



## **INFORMATION BULLETIN**

March 2010

### **COVERAGE OF DEPOSITS HELD JOINTLY OR IN TRUST**

CDIC has been made aware of confusion relating to the separate deposit insurance coverage available for deposits<sup>1</sup> jointly owned or held in the name of a trustee and in particular to the coverage available to deposits recorded in the name of a securities firm as nominee of a customer. There is also separate coverage afforded to certain registered plans that may or may not have designated trustees. This Information Bulletin is intended to provide some clarification for depositors about how CDIC would apply the relevant provisions of the Schedule to the *Canada Deposit Insurance Corporation Act* (CDIC Act) if faced with the failure of one of its member institutions triggering the payment of deposit insurance. This bulletin is subject to the caveat that only the courts can provide decisive answers on matters of legal interpretation.

**General:** CDIC insures the depositor and therefore identifying the depositor is key. In this regard, CDIC relies on the records of the member institution. Generally, deposits owned by the same depositor in the same insurance category<sup>2</sup> are added together – aggregated – for the purpose of calculating deposit insurance coverage to the maximum amount per category. Aggregation occurs irrespective of the type of deposit product (e.g. guaranteed investment certificates (GICs) and other term deposits are added with savings and chequing accounts). The insurance dollar limit is applied to the total of deposits held by the same owner per insurance category per member institution.<sup>3</sup>

Appendix A reproduces the Schedule to the CDIC Act that defines what constitutes a deposit for purposes of deposit insurance and describes the various insurance categories. Appendix B reproduces the *CDIC Joint and Trust Account Disclosure By-law* (Disclosure By-law) that sets

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<sup>1</sup> In this Bulletin, references to deposits mean deposits that are eligible for CDIC coverage (i.e. payable in Canada, in Canadian currency and repayable no more than five years from the date of deposit).

<sup>2</sup> CDIC recognizes seven distinct ownership or insurance categories: 1) basic coverage – in the name of a person; 2) joint ownership with one or more other persons; 3) trust ownership for one or more beneficiaries; 4) deposits held within a registered retirement savings plan (RRSP); 5) deposits held within a registered retirement income fund (RRIF); 6) deposits held within a registered tax-free savings account (TFSA); and, 7) deposits held for the purpose of payment of municipal realty taxes. The simplest way to determine whether a deposit is included within the basic coverage category is to eliminate it from the other six categories.

<sup>3</sup> The dollar limit is \$100,000 per insurance category except in the case of deposits held by a trustee of a multiple beneficiary trust where it is the maximum of \$100,000 times the number of beneficiaries with quantifiable interests under the trust.

out the information about joint or trust deposits that must be disclosed on the records of the member institution in order for the separate coverage to apply.

## JOINT OWNERSHIP

Subsection 3(1) of the Schedule to the CDIC Act establishes separate coverage for joint owners. Where a depositor acts as a joint owner with another and the joint interest is disclosed on the records of the institution, the deposit is deemed to be separate from any deposit of the joint owner acting in his own right or in another joint capacity with the institution. An insurance payment up to \$100,000 representing the aggregate of deposits by the same joint owners would be made to them jointly as they are a distinct depositor.<sup>4</sup> In order for this separate coverage to apply, the joint ownership and each joint owner's name and address must be disclosed on the records of the member institution.

To disclose the existence of a joint interest, the records of the member institution must reference who the depositor is, e.g. 'A and B', or 'A or B', or 'A jointly with B', or 'A, B and C as joint tenants', or 'A and/or B jointly', etc. Also, the full names of each of the joint owners as well as their address must be recorded to meet the exigencies of the Disclosure By-law.

Please note that a deposit recorded in a nominee name on behalf of two individuals will be treated as a trust account for the benefit of multiple beneficiaries. Matters relating to trust accounts are more fully described below.

## TRUST DEPOSITS

The legislative framework addressing separate coverage for trustee deposits is in Subsections 3(1) to (3.1) of the Schedule to the CDIC Act. Assuming proper disclosure, these subsections establish that

- trust deposits are separate from personal deposits of the trustee,
- the interest of a beneficiary in a trust deposit is separate from any other deposits of the beneficiary either in its personal capacity or as beneficiary in a different trust,
- the interest of each beneficiary is deemed separate, and
- CDIC can disallow separate coverage if the trusts were established primarily for the purpose of increasing deposit insurance.

