

Deposit Insurance Information By-Law

# INFORMATION BULLETIN

October 18, 2017



The *Canada Deposit Insurance Corporation Information By-law* (the By-law) governs disclosures about membership status and the deposit insurance protection provided by the Canada Deposit Insurance Corporation (CDIC). The By-law includes:

- a prohibition on the making of false, misleading or deceptive representations about what is or is not a deposit, what is or is not an insured deposit, or who is a CDIC member;
- a requirement that the member provide a copy of an abbreviated brochure to depositors at account opening if the account pertains to an eligible deposit type;
- requirements to display information about CDIC membership and CDIC deposit insurance protection;
- requirements to stamp instruments referencing ineligible deposit products with a warning statement;
- requirements to notify CDIC of trade names that are used by the member in the context of its eligible deposit-taking activities; and
- requirements to provide CDIC with an updated Deposit Product List and compliance certification on an annual basis.

This Information Bulletin sets out practical information to assist members in meeting CDIC’s expectations<sup>1</sup> and **display requirements**. This Information Bulletin follows the structure of the By-law and should be read together with the By-law. It supersedes and replaces previous bulletins relating to the By-law. The By-law is available [here](#).

## Key definitions (refer to Section 1 of the By-law)

The purpose of the definitions is to help ensure that the CDIC membership sign, badge, and the CDIC brochure are displayed in a manner that results in depositors having access to timely information about deposit insurance protection, in an environment where interactions with financial institutions are increasingly done through electronic distribution channels. The definitions “place of business” and “electronic business site” are used to describe the locations where display of the CDIC membership sign, brochure and badge must be displayed. Member institutions that are uncertain as to whether a particular location is a place of business or an electronic business site are encouraged to contact CDIC at [members@cdic.ca](mailto:members@cdic.ca).

**“place of business”** means a physical location in Canada where a member institution carries on business and where 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 but does not include an

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<sup>1</sup> *This Information Bulletin does not constitute legal advice. Only the courts can provide decisive answers on matters of legal interpretation*

automated teller machine.

**“electronic business site”** means a website 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, and for greater certainty, includes an automated teller machine.

## Questions and Answers

**Q: Does a representative of the member institution have to be physically present for the location to be considered a place of business? If someone is present at that location, does that automatically mean the location is a place of business?**

**A:** 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 (i.e., complete and submit an account opening form).

**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:** A physical location from which an independent deposit broker or third party advisor sells and markets eligible products of a member institution is generally not considered a place of business for purposes of this by-law, unless the member institution is carrying on business through that deposit broker or advisor at that location (i.e., if the deposit broker or advisor is acting as agent or nominee of the member institution and has unrestricted ability to bind the member institution).

**Q: Is a kiosk in a mall displaying various print materials a “place of business”?**

**A:** When a representative of the member is physically on site to assist a customer in making a deposit or commencing a transaction to open a deposit account, then the location would generally be considered a “place of business”. If a location is solely used for promotional purposes and no such transactions are conducted, CDIC would generally not consider such location to be a place of business.

**Q: “electronic business site” – What does “other electronic site” mean?**

**A:** The definition is technology neutral, thereby capturing any electronic means by which a depositor can make a deposit or commence a transaction to open a deposit account. This

approach will reduce the risk of the By-law becoming outdated as soon as a new distribution channel emerges. By way of example, websites, mobile apps, telephone banking, ATMs and personal online banking sites could be “electronic business sites” depending on the availability of deposit or account opening services.

## General principles regarding application (refer to Sections 2 and 3 of the By-law)

These sections set out general principles that apply to the By-law’s requirements. The governing principle underlying the By-law is that no one shall make any false, misleading or deceptive statements about what is a deposit, what is an insured deposit, or who is a member institution. In addition, any representation made by a member must comply with Sections 4 to 11 of the By-law.

For example, when a member institution ceases to use a location as a place of business, it shall remove from the location all references to its status as a member institution and to the deposit insurance provided by the Corporation, including displays of the membership sign, brochure and badge. Furthermore, where a member shares a place of business or an electronic business site 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.

In accordance with the By-law, members have flexibility to alter the size of the digital versions of the CDIC membership sign or the CDIC badge, provided the proportions are maintained and the content is clearly visible and legible. For greater clarity, no changes may be made to the physical versions of the CDIC membership sign.

