada Gazette, came into effect on January 1, 2011. A copy of the Amending By-law as published is attached.

This letter is to remind CDIC member institutions that the Amending By-law includes a requirement that each member notify certain trustee depositors about their disclosure requirements. The notification is to be sent during the month of April in each year. If a depositor has disclosed to the member institution that it is acting as a trustee with respect to a deposit and the trust is on behalf of multiple beneficiaries, the trustee depositor is entitled to receive a reminder from the member institution about its disclosure requirements. The member institution must remind the trustee depositor annually to disclose to the member institution the percentage interest of each beneficiary of the trust deposit(s) as at April 30. The trustee depositor must make its disclosure to the member institution prior to May 31 in each year. The new provision reads as follows:

6.1 (1) During the month of April in each year, every member institution must notify in writing all of its depositors that have disclosed the information referred to in subparagraph 6(1)(a)(i)¹ that they are also required to disclose the information referred to in paragraph 6(1)(b)² within the time required by that paragraph and must indicate where that information is to be sent.

(2) The notification referred to in subsection (1) must be sent by the member institution by regular or electronic mail to the address of the depositor, as set out in the records of the member institution.

¹ (i) a statement that the deposit is the subject of a trust under which there are multiple beneficiaries.

² (b) within 30 days after April 30 of each year, particulars of the amount or percentage of each beneficial interest as of April 30 of the year.

We have been asked how a member institution is to deal with a situation where it cannot isolate in its records trustee depositors of multi-beneficiary deposits for purposes of sending a notification. CDIC has confirmed that notifying more depositors about the disclosure obligation, provided that trustee depositors of multi-beneficiary deposits would be included, would satisfy the requirement. CDIC was also asked whether it would be necessary for the institution to provide evidence that each depositor received the notification. To achieve compliance with the provision, it will be necessary to be able to provide evidence that the notification was sent in accordance with subsection 6.1(2).

At the writing of this letter, the Department of Justice Consolidated Regulations do not reflect the amendments. The amendments have been posted to its website at the end of the pdf and html versions of the By-law.