

# Consumer Provisions Under FCAC Supervision

Banks / Foreign Banks (Schedule I & II)  
Authorized Foreign Bank Branches

June 2002

Disponible en français

# Consumer Provisions Under FCAC Supervision and Other Relevant Provisions

## Consumer Provisions Under FCAC Supervision

Note: Always check against actual legislation for certainty

CLAUSE DESCRIPTION	BANKS / FOREIGN BANKS (Schedule I & II)	AUTHORIZED FOREIGN BANK BRANCHES (1)
<p>DUTY TO MANAGE</p> <p>ESTABLISH PROCEDURES FOR DISCLOSURE AND DEALING WITH COMPLAINTS</p> <p>DESIGNATE COMMITTEE TO MONITOR PROCEDURES</p>	<p><b>Duty to manage</b></p> <p><b>157.</b> (1) Subject to this Act, the directors of a bank shall manage or supervise the management of the business and affairs of the bank.</p> <p><b>Specific duties</b></p> <p>(2) Without limiting the generality of subsection (1), the directors of a bank</p> <p>e) establish procedures to provide disclosure of information to customers of the bank that is required to be disclosed by this Act and for dealing with complaints as required by subsection 455(1);</p> <p>f) designate a committee of the board of directors to monitor the procedures referred to in paragraph (e) and satisfy itself that they are being adhered to by the bank; and</p>	<p><b>SAME AS BANKS</b></p>
<p>POSTING OF NOTICE THAT DEPOSITS ARE NOT CDIC INSURED (FOREIGN BRANCHES)</p> <p>NOTICE IN ADVERTISEMENTS</p> <p>REGULATION MAKING AUTHORITY FOR NOTICES AND ADVERTISING</p>		<p><b>Requirements on branch of restricted foreign bank</b></p> <p><b>540.</b> (2) Where subsection 524(2) applies, the authorized foreign bank shall, in accordance with any regulations that may be made,</p> <p>a) post notices in its branches in Canada that it does not accept deposits in Canada and that it is not a member institution of the Canada Deposit Insurance Corporation; and</p> <p>b) include in its advertisements the prescribed information.</p> <p><b>Regulations</b></p> <p>(3) The Governor in Council may make regulations respecting notices and advertisements for the purpose of subsection (2).</p>
<p>PROVIDING NOTICE WHEN OPENING A DEPOSIT ACCOUNT THAT DEPOSITS ARE NOT CDIC INSURED</p> <p>POSTING NOTICE THAT DEPOSITS ARE NOT CDIC INSURED</p> <p>NOTICE THAT DEPOSITS ARE NOT CDIC INSURED IN ADVERTISEMENTS</p>	<p><b>Notice before opening account</b></p> <p><b>413.1</b> (1) Before a bank to which paragraph 413(1)(b) applies opens a deposit account in Canada, the bank shall give the person requesting the opening of the account, in the prescribed manner,</p> <p>a) a notice in writing that the deposit will not be insured by the Canada Deposit Insurance Corporation; and</p> <p>b) any other information that may be prescribed.</p> <p><b>Other notice</b></p> <p>(2) A bank to which paragraph 413(1)(b) applies shall, in accordance with such regulations as may be made,</p> <p>a) post notices in its branches in Canada to inform the public that deposits with the bank are not insured by the Canada Deposit Insurance Corporation; and</p> <p>b) include in its advertisements notices to inform the public that deposits with the bank are not insured by the Canada Deposit Insurance Corporation.</p>	<p><b>Notice before opening account</b></p> <p><b>545.</b> (4) Before an authorized foreign bank opens a deposit account in Canada, the bank shall, in the prescribed manner, give the person requesting the opening of the account</p> <p>a) a notice in writing that the deposit will not be insured by the Canada Deposit Insurance Corporation; and</p> <p>b) any other information that may be prescribed.</p> <p><b>Other notice</b></p> <p>5) An authorized foreign bank shall, in accordance with any regulations that may be made,</p> <p>a) post notices in its branches in Canada to inform the public that deposits with the authorized foreign bank are not insured by the Canada Deposit Insurance Corporation; and</p> <p>b) include in its advertisements notices to inform the public that deposits with the authorized foreign bank are not insured by the Canada Deposit Insurance Corporation.</p>