## Questions and Answers

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

**A:** Yes. Member staff may make statements about CDIC membership and/or deposit insurance protection without first having been asked by the depositor. 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 members educate their customer-facing staff, CDIC developed a detailed website and is available to help members deal with questions. CDIC also offers an [online training](#)

[game.](#)

**Q: Can third parties (e.g. deposit 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, CDIC expects the member to take reasonable and prudent steps to ensure the third party does not provide false, misleading or deceptive information regarding deposit insurance protection or CDIC membership (e.g., through policies and procedures and periodic reviews).

## **Representations about membership and CDIC deposit insurance (refer to Sections 4 – 9 of the By-law)**

Member institutions play an important role in informing depositors of information about CDIC deposit insurance protection. These sections set out how and where a member may make statements about its membership status in advertisements and include requirements related to the CDIC membership sign, the CDIC brochure, the CDIC badge, and warning statements.

### **Requirements regarding the use of textual statements about membership status in advertisements (refer to Section 4 of the By-law).**

If members make a textual statement about their membership status in advertisements, they must use one of the statements permitted by the By-law. Subject to qualifications that representations are accurate and not misleading, a member can include one of the statements in its advertisements in a location of its choice provided that the statement is not false, misleading or deceptive in relation to who is a member or about CDIC's deposit insurance protection.

## **Questions and Answers**

**Q: What is an advertisement?**

**A:** The term is not defined in the By-law. An “advertisement” of eligible deposit products would generally include any television or internet communication of information about an eligible deposit product or the member itself with an objective to promote and market eligible deposit products or the member institution.

**Q: Could I say “Member of CDIC” on an advertisement that (a) only relates to ineligible products; or (b) relates to both eligible and ineligible products?**

**A:** The By-law provides flexibility to members in where and how they make the permitted textual statements about CDIC membership. However, members must ensure the statement does not give the impression that a non-member is a member, or that an ineligible deposit is eligible.

For example, CDIC generally views it as misleading to make a textual representation about membership on a website page dedicated solely to a product that is not eligible for CDIC protection (e.g. mutual funds, mortgages, and credit cards). If a website page relates to both eligible and ineligible products (e.g. a 3 year GIC and money market mutual fund), a member can include one of the textual statements provided that the required warning statement is included in a manner that will draw the reader's attention when reading the information about the money market mutual fund.

**Q: Can I make representations (e.g. in advertisements, term sheets, deposit product account/purchase agreements) using language that states a particular deposit is “insured” or “covered”?**

**A:** CDIC considers statements that deposits are “insured” or “covered” to be misleading and potentially false. There should be no representation that a product is insured, covered, or otherwise implying the product is guaranteed to benefit from CDIC protection. There are limits to coverage which are dictated by the aggregate amount of deposits held by a particular customer (in the various deposit categories) at the member institution. 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](mailto:members@cdic.ca) for information about CDIC's optional product clearance program.

**Q: If the member is not clearly identifiable in the advertisement, but rather a unique identifier like a tradename or a name of a banking division is used, can I say “member of CDIC”?**

**A:** No. The use of trade names or names of separate divisions by members has resulted in depositor confusion about CDIC membership, and the application of deposit insurance protection. A trade name is simply a separate business name for a member institution to operate under, and a trade name does not represent a separate CDIC member institution.-CDIC expects that the name of the member institution is clearly identifiable or the full legal name appears wherever there is a statement about CDIC membership.

**Q: The By-law sets out various requirements for prominent display. Does CDIC offer more guidance as to the meaning of prominent?**

**A:** The By-law does not prescribe in detail a specific location where the CDIC membership sign, brochure and badge must be displayed to satisfy the requirement that they be “prominently” displayed. Members therefore have flexibility in determining how best to meet the requirements. Generally, CDIC considers the display of the badge and sign to be prominent if it is

done in a manner and location that are reasonably likely to draw a member's customers' attention and no less prominent than the member's own marketing materials. Please refer to specific by-law requirements contained in the Bulletin for examples of how the CDIC membership sign, brochure and badge could be displayed, both at a place of business, and on various electronic business sites.

### **Requirement to display of the CDIC membership sign (decal) (refer to Section 5 of the By-law).**

The By-law sets out the locations where the membership sign must be displayed. The general principle applies such that the manner of display must not be false, misleading or deceptive about who is a member, or what is an eligible deposit.

**Place of business entrance displays.** A member must prominently display a physical membership sign at each entrance to a place of business such that it is clearly visible during business hours when entering such place of business. This sign will not include the member's name. Prominent display would include a display 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 that is used by the public to enter the place of business. The decal should remain visible when the door is open. For example, the membership 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 it appears on or near the floor or ceiling, or the visibility of the sign is impacted by other information or displays. For greater certainty, where a kiosk or temporary place of business does not have a readily identifiable entrance at which to display a membership sign, CDIC would not expect the member to display a sign at the entrance at that location.

