

Deposit Insurance Information By-law

INFORMATION BULLETIN

Updated April 2020

Coming into effect April 30, 2020

New

What's New?

This updated version of the Information Bulletin reflects changes made to the deposit insurance framework as a result of the Deposit Insurance Review (DIR), specifically respecting the coverage of eligible deposits held in foreign currencies and eligible deposits with terms greater than 5 years.

Updates include:

- **Introduction of a consolidated symbol to facilitate compliance with CDIC's website display requirements.**
- **Enhanced key definitions and several new Qs & As in response to members' experiences with the bulletin since October 2017.**
- **Clarity regarding negative stamping requirements and certain telephone representations pursuant to the *Disclosure on Account Opening by Telephone Request Regulations* in light of changes to the CDIC coverage framework.**

Introduction:

Member institutions play an important role in informing depositors of information about CDIC deposit insurance protection. The objective of the [CDIC Deposit Insurance Information By-law](#) ("the By-law") is to ensure that CDIC member institutions provide accurate information about deposit protection to consumers and that they contribute to depositor awareness regarding CDIC coverage. The By-law governs the requirements for member institutions regarding the disclosure of their status as a CDIC member and to convey to depositors information regarding the deposit insurance protection provided by CDIC.

Disseminating accurate information about deposit insurance helps to ensure that depositors have the information they need to make informed financial decisions. The By-law establishes requirements so that consumers have access to timely information about deposit insurance, in an environment where interactions with financial institutions are increasingly made through electronic distribution channels. Awareness about deposit protection also enhances confidence in the financial system and mitigates the risk of bank runs, thereby contributing to overall financial stability.

This Information Bulletin is designed to provide helpful guidance to assist CDIC member institutions in understanding and complying with the By-law's requirements and should be read

alongside the By-law. It sets out practical information to assist members in meeting CDIC's expectations and display requirements.¹

For further context, the By-law includes:

- a prohibition on making false, misleading or deceptive representations about what is or is not a deposit, what is or is not an insured deposit, and who is a CDIC member (s.2);
- requirements to display the CDIC entrance sign and membership sign (s.5);
- requirements for digital display on electronic platforms (s.5 & 7);
- requirements to display information about CDIC membership and CDIC deposit insurance protection (s.5, 6 & 8);
- requirements regarding the provision of the CDIC brochure to depositors at account opening, if the account pertains to an eligible deposit (s.6);
- requirements to stamp instruments of ineligible deposit products with a warning statement that the instrument is not, or is partially not, eligible to be insured by CDIC (s.9);
- requirements to notify CDIC of trade names that are used by the member in the context of its eligible deposit-taking activities (s.10); and
- requirements to provide CDIC with an updated Deposit Product List and compliance certification on an annual basis (s.11).

New

Key Definitions (section 1 of the By-law & others):

The definitions provided are meant to help ensure that CDIC information is displayed in a manner that results in depositors having easy access to relevant information about deposit insurance protection.

Advertisement: An “advertisement” includes any print, television, or internet communication of information about a CDIC eligible deposit product or the member institution itself, with an objective to promote and market eligible deposit products or the member institution. For greater clarity, this does not include the member's own website, which it uses to provide information about its deposit products and status as a CDIC member.

Document: A “document” refers to a communication issued subsequent to the instrument, in relation to a deposit that the member has received or holds (e.g., an account statement).

¹ This Information Bulletin does not constitute legal advice.

Electronic business site: An “electronic business site” refers to a website, mobile app, automated teller machine, or other electronic site that is used by a member institution to carry on business and at which a person may make a deposit or commence a transaction to open a deposit account with or without the assistance of a representative of the member institution. “Other electronic site” includes any other electronic means by which a depositor can make a deposit or commence a transaction to open a deposit account (for example wearable technology (e.g., Apple watch), and personal online banking sites).

Instrument: An “instrument” refers to the initial confirmation issued by a member to a depositor evidencing that the member is holding a deposit.

New

Place of business: A “place of business” refers to a physical location in Canada where: the majority of the deposit-taking business pertains to deposits eligible to be insured by CDIC; a member institution carries on business; and, a person may make a deposit or commence a transaction to open a deposit account with the assistance of a representative of the member institution. For greater certainty, this does not include automated teller machines.

Member institutions that are uncertain of whether a particular location is a place of business are encouraged to contact CDIC at members@cdic.ca.