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REGULATION MAKING AUTHORITY FOR NOTICES	<p><b>Regulations</b></p> <p>(3) The Governor in Council may make regulations</p> <p>a) prescribing the manner in which notices referred to in subsection (1) are to be given and the additional information to be contained in the notices; and</p> <p>b) respecting notices for the purpose of subsection (2).</p>	<p><b>Regulations</b></p> <p>(6) The Governor in Council may make regulations</p> <p>a) prescribing the manner in which notices referred to in subsection (4) are to be given and the additional information to be contained in the notices; and</p> <p>b) respecting notices referred to in subsection (5).</p>
DEFINITIONS	<p><b>Definitions</b></p> <p><b>439.1</b> The following definitions apply in this section and in sections 445 to 448.2, 458.1, 459.2 and 459.4.</p> <p>“low-fee retail deposit account” means a retail deposit account that has the prescribed characteristics.</p> <p>“member bank” means a bank that is a member institution as defined in section 2 of the <i>Canada Deposit Insurance Corporation Act</i>.</p> <p>“personal deposit account” means a deposit account in the name of one or more natural persons that is kept by that person or those persons for a purpose other than that of carrying on business.</p> <p>“retail deposit account” means a personal deposit account that is opened with a deposit of less than \$150,000 or any greater amount that may be prescribed.</p>	<p><b>Definition of "personal deposit account"</b></p> <p><b>563.</b> For the purposes of sections 564 to 566, “personal deposit account” means a deposit account in the name of one or more natural persons that is kept by that person or those persons for a purpose other than that of carrying on business.</p>
EXPRESS AGREEMENT FOR CHARGING FEES ON ACCOUNTS	<p><b>Account charges</b></p> <p><b>440.</b> A bank shall not, directly or indirectly, charge or receive any sum for the keeping of an account unless the charge is made by express agreement between the bank and a customer or by order of a court.</p>	<p><b>Account charges</b></p> <p><b>559.</b> An authorized foreign bank shall not, directly or indirectly, charge or receive any sum for the keeping of an account unless the charge is made by express agreement between the authorized foreign bank and a customer or by order of a court.</p>
DISCLOSURE ON OPENING ACCOUNT OF INTEREST TO BE PAID           EXCEPTION FOR DEPOSIT ACCOUNTS OVER \$150,000	<p><b>Disclosure on opening account</b></p> <p><b>441.</b> (1) A bank shall not open or maintain an interest-bearing deposit account in Canada in the name of any natural person unless the bank discloses, in accordance with the regulations, to the person who requests the bank to open the account, the rate of interest applicable to the account and how the amount of interest to be paid is to be calculated.</p> <p><b>Exception</b></p> <p>(2) Subsection (1) does not apply in respect of an interest-bearing deposit account that is opened with a deposit in excess of \$150,000 or any greater amount that may be prescribed.</p>	<p><b>Disclosure on opening account</b></p> <p><b>560.</b> (1) An authorized foreign bank shall not open or maintain an interest-bearing deposit account in Canada in the name of any natural person unless it discloses, in accordance with the regulations, to the person who requests the opening of the account, the rate of interest applicable to the account and how the amount of interest to be paid is to be calculated.</p> <p><b>Exception</b></p> <p>(2) Subsection (1) does not apply in respect of an interest-bearing deposit account that is opened with a deposit in excess of \$150,000 or any greater amount that may be prescribed.</p>