**Place of business indoor displays.** In addition, a membership sign containing the names of the members that belong to the same corporate group, and that do business at that place of business, must be prominently displayed **within** each place of business so that it is visible from the main customer areas of the place of business during business hours. This requirement can be met either electronically on screens (e.g. by using rolling displays on screens/monitors)<sup>2</sup> or by displaying a physical decal within each place of business. Displaying the sign electronically or physically above the tellers or on the desks/kiosks used by representatives of the member

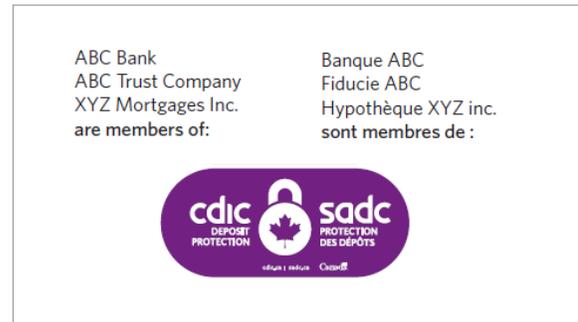
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<sup>2</sup> CDIC encourages its members to, upon request and reasonable implementation timelines, display other electronic CDIC materials from time to time.

would generally be considered prominent. Displaying the sign on a screen in a separate area of the branch targeted for specialized bank services would not be considered prominent since such display would be unlikely to draw the customer’s attention to the sign.

**Membership sign – entrance of place of business**

**Membership sign – inside the place of business**



**Website displays.** A member must display a digital version of the CDIC membership sign on the home page of its website (i.e., the introductory page or start-up page of the website). Much like the need to have a physical membership sign at the entrance of each place of business to identify the entity as a member institution, the home page of a member’s website should be used to identify the entity as a CDIC member institution.

A member may, instead of displaying the sign on the homepage of its website, display the membership sign indirectly by means of prominently placing a single hyperlink on its homepage that links to a location on the member’s website where information about its status as a CDIC member can be found. In such case, the name of the hyperlink should clearly indicate that the hyperlink links to a location where information **about the member’s status as a CDIC member** (i.e., the membership sign) can be found.

The digital membership sign must link to the member entry on the CDIC website (i.e., that portion on the CDIC website where the member institution is identified as a member).

## Questions and Answers

**Q: How do I get the CDIC membership sign?**

**A:** The physical decal to be used at the entrances of each of a member’s places of business can be obtained by contacting CDIC at [info@cdic.ca](mailto:info@cdic.ca).

The sign to be used within a place of business, containing the member’s name, must be

developed by the member institution using the [digital sign](#). With respect to development of a physical in-branch display, members have flexibility in determining how to satisfy the requirement to prominently display the sign so long as the member does not alter the proportions or color of the CDIC logo, the sign is visible from main areas of the branch, the contents of the sign are legible, and the placement of the sign would be reasonably likely draw a member's customers' attention.

**Q: The digital version of the CDIC membership sign must link to the member entry on CDIC's website. How do I imbed this functionality?**

**A:** A member must display a digital version of the CDIC membership sign on the home page of its website. The sign must direct a reader to the member entry on CDIC's website to help the reader ascertain that the institution is a CDIC member. CDIC has developed an [integration guideline](#) to assist members in incorporating the link technology. The digital version of the membership sign can be downloaded [here](#). Questions regarding this functionality can be addressed to [info@cdic.ca](mailto:info@cdic.ca).

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

**A:** Members wishing to produce their own membership sign for display at each entrance may do so. CDIC expects membership signs to meet CDIC's guidelines for minimum size, clear space and color reproduction. Placement of the sign must be prominent, as explained above. A digital file is available for [download](#). For greater certainty, where a kiosk or temporary place of business does not have a readily identifiable entrance at which to display a membership sign, CDIC would not expect the member to display a sign at the entrance at that location.

**Q: My mobile app also has a member home page. Does the requirement to display the digital version of the membership sign on the home page apply in respect of the mobile app?**

**A:** The requirement to display the digital membership sign only applies to the home page of a member's website. Notwithstanding, members may choose to display the digital membership sign on the home page of its mobile app.