Trade Name: A “trade name” is a separate business name and/or business unit used by a member institution as part of its business to sell eligible deposit products and does not represent a separate CDIC member institution. For clarity, subsidiaries of a member institution that are members in their own right are **not** considered trade names of their parent entity.

General Principles (sections 2 and 3 of the By-law):

These sections set out general principles that apply to representations made about CDIC coverage. The governing principle underlying the By-law is that no person shall make any false, misleading or deceptive representations about what is a deposit, what is an insured deposit, and who is a CDIC member institution.

Section 3(3) of the By-law outlines that when a member institution ceases to use a location as a place of business (see definition under “Key Definitions”), it shall remove all references to its status as a member institution and to the deposit insurance provided by the Corporation, including displays of the CDIC entrance sign, the indoor membership sign and brochure from that location.

Furthermore, where a member shares a place of business or a website with a non-member, the member must ensure that the way in which it displays information about CDIC membership and

CDIC deposit insurance protection does not give the impression that the non-member is also a CDIC member.

Pursuant to section 3(4) of the By-law, members have the flexibility to alter the size of the new CDIC digital symbol, provided that its proportions are maintained and that the content is clearly visible and legible. No changes may be made to the physical CDIC entrance sign.

Of note, the CDIC digital symbol is introduced and discussed in a later section. It serves as a consolidated symbol that can substitute for use of the digital membership sign and/or badge on electronic platforms if a member institution chooses, including on the homepage of its website, to help foster ease of compliance with CDIC's online display requirements.

Questions and Answers

Q: Can a member's staff offer information about CDIC deposit insurance protection without being asked?

A: Yes, a member's staff may make statements about CDIC membership and/or deposit insurance protection without first having been asked by the consumer. Statements need not be limited to the content of the CDIC brochure, but the information provided must not be false, misleading or deceptive.

To help educate their staff about CDIC protection, members should refer to CDIC's [website](#). Additionally, CDIC is available to answer questions that staff members may have, and can be contacted at members@cdic.ca.

Q: Can third parties (e.g., brokers) offer information about CDIC deposit insurance protection without being asked?

A: Yes, where a member has authorized a third party to offer its deposit products, the third party may make statements about CDIC deposit insurance protection without first having been asked by the consumer. Statements need not be limited to the content of the CDIC brochure, but the information provided must not be false, misleading or deceptive.

CDIC expects the member to take reasonable and prudent steps to ensure that the third party does not provide false, misleading or deceptive information regarding deposit insurance protection or CDIC membership (e.g., by implementing policies and procedures, and by conducting periodic reviews).

Requirements Regarding Advertisements (section 4 of the By-law):

If a member makes a representation about its CDIC membership status in an advertisement (see definition under "Key Definitions"), it must use one of the statements permitted by subsections 4(1)(a)-(d) of the By-law, or one that is substantially the same. A member can include the

statements in its advertisements in the location of its choice, provided that the statement is not false, misleading or deceptive in relation to who is a CDIC member or about CDIC's deposit insurance protection.

New

In order to avoid depositor confusion, CDIC requires that if a representation about CDIC membership is made where ineligible products are advertised, it must be accompanied by one of the warning statements set out in section 9(1)(a) or (b) of the By-law, or one that is substantially the same. Moreover, the warning statement should appear in close proximity to the representations regarding the ineligible products.

CDIC considers claims that deposits are "insured" or "covered" to be misleading. Given that there are limits to CDIC coverage, there should be no representation made that a product is insured, covered, or that otherwise implies that a deposit is *guaranteed* to benefit from CDIC protection. What can be said is that a deposit is "eligible" for deposit insurance.

A member that would like to receive confirmation of the eligibility of a deposit product can contact members@cdic.ca for information about CDIC's optional product clearance program.

Members may use the CDIC symbol in advertising or on social media sites (e.g., Facebook, LinkedIn, etc.), so long as the location and manner in which the symbol is used does not give the impression that 1) an entity that is not a member institution is a member institution, and 2) that a deposit that is not eligible for CDIC coverage is a deposit eligible to be insured by CDIC.

When advertising products that are offered through a trade name (see definition under "Key Definitions"), the manner of advertising should not give the impression that the trade name is a separate CDIC member or that the product is offered by a separate CDIC member.

Questions and Answers

Q: Could I say "Member of CDIC" on an advertisement that relates to only ineligible products, or both eligible and ineligible products?

A: A member must not give the impression that an ineligible deposit is eligible for CDIC protection. As such, CDIC views it as misleading to make textual representations about CDIC membership where ineligible products are advertised (e.g., credit cards) and where the member does not provide any indication of CDIC coverage limits and ineligible deposits.