**Disclosure:** In order to qualify for separate coverage, the fact that a deposit is held in trust must be disclosed on the records of the member institution together with the name and address of the trustee and of each beneficiary. Where the depositor is acting as trustee for two or more beneficiaries, the amount or percentage of the deposit attributable to each beneficiary must also be disclosed within thirty days after April 30<sup>th</sup> of each year.<sup>5</sup> Disclosure can be made by delivering the written information to the member institution. Qualified trustees<sup>6</sup> need not deliver

<sup>4</sup> See Subsection 3(1.1) of Schedule to CDIC Act

<sup>5</sup> See Subsection 6(1)(b) Disclosure By-law.

<sup>6</sup> Examples of qualified trustees would be lawyers, notaries or public trustees. See Section 7 of the Disclosure By-law.

the names and addresses of the beneficiaries to the member institution but are permitted to make the name and address disclosure through another method - by providing the member institution with an alpha-numeric code or other identifier that refers to records maintained by the trustee. The qualified trustee can then cross reference to the alpha-numeric code when providing the annual percentage interest for each beneficiary of a multiple-beneficiary trust.

**Who/How much is insured:** It is the depositor trustee that is insured. Payment of deposit insurance would be made to the trustee, and not to the individual beneficiaries. However, the amount of the insurance payment depends on the beneficiaries and their respective interests in the trustee's deposit. If one or more deposits are held in the same trust for a single beneficiary, up to \$100,000 would be covered. If it is a multi-beneficiary trust, coverage is calculated on the basis of up to \$100,000 per beneficiary.<sup>7</sup> The interest of a beneficiary must be quantified or quantifiable. If not, the interest of that beneficiary is ignored for the purpose of calculating deposit insurance.

**A trust must exist and be noted on the member institution's records:** To qualify for separate deposit insurance coverage a valid trust (whether formal or informal) must exist and the fact that the deposit is held in trust must be disclosed on the records of the institution. It is the responsibility of the trustee depositor to ensure that there is a trust and that all required disclosures are made in the records of the member institution. This identification can be as simple as an "ITF" notation or "Lawyer X in trust". It is not the responsibility of the member institution to determine the validity of the trust. Provided the necessary disclosure is made, CDIC will generally assume that a valid trust exists, subject to contrary evidence being provided.

**Agents, attorneys and non-regulated deposit brokers:** Some arrangements, where one person is acting for another as agent (or perhaps under a power of attorney) are not trusts. The agent or attorney never owns the deposit – they merely act in the name of the owner usually for specific purposes. For example, when a deposit broker<sup>8</sup> arranges for a GIC to be issued to a customer, the deposit broker acts as an agent. The deposit is recorded on the records of the member institution in the name of the customer. There is no trust created. Any CDIC insurance payment would be made to the customer and this deposit would be aggregated with any other deposits in the name of the customer in the same insurance category at the same member institution.

**Securities firms:** In other cases trusts are created and the customer is the beneficiary of the trust. For example, securities firms<sup>9</sup> often hold deposits for their customers in a manner that

<sup>7</sup> \$500,000 trust deposit with 4 beneficiaries: Trustee holds \$90,000 for beneficiary A; \$120,000 for beneficiary B; \$100,000 for beneficiary C; and the balance of \$190,000 for beneficiary D. The insured amount would be \$390,000 - \$90,000 for beneficiary A and \$100,000 for each of beneficiary B, C and D.

<sup>8</sup> Deposit brokers (sometimes also called financial advisors, financial consultants or financial planners) are unregulated individuals or businesses that solicit deposits on behalf of financial institutions and typically have agreements with a number of CDIC member institutions enabling the deposit broker to offer term deposits, such as GICs, at those institutions. Deposit brokers are not able to be members of CDIC.

<sup>9</sup> Securities firms (sometimes also called securities dealers, investment dealers, stock brokers, broker-dealers or brokers) are regulated businesses that make and hold investments on behalf of their customers. Securities firms are not able to be members of CDIC.

gives rise to a trustee/beneficiary relationship. A securities firm may buy a deposit on behalf of a customer in two basic ways - either directly in the customer's name (in which case the firm is merely acting as an agent for the customer), or the securities firm follows the more commonly used approach by having the deposit recorded in the member institution's records in the firm's name as "nominee" for its customer. When a securities firm holds a deposit as nominee, the law implies a trust under which the firm is the trustee depositor and the customer is the beneficiary. From CDIC's perspective, as well as from the perspective of the member institution, it is the firm as nominee that is entitled to the repayment of the deposit. The customer looks to the firm for payment.