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

**A:** CDIC does not prescribe a minimum frequency. As a guiding principle, the frequency and manner of display should be such that it would reasonably likely draw a member's customers' attention. The frequency and rotation of the membership sign should be similar to a member's display of their information (e.g., marketing materials) on digital displays. With respect to development of a physical in-branch display, members have flexibility in determining how to

satisfy the requirement to prominently display the sign so long as the member does not alter the proportions or color of the CDIC logo, the sign is visible from main areas of the branch, the contents of the sign are legible, and the placement of the sign would be reasonably likely to draw a member's customers' attention.

**Q: Can I use the membership sign on social media platforms or in advertising?**

**A:** The membership sign enhances confidence of depositors. Members may use the membership sign in advertising or on social media sites (e.g., Facebook, LinkedIn, etc.) so long as the location and manner in which the membership sign 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 insurance is insured by the CDIC. When advertising products offered through a trade name, 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.

**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 have to display the 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 will generally be considered a place of business. Therefore, the membership sign must be prominently displayed at each entrance and within the location.

**Q: Can I make changes to the membership sign (either the physical decal or digital version)?**

**A:** No changes can be made to the membership sign in its physical form. However, members have the flexibility to alter the size of the digital membership sign, provided the proportions and colors are maintained and the content is clearly visible and legible.

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

**A:** Members are expected to ensure their membership signs are clearly visible and legible. This includes ensuring the sign is clean and well maintained. Please contact CDIC at [info@cdic.ca](mailto:info@cdic.ca) to obtain new CDIC membership signs when needed.

## **Requirement to display and provide the CDIC brochure (refer to Section 6 of the By-law).**

CDIC supplies members with the CDIC brochure ("*Protecting your Deposits*"), in physical form, and

with an abbreviated version of the brochure in digital form. The By-law sets out the following requirements with respect to the CDIC brochure:

**Place of business displays.** Members must prominently display physical copies of the “*Protecting your Deposits*” brochure in each place of business. The brochure placement should be as prominent as the member’s own marketing materials of similar size and shape, and be visible from the main areas of the place of business so that customers of the member are reasonably likely to observe the brochure. Members must also make the brochure available to their customers on 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.

**Provision of the abbreviated brochure 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 an abbreviated CDIC brochure as part of the account opening process for a deposit eligible for CDIC deposit insurance protection. The abbreviated version of the brochure must be provided to depositors at the same time and in the same manner as the account opening documents. If a member is providing account opening documents in paper form, the member should print this document and include it in the account opening package. Alternatively, if account opening documents are being provided in digital format such as an email, the brochure should 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 version of the brochure in either format.

## Questions and Answers

**Q: How do I get the physical CDIC brochure “Protecting your Deposits” to meet the place of business display requirement?**

**A:** Contact CDIC at [info@cdic.ca](mailto:info@cdic.ca) to obtain the physical “*Protecting Your Deposits*” brochure that needs to be prominently displayed at each place of business.

**Q: Do I need to display the “Protecting your Deposits” brochure on electronic business sites?**

**A:** There is no requirement that a member display a digital copy of the “*Protecting your Deposits*” brochure on electronic business sites. Instead, members are required to display the CDIC badge on electronic business sites. The badge contains a hyperlink that links to content relevant to deposit protection.

**Q: I would like to use the CDIC brochure in kiosks and marketing venues that do not meet the**

**definition of place of business. Is this permitted?**

**A:** 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: Is the display version of the brochure (“Protecting your Deposits”) the same as the one to be provided at account opening?**

**A:** No. The “*Protecting Your Deposits*” brochure must be prominently displayed in a place of business. The version of the brochure to be provided at account opening is an abbreviated version supplied by CDIC in digital form for the purpose of providing it at account opening.

**Q: Will CDIC provide me with paper copies of the abbreviated brochure to be provided at account opening?**

**A:** No. CDIC only provides a [digital version of the abbreviated brochure](#). This document is in a printable 1 page format, and where account opening documents are provided solely in paper format, the member is required to print the abbreviated version of the brochure, either in grayscale or in color, for provision at account opening.

**Q: Since the requirement is to provide the abbreviated CDIC brochure as part of the account opening process, would brokers need to supply their clients with the abbreviated brochure?**

**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 (e.g., 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 version of the CDIC brochure to the broker, as part of the broker’s account opening process. 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 insured by CDIC, or who is a member institution.

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

**A:** Yes. Even if a person 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. Where a customer merely enters into a transaction to purchase another eligible product for placement in its account (or makes a new deposit in an existing deposit account), the member is not expected to provide the abbreviated

version of the brochure.