New

Where solely ineligible products are advertised, or both eligible and ineligible products are advertised, a statement about CDIC membership may be made, for the purpose of branding the institution as a CDIC member. However, to clearly indicate the ineligibility of the product, the advertisement must be accompanied by one of the warning statements set out in section 9(1)(a) or (b) of the By-law, or one that is substantially the same. Moreover, the warning statement should be placed near the ineligible product(s) and should be likely to draw the consumers' attention.

Q: If a trade name is used in an advertisement, can I say “Member of CDIC”?

A: In the past, the use of trade names (see definition under “Key Definitions”) or names of separate divisions by members has resulted in depositor confusion about CDIC membership, and the application of deposit insurance protection.

When an advertisement relates to a trade name of a CDIC member institution, representations about CDIC membership may be made, so long as they are accompanied by language that indicates that the trade name is in fact a *trade name* of the member institution, and that eligible deposits made under the trade name and the member are aggregately protected up to \$100,000, per category, per depositor.

For example, an advertisement could say: “X product is eligible for CDIC coverage. XYZ is a trade name of ABC Bank, which is a member of CDIC. Deposits made under XYZ and ABC Bank are aggregately eligible for CDIC protection up to \$100,000, per category, per depositor.”

Q: Are member website pages that display ineligible products required to display a warning statement about ineligibility?

A: Given that a member’s own website does not qualify as an advertisement, CDIC does not require a warning statement to be placed on website pages that display ineligible products. However, CDIC does encourage members to provide such statements on their websites, in order to prevent any potential consumer confusion.

If a warning statement is not provided, CDIC does expect that any statement made by the member on its website about CDIC membership be sufficiently segregated from the ineligible products. For example, if a website page relates to both eligible and ineligible products (e.g., a GIC and money market mutual fund), a member can include an acceptable statement about CDIC membership, so long as it is near the GIC information and sufficiently segregated from the mutual fund.

Requirements Regarding Signage Display for Physical Locations (sections 5 and 7 of the By-law):

These sections of the By-law set out the signage requirements for physical locations of the member.

Entrances of places of business: Members must prominently display the physical CDIC entrance sign at each entrance to each of its places of business (see definition under “Key Definitions”), so that it is clearly visible during business hours upon entering such place of business. In order to be prominently displayed, the entrance sign should be placed approximately 1.5 meters from the ground on any door that is used by the public to enter the place of business, or at such height immediately next to any door. The sign should remain visible when the door is open. For example, the sign should not be located on a

pocket door that is pushed into a wall during business hours. CDIC does not consider the display to be prominent if the sign is placed on or near the floor or ceiling, or if the visibility of the sign is impacted by other information or displays.

Where a kiosk or temporary place of business does not have a readily identifiable entrance, CDIC does not expect the member to display the physical entrance sign at that location.

The physical entrance sign to be used at the entrance to a member's places of business will be provided by CDIC and can be obtained by contacting CDIC at members@cdic.ca.

Membership Sign – For Display at Entrances



Inside places of business: Members must display a membership sign containing the names of all the CDIC members that belong to the same corporate group and that do business out of that place of business (see definition under “Key Definitions”). This would include the parent entity and all subsidiary members that operate out of that place of business.

This membership sign must be prominently displayed **within** each place of business so that it is visible from the main customer areas during business hours. This requirement can be met either by displaying a physical membership sign within each place of business or by displaying it electronically on screens (e.g., by using rolling displays on screens/monitors).² Displaying the sign electronically or physically above the tellers or on the desks used by representatives of the member would generally be considered prominent. Displaying the sign in a separate area of the branch targeted for specialized bank services would not be considered prominent, since it would be unlikely to draw the attention of most customers.

Where a kiosk or temporary place of business has a representative of the member physically on site to assist a customer in making a deposit or commencing a transaction to open a deposit account, the location would be considered a place of business, and display of the indoor CDIC membership sign would be **required** in a conspicuous location that would likely attract the attention of consumers. However, if a location is solely used for

² CDIC encourages its members to, upon request and reasonable implementation timelines, display other electronic CDIC materials from time to time.

promotional purposes and no such transactions are conducted, CDIC would not consider such a location to be a place of business.

The membership sign to be used within a place of business, containing the member's name, must be developed by the member institution by using the CDIC digital sign, available [here](#).

With respect to the development of the physical membership sign, members have flexibility, so long as the proportions or color of the CDIC logo are not altered, the contents of the sign are legible, the sign is prominently displayed and visible from the main areas of the branch, and the placement of the sign would be reasonably likely to draw customers' attention.