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DISCLOSURE IN ADVERTISING OF HOW INTEREST WILL BE CALCULATED ON DEPOSIT ACCOUNT	<p><b>Disclosure in advertisements</b></p> <p><b>442.</b> No person shall authorize the publication, issue or appearance of any advertisement in Canada that indicates the rate of interest offered by a bank on an interest-bearing deposit or a debt obligation unless the advertisement discloses, in accordance with the regulations, how the amount of interest is to be calculated.</p>	<p><b>Disclosure in advertisements</b></p> <p><b>561.</b> No person shall authorize the publication, issue or appearance of any advertisement in Canada that indicates the rate of interest offered by an authorized foreign bank on an interest-bearing deposit or a debt obligation unless the advertisement discloses, in accordance with the regulations, how the amount of interest is to be calculated.</p>
REGULATION MAKING AUTHORITY RESPECTING DISCLOSURE OF INTEREST PAID ON DEPOSIT ACCOUNTS	<p><b>Disclosure regulations</b></p> <p><b>443.</b> The Governor in Council may make regulations respecting</p> <p>a) The manner in which and the time at which disclosure is to be made by a bank of</p> <p>(i) interest rates applicable to debts of the bank and deposits with the bank, and</p> <p>(ii) the manner in which the amount of interest paid is to be calculated; and</p> <p>b) such other matters or things as may be necessary to carry out the requirements of sections 441 and 442</p>	<p><b>Disclosure regulations</b></p> <p><b>562.</b> The Governor in Council may make regulations respecting</p> <p>a) the manner in which and the time at which disclosure is to be made by an authorized foreign bank of</p> <p>(i) interest rates applicable to debts of the authorized foreign bank and deposits with it, and</p> <p>(ii) the manner in which the amount of interest paid is to be calculated; and</p> <p>b) any other matters or things that may be necessary to carry out the requirements of sections 560 and 561.</p>
DISCLOSURE REQUIREMENTS WHEN OPENING ACCOUNTS	<p><b>Disclosure required on opening a deposit account</b></p> <p><b>445.</b> (1) Subject to subsections (2) to (4), a bank shall not open a deposit account in the name of a customer unless, at or before the time the account is opened, the bank provides in writing to the individual who requests the opening of the account</p> <p>a) a copy of the account agreement with the bank;</p> <p>b) information about all charges applicable to the account;</p> <p>c) information about how the customer will be notified of any increase in those charges and of any new charges applicable to the account;</p> <p>d) information about the bank's procedures relating to complaints about the application of any charge applicable to the account; and</p> <p>e) such other information as may be prescribed.</p> <p><b>Exception</b></p> <p>(2) If a deposit account is not a personal deposit account and the amount of a charge applicable to the account cannot be established at or before the time the account is opened, the bank shall, as soon as is practicable after the amount is established, provide the customer in whose name the account is kept with a notice in writing of the amount of the charge.</p>	<p><b>Disclosure required on opening a deposit account</b></p> <p><b>564.</b> (1) Subject to subsections (2) to (4), an authorized foreign bank shall not open a deposit account in the name of a customer unless, at or before the time the account is opened, it provides in writing to the individual who requests the opening of the account</p> <p>a) a copy of the account agreement;</p> <p>b) information about all charges applicable to the account;</p> <p>c) information about how the customer will be notified of any increase in those charges and of any new charges applicable to the account;</p> <p>d) information about the authorized foreign bank's procedures relating to complaints about the application of any charge applicable to the account; and</p> <p>e) any other information that may be prescribed.</p> <p><b>Exception</b></p> <p>(2) If a deposit account is not a personal deposit account and the amount of a charge applicable to the account cannot be established at or before the time the account is opened, the authorized foreign bank shall, as soon as is practicable after the amount is established, provide the customer in whose name the account is kept with a notice in writing of the amount of the charge.</p>