Under the civil law applicable in Quebec, the concept of trust (derived from the common law) is not recognized as such. There are certain fiduciary relationships that are, at a practical level, equivalent to trusts and which CDIC treats in the same way as trusts for CDIC deposit insurance purposes.

**Deposit Aggregation:** "Deposit" includes the aggregate of deposits purchased by the trustee for the same beneficiary(ies) at one member institution under the umbrella of the same trust arrangement. A \$60,000 term deposit and a \$50,000 savings account both in the name of ABC Dealer as nominee for customer Y would be aggregated (thereby resulting in \$10,000 uninsured) unless it can be shown that the two deposit items are the subject of two distinct trust arrangements.

**Trust within registered plans:** Deposits held in a registered retirement savings plan (RRSP), a registered life income fund (RRIF) or a tax free savings account (TFSA) (collectively called 'registered plans') are each protected separately from other eligible deposits held at the same member institution. This is separate from the coverage of trust deposits.

Deposits held in registered plans that use a trust company to hold the assets as trustee for the owner of the registered plan ('trusteed plans') are protected separately from those held in non-trusteed plans. In a trustee plan, the trustee is the depositor. For example, if Y has a trustee RRSP of which ABC trust company is the trustee, the depositor of a deposit held in that trustee RRSP is ABC trust company. Therefore, the deposit held in the trustee RRSP for Y would be protected separately from a non-trusteed RRSP deposit made by Y at the same member institution because the depositor of the non-trusteed RRSP deposit is Y. However, for the separate protection to apply to trustee plan deposits the trust disclosure requirements described in this bulletin must be met.

**Registered plans offered through securities firms:** Some securities firms offer self-directed registered plans to their customers. Securities firms are not eligible under the *Income Tax Act* to issue RRSPs, RRIFs or TFSAs. The plans are offered on the basis that the securities firm acts as an intermediary between the customer and a trust company that issues the plan contract and acts as the trustee to hold investments in the plan in trust for the customer.

Such arrangements may involve the trustee of the registered plan delegating to the securities firm, as its agent, many aspects of the plan's administration. As discussed below, if the securities firm were to acquire deposits in its own name as nominee for the trust company, the deposit insurance coverage would be calculated by reference to that trustee/beneficiary relationship, not by reference to the trust existing between the trust company and the owner of the registered plan.

**Back-to-back trusts:** As noted at the outset, CDIC insurance is provided to a depositor – that is, the person in whose name the deposit is recorded in the records of the member institution. Therefore, if a depositor holds a deposit in trust for a person (trust no. 1) who in turn holds their beneficial interest in trust for another person (trust no. 2), the insurance coverage will be calculated by reference to trust no. 1. For example, if a securities firm holds a number of deposits in its name as nominee for a trust company (trust no. 1), which in turn is the trustee of a number of registered plans or accounts (trust no. 2, 3, 4, 5, etc.), CDIC will regard the depositor (the securities firm) as holding the deposits in trust for a single beneficiary (the trust company) with coverage of the aggregate of the deposits to a maximum of \$100,000. In contrast, if the deposits are held in the name of the trust company and the required disclosure is made, the deposits would be insured for up to a maximum of \$100,000 times the number of registered plan owners.

Similarly, if a securities firm holds a deposit in its name as nominee for A (trust no. 1) and A has made the investment in its account with the securities firm as the trustee of a family trust for B, C and D in equal shares (trust no. 2), the maximum CDIC coverage for the deposit would be \$100,000 (because trust no. 1 has a single beneficiary), whereas if the deposit is held in A's name it could be insured for up to \$100,000 times the number of beneficiaries of the family trust – provided, in both cases, that the required disclosure is made.

**Aggregation of deposits held in RRSP or RRIF or TFSA:** Deposits are aggregated at the depositor level. Therefore, those held in non-trusteed registered plans at the same member institution will be aggregated to determine whether the \$100,000 coverage limit has been exceeded. Similarly, deposits held in trustee registered plans where the trustee and the beneficiary are the same, under the umbrella of the same trust arrangement, will be aggregated.

Table 1 attached summarizes the disclosure required, and applicable aggregation, depending on whether you are dealing with a basic deposit, a jointly owned deposit, a trust deposit, or a deposit within one of the registered plans separately covered by CDIC.

## CONCLUSION

As mentioned at the outset, this Bulletin deals with complex subject matter. It undoubtedly does not respond to every question nor does it try to address every scenario. CDIC will be pleased to respond to specific questions as and when they arise.