Membership Sign – For Display Indoors



Member-branded ATMs: A member institution shall prominently display the CDIC sign at each of its branded automated teller machines at which a person may make a deposit. The requirement may be met by either 1) displaying the physical or digital CDIC sign immediately above the ATM, or 2) displaying the digital CDIC sign on the ATM screen itself, upon the depositor commencing a transaction.

The digital CDIC sign for ATMs is available [here](#). There is no requirement for this digital sign to contain a hyperlink, or to otherwise be interactive. Members wishing to display the physical sign should print out the digital sign for that purpose. Where a member uses a physical or digital ATM sign, the color and proportions of the original must be retained, its contents must remain clearly visible and legible, and its placement should be reasonably likely to draw customers' attention.

The member must display the CDIC sign at an ATM if it contains the member's own branding, regardless of which entity has actual ownership of the ATM. The CDIC sign should

not be displayed on a non-member branded ATM, as this might give a false impression about which institution is a CDIC member.

CDIC Sign – For Member-branded ATMs



Questions and Answers

Q: The CDIC sign at the entrance of my branch is displaying signs of wear and tear, can I obtain a new sign?

A: Yes, members are expected to ensure their entrance signs are clearly visible and legible. This includes ensuring that the sign is clean and well maintained. Please contact CDIC at members@cdic.ca to obtain new CDIC entrance signs when needed.

Q: Can I print my own CDIC signs for display at the entrances of my places of business?

A: Yes, members wishing to print their own sign for entrance display may do so. No changes can be made to the physical entrance sign. CDIC expects the signs to meet CDIC's guidelines for proportions and color reproduction, and that they be placed prominently (as outlined above). A digital version of the CDIC entrance sign is available for download [here](#).

Q: CDIC requires prominent display of the membership sign within each place of business. When using digital in-branch rolling displays, how often does the CDIC content need to be displayed?

A: As a guiding principle, the frequency and manner of display should be such that it would be reasonably likely to draw customers' attention. The frequency and rotation of the membership sign should be similar to a member's display of its own information and marketing materials on digital displays.

Q: Can I include animations when introducing the membership sign on screens?

A: Yes, animations are permitted when introducing the membership sign, but the membership sign itself must be visible in its entirety once introduced and must be reasonably likely to draw a customer's attention to the sign.

New

Q: If someone is present at a location, does that automatically mean the location is a place of business?

A: No, the mere presence of an individual representing the member does not automatically make it a place of business. To be considered a place of business, the member must conduct business at the location, and a member representative must be physically on site to assist a customer in making a deposit or commencing a transaction to open a deposit account.

Q: I rely on deposit brokers and third-party advisors for the sale and marketing of my eligible products. Is a physical location from which brokers/advisors operate a place of business?

A: If the member institution is carrying on business through that independent deposit broker or third-party advisor at that location (i.e., if the deposit broker or advisor is acting as an agent or nominee of the member institution and has the unrestricted ability to bind the member institution), then the location would be considered a place of business and would be required to adhere to CDIC's signage requirements.

Otherwise, a location from which a deposit broker or advisor sells and markets eligible products of a member institution is generally not considered a place of business for purposes of this By-law.

Q: For shared locations where other businesses conduct business along with the member, how can the CDIC sign display requirements be satisfied in a way that is not misleading or deceptive?

A: For a shared place of business, the membership sign must not be displayed in an area that may be misleading or deceptive about who is a member or what is an eligible deposit.

Member institutions who share places of business are encouraged to contact CDIC at members@cdic.ca in order to understand how to be compliant with the requirements, given their specific circumstances.

New

Q: What if I am an entity that is subject to signage requirements of a provincial deposit insurance authority?

A: Member institutions who are subject to signage requirements of a provincial deposit insurance authority should contact CDIC at members@cdic.ca to discuss the applicability of the requirements in their specific circumstances.

Q: We are a virtual bank and have no branch network, only a head office and a call centre. We do not serve customers in person. Do we still have to display the physical entrance sign and indoor membership sign?

A: If a customer were to visit the head office, call centre or other staffed location, and staff would assist the customer to either open an account or make an eligible deposit, the location

would be considered a place of business (see definition under “Key Definitions”). Therefore, the CDIC sign must be prominently displayed at each entrance and the indoor membership sign must be placed within the location. If no such services are provided however, the location would not be considered a place of business and hence, would not require display of the CDIC signs.

