

Note: The following template has been prepared by CDIC, in consultation with the Professional Trustee Committee, chaired by the Canadian Bankers Association, in anticipation of changes to the *CDIC Act* and the introduction of the *Co-Owned and Trust Deposit Disclosure By-law* on April 30, 2022. The 2022 Notification Template seeks to assist CDIC Member institutions in providing a standardized message to Trustee depositors in the period between January 1, 2022, and April 30, 2022. It is expected that CDIC Member institutions seeking to use the following template will review and amend its contents as appropriate to meet their own needs and to ensure compliance with CDIC requirements.

This template is provided for information purposes only and does not constitute legal advice or guidance. CDIC does not warrant or guarantee the quality, accuracy or completeness of this template or its fitness for any particular purpose.

CDIC Member Institution

<01 0 0000001> <PKGSEQ> <RPRTGRP>
Mr. John Q. Sample
PCTBAG01 April 2021 - 103083-P01-E>
88 Queens Quay West, 14th Floor
Toronto, ON M5J 0B8

<Insert Date>

RE: 2022 Trustee Notification and Collection of Beneficiary Information under the CDIC Act

Dear <Mr. John Q. Sample>,

<Member Institution> is a proud member of the Canada Deposit Insurance Corporation (CDIC) and as such is required to annually remind trustee depositors to provide us with updated beneficiary information.

You are receiving this notification as our records indicate that you are acting as a trustee for a deposit held in trust at <Member Institution> for others (i.e., the beneficiaries). Please read this letter carefully, as your disclosure responsibilities as a trustee depositor are changing.

The Government of Canada has made important changes to the rules governing how deposit insurance protection is provided for trust deposits by CDIC **that will take effect on April 30, 2022**. For more information about these changes, please visit: <https://www.cdic.ca/financial-community/>.

The upcoming CDIC rules for trust deposits introduce new categories of trustees, along with several new unique disclosure requirements that these trustees must meet. The categories of trustees include:

- Trustees who hold deposits in trust at a CDIC Member Institution and who qualify as a Professional Trustee (Professional Trustees); and
- Trustees who hold deposits in trust at a CDIC Member Institution in various capacities (professional or otherwise) but do not qualify as a professional trustee (Trustees).

Detailed information about disclosure requirements for Professional Trustees and Trustees are available at <https://www.cdic.ca/financial-community/for-trustees/for-professional-trustees>; and <https://www.cdic.ca/financial-community/for-trustees/>, respectively.

Responsibilities as a Professional Trustee depositor

Trustees who hold eligible deposits in trust at a CDIC member institution in their professional capacity may qualify as a Professional Trustee. Professional Trustees may designate some, or all, of their trust accounts as Professional

Trustee Accounts. Doing so allows Professional Trustees to benefit from lighter disclosure requirements for these accounts, as compared to “non-professional” trust deposits.

To determine if you qualify to be a Professional Trustee under the CDIC Act, please refer to the trustee decision tree available at <https://www.cdic.ca/financial-community/for-trustees>

If you are a Professional Trustee and believe that you could benefit from the amended rules, you have certain obligations you must meet for the accounts you wish to identify as Professional Trustee Accounts. In particular, you must carry out the following steps by April 30, 2022:

- (i) Contact us, your CDIC member institution, to request that some or all of your trust accounts be designated as Professional Trustee Accounts;
- (ii) Provide us with an attestation that you are a Professional Trustee (Form attached);
- (iii) Confirm with us the account(s) you would like identified as a professional trustee account; and
- (iv) Provide us with your up-to-date contact information.

To assist you, we have enclosed a Professional Trustee Attestation form, which you can complete and send back to us **[each MI to indicate the manner in which the trustee can provide the information]**. Doing so will help ensure that each beneficiary of these deposits can be factored into the insurance protection provided by CDIC.

If you do not complete the above tasks by April 30, 2022, your accounts held in trust will be considered as “non-professional” trust accounts until such time that you fulfill the obligations required to designate the accounts as Professional Trustee Accounts. Information on your obligations as a Trustee can be found below.

Responsibilities as a (non-professional) Trustee depositor

If you are not a Professional Trustee or prefer not to designate some or all of your accounts as Professional Trustee Accounts, you will be treated as a Trustee for the purposes of CDIC deposit insurance coverage. As a Trustee you are responsible for providing us and updating the following information with respect to each deposit to ensure that each deposit you hold in trust receives full deposit insurance protection:

- Confirmation that the deposit is held in trust;
- The full name of each trustee of the deposit, and the address of at least one trustee;
- The name and address of each beneficiary of the deposit account; and
- If there is more than one beneficiary to the deposit account, the interest of each beneficiary in the funds held in the account, expressed as either an amount (\$) or a percentage (%).

To help you with these tasks, we have enclosed a (non-professional) Trust Beneficiary form, which you can complete and send back to us **[each MI to indicate the manner in which the Trustee can provide the information]**. We ask you to please do so by April 30.

Providing this information is important as it affects how CDIC protects deposits held by Trustees. CDIC uses the latest information on our records to determine deposit insurance coverage. Failure to provide the required information may result in a reduction or loss of CDIC deposit insurance coverage for the deposit.

If you would like more information about the deposit insurance coverage framework regarding trust deposits, please visit the CDIC website at <http://www.cdic.ca/en/about-di/how-it-works/trusts/Pages/default.aspx> or direct your question to info@cdic.ca.