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<p>EXCEPTIONS – OPENING ACCOUNTS BY TELEPHONE FOR EXISTING ACCOUNT CUSTOMER <i>(includes changes from C-08)</i></p> <p>DISCLOSURE IN WRITING WITHIN 7 BUSINESS DAYS OF OPENING ACCOUNT FOR A NON-PERSONAL DEPOSIT ACCOUNT</p> <p>RIGHT TO CLOSE A DEPOSIT ACCOUNT WITHIN 14 DAYS OF OPENING IT WITHOUT CHARGES</p> <p>REGULATION MAKING AUTHORITY CONCERNING THE PROVISION OF THE ACCOUNT AGREEMENT AND INFORMATION TO THE CUSTOMER</p>	<p><b>Exception</b></p> <p>(3) If a bank has a deposit account in the name of a customer and the customer by telephone requests the opening of another deposit account in the name of the customer and the bank has not complied with subsection (1) in respect of the opening of that other account, the bank shall not open the account unless it provides the customer orally with any information prescribed at or before the time the account is opened.</p> <p><b>Disclosure in writing</b></p> <p>(4) If a bank opens an account under subsection (3), it shall, not later than seven business days after the account is opened, provide to the customer in writing the agreement and information referred to in subsection (1).</p> <p><b>Right to close account</b></p> <p>(5) A customer may, within 14 business days after a deposit account is opened under subsection (3), close the account without charge and in such case is entitled to a refund of any charges related to the operation of the account,</p> <p>other than interest charges, incurred while the account was open.</p> <p><b>Regulations</b></p> <p>(6) For the purposes of subsection (4), the Governor in Council may make regulations prescribing circumstances in which, and the time when, the agreement and information will be deemed to have been provided to the customer.</p>	<p><b>Exception</b></p> <p>(3) If an authorized foreign bank has a deposit account in the name of a customer and the customer by telephone requests the opening of another deposit account in the name of the customer and the authorized foreign bank has not complied with subsection (1) in respect of the opening of that other account, the authorized foreign bank shall not open the account unless it provides the customer orally with any information prescribed at or before the time the account is opened.</p> <p><b>Disclosure in writing</b></p> <p>(4) If an authorized foreign bank opens an account under subsection (3), it shall, not later than seven business days after the account is opened, provide to the customer in writing the agreement and information referred to in subsection (1).</p> <p><b>Right to close account</b></p> <p>(5) A customer may, within 14 business days after a deposit account is opened under subsection (3), close the account without charge and in such case is entitled to a refund of any charges related to the operation of the account,</p> <p>other than interest charges, incurred while the account was open</p> <p><b>Regulations</b></p> <p>(6) For the purposes of subsection (4), the Governor in Council may make regulations prescribing circumstances in which, and the time when, the agreement and information will be deemed to have been provided to the customer.</p>
<p>DUTY TO DISCLOSE INFORMATION ON CHARGES FOR AN ACCOUNT AND FOR SERVICES PROVIDED TO CUSTOMERS / PUBLIC</p>	<p><b>Disclosure of charges</b></p> <p><b>446.</b> A bank shall disclose, in the prescribed manner and at the prescribed time, to its customers and to the public, the charges applicable to deposit accounts with the bank and the usual amount, if any, charged by the bank for services normally provided by the bank to its customers and to the public.</p>	<p><b>Disclosure of charges</b></p> <p><b>565.</b> An authorized foreign bank shall disclose, in the prescribed manner and at the prescribed time, to its customers and to the public, the charges applicable to deposit accounts with the authorized foreign bank and the usual amount, if any, charged by it for services normally provided to its customers and to the public.</p>
<p>DUTY TO PROVIDE NOTICE FOR INCREASES IN CHARGES OR NEW CHARGES APPLICABLE TO A DEPOSIT ACCOUNT</p> <p>DUTY TO DISCLOSE INCREASES IN ANY CHARGES FOR SERVICES RELATED TO A DEPOSIT ACCOUNT</p>	<p><b>No increase or new charges without disclosure</b></p> <p><b>447.</b> (1) A bank shall not increase any charge applicable to a personal deposit account with the bank or introduce any new charge applicable to a personal deposit account with the bank unless the bank discloses the charge in the prescribed manner and at the prescribed time to the customer in whose name the account is kept.</p> <p>(2) With respect to such services in relation to deposit accounts, other than personal deposit accounts, as are prescribed, a bank shall not increase any charge for any such service in relation to a deposit account with the bank or introduce any new charge for any such service in relation to a deposit account with the bank unless the bank discloses the charge in the prescribed manner and at the</p>	<p><b>No increase or new charges without disclosure</b></p> <p><b>566.</b> (1) An authorized foreign bank shall not increase any charge applicable to a personal deposit account with the authorized foreign bank or introduce any new charge applicable to a personal deposit account with the authorized foreign bank unless it discloses the charge in the prescribed manner and at the prescribed time to the customer in whose name the account is kept.</p> <p>(2) An authorized foreign bank shall not increase any charge for any service that is prescribed in relation to a deposit account, other than a personal deposit account, with the authorized foreign bank, or introduce any new charge for any of those services unless the authorized foreign bank discloses the charge in the prescribed manner and at the prescribed time to the customer in whose name the account is kept.</p>