## Appendix A

### SCHEDULE TO CDIC ACT

#### Definitions

##### 1. In this schedule,

"date of deposit" means, with respect to any moneys constituting a deposit, the day on which credit for the moneys is given to the account of the depositor or the day on which an instrument is issued for such moneys by the member institution, as the case may be;

"depositor" means a person whose account has been or is to be credited in respect of moneys constituting a deposit or part of a deposit or a person to whom a member institution is liable in respect of an instrument issued for moneys constituting a deposit or part of a deposit;

"loan company" means a member institution to which the *Trust and Loan Companies Act* applies and that is not a trust company pursuant to subsection 57(2) of that Act;

"person" includes an association of persons and a government;

"trust company" means a member institution to which the *Trust and Loan Companies Act* applies and that is a trust company pursuant to subsection 57(2) of that Act.

#### Definition of "deposit"

2. (1) Subject to subsection (2), for the purposes of this Act and the by-laws of the Canada Deposit Insurance Corporation, "deposit" means the unpaid balance of the aggregate of moneys received or held by a federal institution or provincial institution, from or on behalf of a person in the usual course of the deposit-taking business of the institution, for which the institution

(a) has given or is obligated to give credit to that person's account or has issued or is obligated to issue a receipt, certificate, debenture (other than a debenture issued by a bank to which the *Bank Act* applies), transferable instrument, draft, certified draft or cheque, traveller's cheque, prepaid letter of credit, money order or other instrument in respect of which the institution is primarily liable, and

(b) is obligated to repay the moneys on a fixed day, on demand by that person or within a specified period of time following demand by that person,

including any interest accrued or payable to that person.

#### Included moneys

(1.1) For greater certainty, an unpaid balance of moneys received or held by an institution from or on behalf of a mortgagor in respect of realty taxes on mortgaged property is a deposit. The moneys are considered to be repayable on the earlier of the due date of the taxes or the date the mortgage is discharged.

#### Excluding moneys

(2) The following moneys are excluded from the moneys referred to in subsection (1):

(a) moneys received or held by the institution if the date of deposit is or was on or after April 17, 1967 unless the institution is or was obligated, or may by the demand of that person become obligated, to repay the moneys on or before the expiration of five years after the date of the deposit; and

(b) moneys held by the institution that were received by it when it was not a federal institution or provincial institution.

#### Where more than one repayment day

(2.1) For the purposes of subsection (2), where an institution is, in respect of deposit moneys received or held by it, obligated to repay the moneys to a person on a fixed day and also is or may become obligated to repay the moneys

(a) on an earlier date by virtue of a right of withdrawal, reinvestment or other right afforded to the person by the terms under which the moneys were solicited or received or are held, only the fixed day shall be considered, or

(b) on a later date by virtue of a right afforded to any person to extend the term of the deposit at a rate or rates of interest determined at the time the moneys were solicited or received, the later date is deemed to be the fixed day

in determining whether the institution is or may become obligated to repay the moneys on or before the expiration of five years after the date of the deposit, whether or not the right is exercised.

#### Right to extend

(2.2) For greater certainty, a right referred to in paragraph (2.1)(b) does not include a right to renew or reinvest a deposit at a rate or rates of interest prevailing on the date of renewal or reinvestment.

#### Obligation deemed

(3) For the purposes of subsection (1), if a trust company has deposited moneys in its own guaranteed trust fund on behalf of itself as trustee, it shall be deemed to be obligated to repay the moneys to the same extent as it would have been obligated to repay the moneys had the moneys been deposited by a trustee other than itself.

#### Idem

(5) Notwithstanding subsection (1), for the purposes of deposit insurance with the Corporation, where 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 issue an instrument evidencing a deposit, other than a draft, certified draft or cheque, traveller's cheque, prepaid letter of credit or money order,

- (a) the moneys do not constitute a deposit unless the instrument and records of the institution specify the person entitled, at the date of issue of the instrument, to the repayment of the moneys evidenced thereby;
- (b) the person referred to in paragraph (a) shall be deemed to be the depositor in respect of the moneys unless particulars of a transfer of the instrument are entered in the records of the institution, in which case the most recent transferee shown in the records shall be deemed to be the depositor; and
- (c) the entry of a transfer in the records of a member institution is ineffective for the purposes of paragraph (b), if the entry is made subsequent to the termination or cancellation of the policy of deposit insurance of the member institution.

#### Idem

(6) Notwithstanding 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, traveller's cheque, prepaid letter of credit or money order, do not constitute a deposit where the instrument is payable outside Canada or in a currency other than Canadian currency.