New

Display of the CDIC Digital Symbol (sections 5 and 7 of the By-law):

The website(s) and app(s) of a member institution must display a CDIC symbol in order to help consumers identify the entity as a CDIC member and to provide customers with easy access to important CDIC information. CDIC has developed a new digital symbol which fulfills the function of both the CDIC digital membership sign and badge (as required by sections 5 and 7 of the By-law).

For greater certainty, a member institution that chooses to use the new CDIC digital symbol in place of the CDIC membership sign and/or badge on its electronic platforms, including on the homepage of its website, while fulfilling all other requirements as set out below, will be considered as meeting the online display requirements pursuant to the By-law.

CDIC Digital Symbol



To implement the CDIC digital symbol on your website or app, [download the desired format](#) and link to the following content relevant to CDIC deposit protection: <https://www.cdic.ca/your-coverage/protecting-your-deposit/?logo=1>

Home page: The CDIC digital symbol must be prominently placed on the home page of the member’s website(s) and mobile app(s). The CDIC digital symbol must link to [this page](#) on CDIC’s website which 1) identifies the member as a CDIC member institution and 2) provides information contained within the CDIC brochure.

However, if the member’s home page is shared with a non-member, the digital symbol must not be displayed on the home page, as this may lead to consumer confusion about which entity is a CDIC member.

Landing pages for eligible deposit products: The CDIC digital symbol must be prominently displayed on each of the pages a depositor would reasonably be expected to visit for information about CDIC eligible deposit products (e.g., pages with information about savings accounts, chequing accounts, GICs, etc.). The digital symbol can link to [this page](#) on CDIC's website which 1) identifies the member as a CDIC member institution and 2) provides information contained within the CDIC brochure. Alternatively, a member could link the digital symbol to the content of the CDIC abbreviated brochure housed on the member's own website. However, CDIC encourages members to link to CDIC's website, given that the abbreviated brochure content will be updated periodically and the member must link to the most up-to-date information.

New

For members' ease, CDIC deems it acceptable to fulfill this requirement by maintaining the CDIC digital symbol in a **constant running footer** of the member's websites and apps, which appears on all pages of the member's website(s) and app(s).

The digital symbol **must** be displayed on pages which pertain to both ineligible as well as eligible deposits. However, members must ensure that the display does not give the impression that a product is eligible for CDIC deposit protection if it is not, or that an entity is a CDIC member if it is not. When the digital symbol is displayed in a location where both eligible and ineligible products are discussed, CDIC expects the symbol to be sufficiently segregated from information about ineligible products, to avoid giving the impression that the ineligible products are protected. Displaying the digital symbol in the **footer** of the webpage would accomplish this.

On a mobile application, the digital symbol may appear in the navigation menu, so long as the navigation pane would be visible on: (a) the home page, (b) the landing page for each deposit product eligible to be insured by the Corporation, and (c) the page where a depositor makes transactions after logging on.

Depositor's online personal banking page: For electronic business sites, the CDIC digital symbol must be prominently displayed on the page that loads immediately following depositor log-in to their personal banking page. The symbol can link to [this page](#) on CDIC's website which 1) identifies the member as a CDIC member institution and 2) provides information contained within the CDIC brochure. Alternatively, a member could link the digital symbol to the content of the CDIC abbreviated brochure housed on the member's own website. However, CDIC encourages members to link to CDIC's site, given that the abbreviated brochure content will be updated periodically, and the member must link to the most up-to-date information.

New

Wearable Technology: With respect to wearable technology (e.g., Apple Watch), members would meet the requirements by placing the digital symbol on the page following depositor

log-in. For flexibility, the digital symbol can link to CDIC’s page, or the member may store the requisite information in the app itself and make this information available when the symbol is clicked on (i.e., through a pop-up or alert). In such cases, a pop-up message, informing the client of the availability of CDIC information on CDIC’s website would suffice. The pop-up verbiage should contain some additional information about deposit insurance, for example: “ABC Bank is a member of the Canada Deposit Insurance Corporation (CDIC). Please click on the CDIC symbol displayed on your device, or refer to CDIC’s website cdic.ca to learn more about CDIC deposit protection.”

Proportions and prominence: The member must ensure that the proportions of the CDIC symbol are not altered, and that the content of the symbol is clearly visible and legible wherever it is placed.

Questions and Answers

New

Q: The previous version of this Information Bulletin (2017) prescribed a different method for fulfilling the digital requirements, by requiring display of two separate CDIC symbols – a digital membership sign and badge. Will I still be compliant with the requirements if I continue using that previous method?

