

## IMPORTANT NOTICE

### RE: Upcoming Changes to Deposit Insurance Requirements for Trustees Who Hold Trust Deposits in a Professional Capacity

The Government of Canada has made important changes to the rules governing how deposit insurance protection is provided for trust deposits that are held by certain trustees who hold such deposits in a professional capacity (i.e. **professional trustees**). These changes will take effect **on April 30, 2022**.

Under the new rules, eligible professional trustees **will have the option** to designate some or all of their trust accounts as **professional trustee accounts** or potentially remain as a **general trust**\*<sup>1</sup> (current trust process). By designating trust accounts as professional trustee accounts, professional trustees are no longer going to be regularly asked to provide beneficiary information to CDIC member institutions and would only need to provide the beneficiary information to CDIC when requested to do so.

It is very important that professional trustees become familiar with how their obligations will change for the deposits they hold in trust for their clients at CDIC member institutions prior to the changes taking effect on **April 30, 2022** to ensure these deposits are eligible to be protected by CDIC insurance.

Professional trustees are strongly encouraged to monitor CDIC's website at [www.cdic.ca](http://www.cdic.ca) as more information about the upcoming Professional Trustee changes becomes available, including details on:

- Who can qualify to be a professional trustee;
- How to work with your member institution;
- Requirements professional trustees will need to meet for their professional trustee accounts; and
- Steps professional trustees will need to take and by when to benefit from these new rules.

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<sup>1</sup> General Trust: If the deposit is neither a nominee broker deposit nor a deposit held in an account identified as a professional trustee account, the trusteeship (General Trust) **must** be disclosed on the records of the member institution:

- (a) indicating that the deposit is held in trust;
- (b) setting out each trustee's name and one trustee's address;
- (c) setting out the beneficiary's name and address; and
- (d) setting out the amount or percentage of the beneficiary's interest or right in the deposit.

Additional information is located within the following link:

<https://laws-lois.justice.gc.ca/eng/regulations/SOR-2019-312/FullText.html>