#### Joint or trust deposit

3. (1) Where a member institution is obligated to repay moneys to a depositor who is acting as trustee for another or as joint owner with another, if the trusteeship or joint interest is disclosed on the records of the institution, the deposit of the depositor acting as trustee or as joint owner with another shall be deemed for the purposes of deposit insurance with the Corporation to be a deposit separate from any deposit of the depositor acting in his own right or acting in another joint or trust capacity with the institution.

#### Joint owners

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

#### Trust deposit separate

(2) Where a member institution is obligated to repay moneys to a depositor who is acting as trustee for a beneficiary, if the trusteeship is disclosed on the records of the institution, the interest of the beneficiary in the deposit shall be deemed for the purposes of deposit insurance with the Corporation to be a deposit separate from any deposit of the beneficiary made with the institution in his own right for his own use and separate from any interest of the beneficiary in respect of any other trust deposit of which he is a beneficiary.

#### Deposit of beneficiary

(3) Where a member institution is obligated to repay moneys to a depositor who is acting as trustee for two or more beneficiaries, if the interest of each beneficiary in the deposit is disclosed on the records of the member institution, the interest of each beneficiary in the deposit shall be deemed for the purposes of deposit insurance with the corporation to be a separate deposit.

#### Trust arrangements

(3.01) A deposit held by a member institution for a depositor who is acting as trustee under a trust is deemed not to be a separate deposit if, in the opinion of the Corporation, the trust exists primarily for the purpose of obtaining or increasing deposit insurance under this Act.

#### By-laws

(3.1) For the purposes of subsections (1) to (3), the Board of Directors may make by-laws prescribing the time by which and the form and manner in which a joint interest, a trusteeship or the interest of a beneficiary in a deposit is to be disclosed on the records of a member institution.

#### Not part of deposit

(4) Where a member institution is obligated to repay to a person any moneys that are received or held by the institution, the amount of the moneys shall be deemed not to constitute part of a deposit for the purposes of deposit insurance with the Corporation if the date on which the person acquires his interest in the moneys is a date subsequent to the date on which the policy of deposit insurance of the institution is terminated or cancelled.

#### Registered retirement savings plan deposits

(5) Notwithstanding subsection (2), for the purposes of deposit insurance with the Corporation, where moneys received by a member institution from a depositor pursuant to a registered retirement savings plan, within the meaning given that expression for the purposes of the *Income Tax Act*, constitute a deposit or part of a deposit by or for the benefit of an individual, the aggregate of those moneys and any other moneys received from the same depositor pursuant to any other registered retirement savings plan and that constitutes a deposit or part of a deposit by or for the benefit of the same individual shall be deemed to be a single deposit separate from any other deposit of or for the benefit of that individual.

#### Registered retirement income fund

(6) Notwithstanding subsection (2), for the purposes of deposit insurance with the Corporation, where moneys received by a member institution from a depositor pursuant to a registered retirement income fund, within the meaning given that expression under the *Income Tax Act*, constitute a deposit or part of a deposit by or for the benefit of an individual, the aggregate of those moneys and any other moneys received from the same depositor pursuant to any other registered retirement income fund and that constitutes a deposit or part of a deposit by or for the benefit of the same individual, is deemed to be a single deposit separate from any other deposit of or for the benefit of that individual.

#### Tax-free savings account

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

#### Realty taxes on mortgaged property

(7) An unpaid balance of money referred to in subsection 2(1.1) is deemed, for the purposes of deposit insurance with the Corporation, to be a deposit separate from any other deposit of that depositor with the member institution.





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## Appendix B

### Joint and Trust Account Disclosure By-law

#### Short Title

1. This By-law may be cited as the *Canada Deposit Insurance Corporation Joint and Trust Account Disclosure By-Law*.

#### Interpretation

2. In this By-law,

"Act" means the *Canada Deposit Insurance Corporation Act*; (Loi)

"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 the Corporation 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 the Corporation 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; (*date-repère*)

"schedule" means the schedule to the Act. (*annexe*)