**Q: Rather than providing a copy of the abbreviated brochure at account opening, can I 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 provision of the abbreviated brochure is therefore preferred and ensures the requirements contained in the By-law are met. To provide members with some flexibility to apply the requirement to their unique circumstances, the provision of a link may be considered sufficient so long as it is accompanied by verbiage that explains 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. Coverage is free and automatic — you don’t have to sign up. CDIC encourages you to learn about CDIC protection by reviewing the CDIC brochure available at (insert link) or in branch.”*

**Q: Can I make changes to the brochure?**

**A:** No changes can be made to the physical “Protecting Your Deposits” brochure that must be displayed at each place of business. With respect to the abbreviated version of the brochure that must be provided at account opening, adjustments to the formatting, design, or color may be made, solely for the purpose of integrating the document into the member’s account opening processes.

## **Requirements to display the CDIC badge (refer to Section 7 of the By-law).**

In an effort to increase depositor awareness by improving the display of membership information where depositors conduct transactions, CDIC requires members to display a CDIC badge that links to important CDIC brochure content. If a member has a website in each official language, the member may use the bilingual badge or the CDIC badge in the official language of the website. If a member has a website with only one official language, the bilingual badge must be displayed.

Badges for electronic business sites (other than ATMs)			Badge for ATMs that are electronic business sites
Bilingual badge:	English-only badge	French-only badge	



The By-law sets out the locations where the CDIC badge must be displayed on electronic business sites.

**Electronic business displays.** Members must prominently display the digital version of the CDIC badge, on each electronic business site at each the following locations:

**Home page.** Websites and mobile apps are examples of electronic business sites that have a *member home page* (i.e., the introductory page or start-up page). If a home page is shared with a non-member, the badge must not be displayed on the home page.

**Landing page for each deposit product eligible for CDIC deposit insurance protection.** The badge must be prominently displayed on each of the main pages a depositor would reasonably be expected to visit for information about each CDIC-eligible deposits (e.g. savings accounts, chequing accounts, GICs, certain registered accounts).

**Depositor's online personal banking page, after the depositor has logged-in.** The badge must be prominently displayed on the page that loads immediately following depositor log-in to his/her personal banking page. The badge must contain a hyperlink to the contents of the "*Protecting Your Deposits*" brochure (i.e., a page on CDIC's website or within a member's environment that displays the contents of the brochure).

CDIC's preference is for the badge's hyperlink to link to [brochure content housed on CDIC's website](#). A member may elect to change the badge's hyperlink to link it to identical content housed on the member's own website. However, the member is responsible for ensuring the brochure content is up-to-date, and CDIC may ask the member to provide CDIC with data on the number of visits the destination page received. If a member makes changes to the badge supplied by CDIC, resulting in the hyperlink functionality not being included or functional, the member will not meet the badge display requirements contained in the By-law.

Members have flexibility in determining how to satisfy the requirement to prominently display the CDIC badge in each of the above noted locations. Members must ensure displays do 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. For example, if the badge is displayed in a location where both eligible and ineligible products are discussed, CDIC expects the badge to be sufficiently segregated from information about ineligible products (or placed in the navigation menu) to avoid giving the impression that the ineligible products are protected.

Members must also prominently display the CDIC badge, on all [electronic business sites](#) that are ATMs:

**Member-branded ATMs that accept deposits.** A member institution shall, prominently display, at each of its automated teller machines at which a person may make deposits, a [CDIC badge](#) that is provided in digital format for that purpose. The requirement may be met by displaying the digital badge (e.g., on the ATM screen upon commencing a transaction or on a digital display placed immediately above the ATM). There is no requirement for this badge to contain a hyperlink, or to otherwise be interactive.

As an alternative, members may use the [digital badge image](#) to develop their own physical badge for ATM display purposes. Where a member develops its own physical ATM badge, the color and proportions of the original must be retained and its contents must remain clearly visible and legible, and its placement should be reasonably likely to draw a member's customers' attention.

## Questions and Answers

**Q: There is limited display space in my mobile app. How might I prominently display the badge?**

**A:** Changes may be made to the badge's overall size for the purpose of the digital display, but only if the proportions of the badge are maintained and it is clearly visible. The badge may appear in the navigation menu.