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	prescribed time to the customer in whose name the account is kept.	
SECTIONS CONCERNING DISCLOSURE APPLICABLE ONLY TO ACCOUNTS PROVIDED IN CANADA	<p><b>Application</b></p> <p><b>448.</b> Sections 445 to 447 apply only in respect of charges applicable to deposit accounts with the bank in Canada and services provided by the bank in Canada.</p>	
<p>REQUIREMENT TO OPEN RETAIL DEPOSIT AN ACCOUNT</p> <p>NO DEPOSIT OR MINIMUM BALANCE REQUIRED TO OPEN A RETAIL DEPOSIT ACCOUNT</p> <p>REGULATION MAKING AUTHORITY FOR SETTING CONDITIONS FOR OPENING A RETAIL DEPOSIT ACCOUNT</p>	<p><b>Retail deposit accounts</b></p> <p><b>448.1</b> (1) Subject to regulations made under subsection (3), a member bank shall, at any prescribed point of service in Canada or any branch in Canada at which it opens retail deposit accounts through a natural person, open a retail deposit account for an individual who meets the prescribed conditions at his or her request made there in person.</p> <p>(2) A member bank shall not require that, in the case of an account opened under subsection (1), the individual make an initial minimum deposit or maintain a minimum balance.</p> <p>(3) The Governor in Council may make regulations</p> <p>a) for the purposes of subsection (1), defining “point of service” and prescribing points of service;</p> <p>b) respecting circumstances in which subsection (1) does not apply; and</p> <p>c) prescribing conditions to be met by an individual for the purposes of subsection (1).</p>	
REGULATION MAKING AUTHORITY TO REQUIRE THE OFFERING OF A LOW-FEE ACCOUNT AND PRESCRIBING ADDITIONAL CONDITIONS	<p><b>Low-fee retail deposit accounts - regulations</b></p> <p><b>448.2</b> The Governor in Council may make regulations</p> <p>a) requiring a member bank, at any prescribed point of service in Canada or any branch referred to in subsection 448.1(1), to open a low-fee retail deposit account for an individual who meets the prescribed conditions at his or her request made there in person;</p> <p>b) for the purposes of paragraph (a), defining “point of service” and prescribing points of service;</p> <p>c) prescribing the characteristics, including the name, of a low-fee retail deposit account;</p> <p>d) respecting circumstances in which a regulation made under paragraph (a) does not apply; and</p> <p>e) prescribing conditions to be met by an individual for the purposes of paragraph (a).</p>	
DEFINITION OF “COST OF BORROWING”	<p><b>Definition of “cost of borrowing”</b></p> <p><b>449.</b> For the purposes of this section and sections 449.1 to 456, “cost of borrowing” means, in respect of a loan made by a bank,</p> <p>a) the interest or discount applicable to the loan;</p>	<p><b>Definition of “cost of borrowing”</b></p> <p><b>567.</b> For the purposes of this section and sections 567.1 to 574, “cost of borrowing” in respect of a loan made by an authorized foreign bank means</p> <p>a) the interest or discount applicable to the loan;</p>