#### Disclosure

3. For the purposes of subsection 3(1) of the schedule, where a depositor is acting as joint owner with another, the following information is to be disclosed by the depositor on the records of a member institution before the determination date:
  - a. a statement that the deposit is owned jointly by the joint owners; and
  - b. the name and address of each of the joint owners.
4. For the purposes of subsections 3(1) and (2) of the schedule, where a depositor is acting as trustee for a beneficiary, the following information is to be disclosed by the depositor on the records of a member institution before the determination date:
  - a. a statement that the deposit is held in trust by the trustee or co-trustees; and
  - b. the name and address of the trustee, or of each of the co-trustees.
5. For the purposes of subsection 3(2) of the schedule, where a depositor is acting as trustee for a beneficiary, the information to be disclosed, subject to subsection 7(1), by the depositor on the records of the member institution before the determination date is the name and address of the beneficiary.
6. (1) For the purposes of subsection 3(3) of the schedule, where a depositor is acting as trustee for two or more beneficiaries, the following information is to be disclosed by the depositor on the records of the member institution:
  - a. before the determination date,
    - i. a statement that the deposit is the subject of a trust under which there are multiple beneficiaries, and
    - ii. subject to subsection 7(1), the names and addresses of each beneficiary; and
  - 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.(2) A depositor may remedy a failure to disclose the information referred to in paragraph 6(1)(b) in respect of a particular year within the time required by that paragraph by disclosing, within 30 days after April 30 of any year following that year but before the determination date, the required information as of April 30 of the year in which it is disclosed. (*not yet in effect*)



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7. (1) The information referred to in section 5 and subparagraph 6(l) (a) (ii) is not required to be disclosed on the records of a member institution if the information described in subsection (2) is disclosed on the records of the institution in lieu thereof and the deposit is held in trust by
- a. the 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 thereof;
  - c. a solicitor or partnership of solicitors, 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; or
  - e. a person who is acting as a trustee of moneys for others in the course of business and is required to hold the deposit in trust by the rules of a securities commission, stock exchange or other regulatory or self-regulating organization that audits compliance with those rules.
- (2) For the purposes of subsection (1), the information that is to be disclosed on the records of a member institution is a separate alphanumeric code or other identifier, in respect of each beneficiary, that can be found in records kept by the depositor that contain an up-to-date list of
- a. the name and address of each beneficiary; and
  - b. particulars of the amount or percentage of each beneficial interest.

#### **Supplementary Information**

8. For the purposes of section 14 of the Act, the Corporation may, in respect of a deposit, require a depositor who has disclosed on the records of a member institution that the person was acting as trustee for another or as joint owner with another to provide the Corporation, within 10 days or such greater period as it allows, with additional information, or with access to records, concerning the trusteeship, the interest of any beneficiary or the joint ownership.

#### **Transitional**

9. This By-law has effect with respect to deposits for which the applicable determination date is after December 31, 1996.



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**TABLE 1**  
**SUMMARY: INSURANCE CATEGORY –**  
**DISCLOSURE REGIME – AGGREGATION**

	MEMBER INSTITUTION RECORD	DEPOSIT AMOUNT	DEPOSITOR	COVERAGE - CATEGORY	DISCLOSURE IN ADDITION TO NAME OF DEPOSITOR	AGGRE- GATE
1	Broker as agent for A	75,000	A	Basic		1 + 2
2	A	85,000	A	Basic		1 + 2
3	A in trust for Z	75,000	A	Trust	-Trust deposit -Name and address of trustee -Name and address of beneficiary	
4	Dealer as nominee for A	65,000	Dealer	Trust	-Trust deposit -Name and address of trustee -Name and address of beneficiary <i>might be entitled to use alpha numeric identifier</i>	4 + 8
5	A and B	75,000	A and B	Joint	-Joint ownership -Name and address of each joint owner	5 + 9
6	Dealer as nominee for customers A, B, C, D and E	85,000	Dealer	Trust	-Trust deposit -Name and address of trustee -Name and address of each beneficiary -Annual % interest (or \$) of each beneficiary <i>might be entitled to use alpha numeric identifier</i>	
7	Lawyer in trust for A, B, C, D, E	200,000	Lawyer	Trust	-Trust deposit -Name and address of trustee -Name and address of each beneficiary -Annual % interest (or \$) of each beneficiary <i>Entitled to use alpha numeric identifier</i>	
8	Dealer as nominee for A	75,000	Dealer	Trust	Same as #4	4 + 8
9	Broker as agent for A and B	95,000	A and B	Joint	Same as #5	5 + 9
10	Trusteed RRSP for A	100,000	Trust Company	RRSP	-Trust deposit -Name and address of Trustee -Name and address of beneficiary	
11	Non-trusteed RRSP for A	100,000	A	RRSP		
12	Trustee ITF A, A & B jointly, B	100,000	Trustee	Trust	-Trust -Name and address of Trustee -Name and address of each beneficiary	Interests of A and of B