**Q: Where shouldn't I display the badge?**

**A:** The badge must be displayed in a manner that will ensure compliance with the By-law's underlying principle with respect to false, misleading or deceptive representation about what is a deposit, what deposits are eligible for CDIC deposit insurance protection, or who is a CDIC member. By way of example:

- The badge must not be displayed on a member's home page (whether on a website or other electronic site) if the home page is shared with a non-member. This could give a false impression about who is a member, as the badge does not contain information identifying an entity as a CDIC member.
- The badge should not be displayed on a page where only products that are ineligible for CDIC coverage are discussed (e.g. mortgages, credit cards, mutual funds, foreign currency deposits, etc.). This might give a false impression about what is eligible for CDIC

protection.

- The badge should not be displayed on a non-member branded ATM. This might give a false impression about who is a member.
- If the badge is displayed on a page where both eligible and ineligible products are discussed, the badge should appear in close proximity to the discussion of eligible products, so as not to give the impression that an ineligible product benefits from CDIC deposit insurance protection.

**Q: Can I make changes to the CDIC badge? What about changes to the hyperlink address?**

**A:** No changes can be made to the badge’s content, formatting or design. Changes can be made to the badge’s overall size for the purpose of the digital display, but only if the proportions of the badge are maintained and it is clearly visible.

A member may amend the hyperlink so that it links to [identical \(brochure\) content in html](#) on the member’s own electronic business site. This flexibility has been provided to address security concerns raised by some members. In this case, the member is responsible for ensuring the brochure content is up-to-date, and CDIC may request the member to provide CDIC with reports on request on the number of “clicks” the badge has received. CDIC’s preference is for the badge’s hyperlink to link to [brochure content housed on CDIC’s website](#), this will ensure the brochure content is up-to-date, and facilitate compliance with the requirements.

If the CDIC badge is displayed, but the hyperlink functionality is not included or does not work (except in the context of ATMs), the member will not meet the requirement to display the badge.

## **Requirements respecting warning statements for ineligible deposits (negative stamping) (refer to Section 9 of the By-law).**

To help ensure depositors are aware that a deposit is not eligible for CDIC deposit insurance protection (e.g., term deposits with a term greater than 5 years and foreign currency deposits), members must “negative stamp” certain *instruments* with a prescribed warning statement. The warning statement highlights that the product is not insured by CDIC. The negative stamping requirements apply regardless of whether the instrument is in paper or electronic form. Members must negative stamp the following with one of the warning statements:

- (a) instruments evidencing an ineligible deposit product, and
- (b) instruments evidencing both an ineligible and an eligible deposit product.

Negative stamping must appear in one of the prescribed locations and must be in substantially the same words as the prescribed statements.

In addition, members may choose to negative stamp certain *documents* with one of the prescribed warning statements.

## Questions and Answers

### Q: What exactly is an instrument?

**A:** An “instrument” is intended to refer to the initial confirmation issued by a member to a depositor evidencing that the member is holding a deposit. If the instrument relates to a deposit that is not eligible for CDIC deposit insurance protection, the instrument must include one of the negative stamp phrases. 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 insured by CDIC.

### Q: What is a document?

**A:** A document is intended to refer to a communication issued subsequent to the instrument in relation to a deposit that the member has received or holds (e.g., account statement).

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

**A:** *This requirement has been repealed.* Members (and their subsidiaries and affiliates) are no longer required to negative stamp mutual fund advertisements.

## Reports and Certification required under the By-law (refer to sections 10 to 12 of the By-law)

This 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 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 simply 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, which 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 maintain and provide an up-to-date list of trade names and the divisions it uses in connection with its eligible deposit-taking activities (including for the marketing of eligible products). 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 use of the tradename or division with the public. Members must also publish on their website an up-to-date list of their trade names used in relation to eligible deposits, in the same location where CDIC membership sign is displayed, and permit CDIC to make the contents of the list available to the public.

**Deposit Product Lists.** As part of the annual RID filing, each member must prepare and maintain a list (as at April 30), of its deposit products that it considers eligible for CDIC deposit insurance protection. 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.

**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? How do I notify CDIC of updates to the list throughout the year? Why does CDIC need 15 days' notice prior to first use of a new trade name?**

**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 Return of Insured Deposits filing process. A notification to CDIC of changes to the list during the premium year, must be sent to [members@cdic.ca](mailto: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.

**Q: Should I include products no longer offered in my Deposit Product List (DPL)? 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 DPL 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 to have 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](mailto:members@cdic.ca) to obtain information about CDIC's optional product clearance process.

**Q: What does CDIC do with the DPL?**

**A:** The DPL provides CDIC with information about a member's eligible deposits. It also assists CDIC in investigating, from time to time, whether false, misleading or deceptive statements have been made by the member in respect of these products.