A: Yes. CDIC acknowledges that many members experienced difficulties in meeting the requirements around maintaining a separate CDIC membership sign and badge – in particular, the requirements that both should be placed on the homepage of their websites. As such, CDIC developed a single digital symbol to replace both the membership sign and badge, to facilitate ease of compliance while still ensuring that depositors receive accurate and comprehensive information on CDIC deposit insurance coverage to make informed financial decisions.

That being said, members that wish to adhere to the previous digital requirements pursuant to the By-law (as outlined in the 2017 Information Bulletin) **may continue to do so**, provided that they successfully fulfill all of these requirements.

Members are advised to contact CDIC at members@cdic.ca to clarify any uncertainty regarding the requirements.

New

Q: The CDIC digital symbol must link to CDIC’s website. How do I embed this functionality?

A: The digital version of the CDIC symbol can be downloaded [here](#). Members should link the symbol to CDIC’s website at [this location](#).

Additionally, it is possible for CDIC’s website to automatically detect which institution a consumer is coming from when the CDIC digital symbol is clicked on, and for the CDIC page to display the name of the referring CDIC member institution and confirm its membership. This additional functionality customizes the CDIC website for the visitor, while reinforcing that the referring member is a CDIC member institution.

In order to embed this functionality and for any other technical assistance, please contact members@cdic.ca, and a member of our team will be pleased to assist you.

Q: Are member website pages that display products that are ineligible for CDIC coverage required to display a warning statement about ineligibility?

A: Given that a member’s own website does not qualify as an advertisement, CDIC does not require a warning statement to be placed on website pages that display ineligible products. However, CDIC does encourage members to provide such statements on their websites, in order to prevent any potential consumer confusion.

If a warning statement is not provided, CDIC does expect that any statement made by the member on their website about CDIC membership be **sufficiently segregated** from the ineligible products. For example, if a website page relates to both eligible and ineligible products (e.g., a GIC and money market mutual fund), a member can include an acceptable statement about CDIC membership, so long as it is near the GIC information and sufficiently segregated from the mutual fund.

Q: Can I use the CDIC digital symbol in advertising or on social media platforms?

A: Yes, members may use the CDIC digital symbol in advertisements (see definition under “Key Definitions”) or on social media sites (e.g., Facebook, LinkedIn, etc.), so long as the location and manner in which the symbol is used does not give the impression that an entity that is not a member institution is a member institution, and a deposit that is not eligible for CDIC insurance is eligible.

When advertising products that are offered through a trade name (see definition under “Key Definitions”), the manner of advertising **should not** give the impression that the trade name is a separate CDIC member or the product is offered by a separate CDIC member.

Requirements Regarding the Display and Providing of the CDIC Brochure (section 6 of the By-law):

CDIC supplies members with the physical CDIC brochure (“*Protecting your Deposits*”), and with a digital version of the abbreviated brochure available [here](#).

Inside places of business: Members must prominently display physical copies of the “*Protecting your Deposits*” brochure in each place of business (see definition under “Key Definitions”). The brochure placement should be as prominent as the member’s own marketing materials of similar size, and should be visible from the main areas of the place of business so that customers are reasonably likely to observe the brochure. Members must also make the brochure available to their customers upon request. Members must ensure

that the display of the brochure does not give the impression that a product is eligible for CDIC deposit protection if it is not, or that an entity is a CDIC member when it is not.

Members should contact CDIC at members@cdic.ca to obtain the physical “*Protecting Your Deposits*” brochure that needs to be displayed at each place of business.

At account opening: To contribute to depositor awareness and retention of the key points about deposit insurance, a member must provide the depositor with a copy of the abbreviated CDIC brochure as part of the account opening process for an eligible deposit. The abbreviated brochure is not the same as the “*Protecting Your Deposits*” brochure. CDIC only provides members with a digital version of the abbreviated brochure (available [here](#)). The member is required to print the abbreviated version of the brochure, either in grayscale or in color, for provision at account opening, where applicable.

The abbreviated version of the brochure must be provided to depositors at the same time and in the same manner as the rest of the account opening documents (see definition under “Key Definitions”). If a member is providing account opening documents in paper form, the member should print the abbreviated brochure and include it in the account opening package. Alternatively, if account opening documents are being provided in digital format, such as via email, the digital abbreviated brochure should also be provided in that email. Where account opening documents are provided partly in paper and partly in digital formats, members have the flexibility to provide the abbreviated brochure in either physical or digital format.

Questions and Answers

Q: Can the CDIC brochure be displayed in kiosks and marketing venues that do not meet the definition of place of business?

A: Yes, a member may display and distribute the “*Protecting your Deposits*” brochure, whether in physical or digital format, in locations that do not fall under the definition of a place of business, so long as the display does not give the impression that a product is eligible for CDIC deposit protection if it is not, or that an entity is a CDIC member when it is not.

Q: Does the member need to provide a customer with the abbreviated brochure even if that customer already has another account with the member?

A: Yes. Even if a customer has other accounts with the member, if a customer opens another account in respect of an eligible deposit, the member must provide the abbreviated brochure together with the account opening documents (see definition under “Key Definitions”). Where a customer merely enters into a transaction to purchase another eligible product for placement in a pre-existing account that already contains eligible deposits (or makes a new deposit in an existing deposit account), the member is not expected to provide the abbreviated brochure again. In other words, once the account is opened, the abbreviated

brochure would not need to be provided again when a depositor adds eligible products to that same account. However, if a depositor is opening a separate account that contains eligible products, the abbreviated brochure would again need to be provided.

Q: Are brokers required to supply their clients with the abbreviated brochure as part of the account opening process?

A: The requirement is for the member to supply the depositor with the abbreviated version of the brochure. In the case of a trust deposit (i.e., where a broker is holding deposits as trustee for its clients), the broker is the depositor. The member is therefore required to provide the abbreviated brochure to the broker every time an account is opened containing eligible deposits, as part of the broker's account opening process. Where the broker already has the account opened and merely enters into a transaction to purchase another eligible product for placement in that same account (or makes a new deposit in that same account), the member institution is not expected to provide the abbreviated brochure for that account again.

That said, brokers are not precluded from providing a copy of the abbreviated version of the CDIC brochure to their clients, provided that doing so does not result in the broker making a false, misleading or deceptive representation with respect to what constitutes or does not constitute a deposit, what constitutes or does not constitute a deposit that is eligible to be insured by CDIC, or who is a member institution.

Q: Can I just provide a link to the abbreviated brochure if the account opening documentation is provided electronically?

A: It is important that depositors are provided with key points about deposit insurance as part of the account opening process, since the direct provision of information at this time helps depositors retain information. The direct provision of the abbreviated brochure is therefore encouraged.

To provide members with some flexibility, the provision of a link may be considered sufficient, so long as it is accompanied by verbiage that explains that the link contains information about deposit insurance. For example: "Canada Deposit Insurance Corporation (CDIC) is a federal Crown corporation that protects your deposits at financial institutions that are CDIC members. We encourage you to learn about CDIC protection by reviewing the [CDIC brochure](#) or in our branch and CDIC's website [cdic.ca](#)".

Requirements Respecting Warning Statements for Ineligible Deposits (Negative Stamping) (section 9 of the By-law):

To help ensure depositors are aware that a deposit is not eligible for CDIC deposit insurance protection, members must negative stamp certain instruments (see definition under "Key Definitions") with a prescribed warning statement. The warning statement highlights that the

product is not eligible to be insured by CDIC. The negative stamping requirements apply regardless of whether the instrument is provided in paper or electronic form. Members must negative stamp a) instruments evidencing an ineligible deposit product, and b) instruments evidencing both an ineligible and an eligible deposit product with one of the warning statements outlined in section 9 of the By-law, or one that is substantially the same. Negative stamping must appear on the face of the instrument.

In addition, members may choose to negative stamp certain documents (see definition under “Key Definitions”) with one of the prescribed warning statements.

New

Given changes made to the deposit insurance coverage framework, as of April 30, 2020 eligible deposits held in foreign currencies, and eligible deposits with original terms greater than 5 years will be eligible for CDIC coverage. As such, as of April 30, 2020, the instruments of these products must no longer contain a warning statement.

Section 9(3) of the By-law outlines that if a person communicates with a member institution by telecommunications to make a deposit or commence a transaction to open a deposit account that would contain deposits that are not eligible to be insured by CDIC, the member institution shall: 1) make an oral representation that is substantially the same as one of the statements set out in subsection (2), and 2) issue to the person a notice that includes one of the statements set out in subsection (2) in writing, or by electronic means.

New

As such, as of April 30, 2020, if a person makes a deposit or commences a transaction to open a deposit account in respect of eligible deposits held in foreign currencies and/or with a term of greater than 5 years by telephone, the member institution **must no longer** send out or make a statement of the deposit’s ineligibility. Amendments to regulations under the *Bank Act* will be forthcoming to reflect this change. Specifically, amendments will be made to paragraph 2(1)(e) of the *Disclosure on Account Opening by Telephone Request (Banks) Regulations* and as well to regulations that apply to trust and loan companies.

Questions and Answers

Q: What if an instrument contains both eligible and ineligible deposits?

A: When an instrument represents both an ineligible deposit and an eligible deposit, one of the negative stamp phrases must be included in the specified locations, in order to communicate to the depositor that the ineligible deposits are not eligible to be insured by CDIC.

Q: Am I required to provide a warning statement on mutual fund instruments?

A: No, members are no longer required to negative stamp mutual fund instruments.

Required Reports and Certification (sections 10 to 12 of the By-law):

The By-law includes reporting requirements with respect to trade names and deposit product lists. In addition, it requires a compliance certification from member institutions.

Trade names: The use of trade names (see definition under “Key Definitions”) or names of divisions or business units by members has resulted in depositor confusion about CDIC membership (i.e., who is offering the product), and the application of deposit insurance protection. A trade name is a separate business name used by a member institution as part of its business and does not represent a separate CDIC member institution. Since the \$100,000 coverage limit applies to all eligible deposits held by the member, it is important for depositors to know which member holds their deposits, as it may not always be obvious when the member offers deposits under a trade name that is different from the member’s legal name.

As part of the regular Return of Insured Deposits (RID) filing, on July 15 of every year, each member must provide an up-to-date list of all the trade names and business division names it uses in connection with its eligible deposit-taking activities (including for the marketing of eligible products). As such, any name the member uses, other than its legal name, should be provided to CDIC along with the member’s RID filing.

During the course of a premium year, if a member intends to use a new trade name for this purpose and had not previously reported the trade name to CDIC, it **must** provide CDIC with 15 days’ notice prior to the first public use of the trade name or division name.

New

Members must also permit CDIC to make the contents of its trade name list available to the public and must itself publish an up-to-date list of its trade names on its website. This list must be placed in a location that a depositor would reasonably be expected to visit for information about the member’s trade names. For example, either 1) near the CDIC symbol, directly on the member’s home page, or 2) on a separate web page that is accessible via a single hyperlink that is placed near the CDIC symbol on the home page. If the member uses a hyperlinked page to provide the list of trade names, the hyperlink name should make reference to “CDIC Information”.

Deposit Product Lists: As part of the annual RID filing, each member must prepare and maintain a list of its deposit products that it considers eligible for CDIC deposit insurance protection (as at April 30). An authorized officer of the member must certify that each deposit product generating an amount included in the total amount of insured deposits (in the RID) has been included in the Deposit Product List. While a member may make the list available to its depositors, it is not required to do so. CDIC may also ask members to provide supplementary information with respect to products included on their Deposit Product List.

Annual compliance certificate: As part of the annual RID filing, an authorized officer of the member must annually certify compliance with the requirements of the By-law. CDIC expects members to have appropriate policies, procedures, and processes in place to provide the authorized officer with sufficient assurance that the member complies with the requirements of the By-law in all material respects. Processes may include periodic reviews by a member institution's internal audit function to determine whether appropriate policies and procedures exist and whether they are being followed.

Questions and Answers

Q: How do I file the annual list of trade names with CDIC?

A: CDIC will annually provide members with a form as part of the RID instructions that members will use to file their trade names as part of the RID filing process.

Q: How do I notify CDIC of any new trade names throughout the year?

A: A notification to CDIC of changes to the list during the premium year, must be sent to members@cdic.ca, and must contain a clear description of changes, the new trade name, the date of first intended use of the trade name, etc. The use of a new trade name by a member often generates a significant number of calls to CDIC. For this reason, CDIC needs 15 days' advance notice to allow for updates to our systems and processes, and to appropriately inform consumers.

Q: Should I include products no longer offered in my Deposit Product List? Do I have to include a list of every deposit we hold?

A: The list should include all eligible deposit products for which a balance remains outstanding. The list must include product types or product names, including types of accounts and types of deposit products. CDIC may provide members with a detailed Deposit Product List form as part of the RID instructions.

Q: What if I'm not sure whether a product is eligible for CDIC deposit insurance protection?

A: CDIC expects that each member has in place robust procedures to determine the eligibility of deposit products for CDIC insurance. If a member is uncertain as to a product's eligibility, it may contact members@cdic.ca to obtain information about CDIC's optional product clearance process.