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	<p>b) any amount charged in connection with the loan that is payable by the borrower to the bank; and</p> <p>c) any charge prescribed to be included in the cost of borrowing</p> <p>For those purposes, however, “cost of borrowing” does not include any charge prescribed to be excluded from the cost of borrowing.</p>	<p>b) any amount charged in connection with the loan that is payable by the borrower to the authorized foreign bank; and</p> <p>c) any charge prescribed to be included in the cost of borrowing.</p> <p>For those purposes, however, “cost of borrowing” does not include any charge prescribed to be excluded from the cost of borrowing.</p>
<p>REBATE OF BORROWING COSTS</p> <p>EXCEPTION</p> <p>REGULATION</p>	<p><b>449.1</b> (1) Where a bank makes a loan in respect of which the disclosure requirements of section 450 apply, and the loan is not secured by a mortgage on real property and is required to be repaid either on a fixed future date or by installments, the bank shall, if there is a prepayment of the loan, rebate to the borrower a portion of the charges included in the cost of borrowing in respect of the loan.</p> <p>(2) The charges to be rebated do not include the interest or discount applicable to the loan.</p> <p>(3) The Governor in Council may make regulations governing the rebate of charges under subsection (1). The rebate shall be made in accordance with those regulations.</p>	<p><b>567.1</b> Where an authorized foreign bank makes a loan in respect of which the disclosure requirements of section 568 apply, and the loan is not secured by a mortgage on real property and is required to be repaid either on a fixed future date or by installments, the authorized foreign bank shall, if there is a prepayment of the loan, rebate to the borrower a portion of the charges included in the cost of borrowing in respect of the loan.</p> <p>(2) The charges to be rebated do not include the interest or discount applicable to the loan.</p> <p>(3) The Governor in Council may make regulations governing the rebate of charges under subsection (1). The rebate shall be made in accordance with those regulations.</p>
<p>DISCLOSING BORROWING COSTS</p> <p>NON-APPLICATION</p>	<p><b>450.</b> (1) A bank shall not make a loan to a natural person that is repayable in Canada unless the cost of borrowing, as calculated and expressed in accordance with section 451, and other prescribed information have, in the prescribed manner and at the prescribed time, been disclosed by the bank to the borrower.</p> <p>(2) Subsection (1) does not apply in respect of a loan that is of a prescribed class of loans.</p>	<p><b>568.</b> (1) An authorized foreign bank shall not make a loan to a natural person that is repayable in Canada unless the cost of borrowing, as calculated and expressed in accordance with section 569, and other prescribed information have, in the prescribed manner and at the prescribed time, been disclosed by the authorized foreign bank to the borrower.</p> <p>(2) Subsection (1) does not apply in respect of a loan that is of a prescribed class of loans.</p>
<p>REGULATION MAKING AUTHORITY FOR PRESCRIBING THE CALCULATION OF BORROWING COSTS</p>	<p><b>Calculating borrowing costs</b></p> <p><b>451.</b> The cost of borrowing shall be calculated, in the prescribed manner, on the basis that all obligations of the borrower are duly fulfilled and shall be expressed as a rate per annum and, in prescribed circumstances, as an amount in dollars and cents.</p>	<p><b>Calculating borrowing costs</b></p> <p><b>569.</b> The cost of borrowing shall be calculated, in the prescribed manner, on the basis that all obligations of the borrower are duly fulfilled and shall be expressed as a rate per annum and, in prescribed circumstances, as an amount in dollars and cents.</p>
<p>ADDITIONAL DISCLOSURE REQUIREMENTS FOR LOANS</p> <p>WHETHER THERE IS A RIGHT TO REPAY LOAN BEFORE MATURITY</p> <p>CIRCUMSTANCES FOR REPAYMENT</p>	<p><b>Additional disclosure</b></p> <p><b>452.</b> (1) Where a bank makes a loan in respect of which the disclosure requirements of section 450 are applicable and the loan is required to be repaid either on a fixed future date or by installments, the bank shall disclose to the borrower, in accordance with the regulations,</p> <p>a) whether the borrower has the right to repay the amount borrowed before the maturity of the loan and if applicable,</p> <p>(i) any terms and conditions relating to that right, including the particulars of the circumstances in which the borrower may exercise that right, and</p>	<p><b>Additional disclosure</b></p> <p><b>570.</b> (1) Where an authorized foreign bank makes a loan in respect of which the disclosure requirements of section 568 are applicable and the loan is required to be repaid either on a fixed future date or by installments, the authorized foreign bank shall disclose to the borrower, in accordance with the regulations,</p> <p>a) whether the borrower has the right to repay the amount borrowed before the maturity of the loan and, if applicable,</p> <p>(i) any terms and conditions relating to that right, including the particulars of the circumstances in which the borrower may exercise that right, and</p>

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WHETHER THERE WILL BE REBATES, CHARGES OR PENALTIES FOR PREPAYMENTS AND WHAT THEY MAY BE	(ii) whether, in the event that the borrower exercises the right, any portion of the cost of borrowing is to be rebated, the manner in which any such rebate is to be calculated or, if a charge or penalty will be imposed on the borrower, the manner in which the charge or penalty is to be calculated;	(ii) whether, in the event that the borrower exercises the right, any portion of the cost of borrowing is to be rebated, the manner in which the rebate is to be calculated or, if a charge or penalty will be imposed on the borrower, the manner in which the charge or penalty is to be calculated;
CHARGES OR PENALTIES FOR LATE PAYMENTS OR FAILURE TO PAY AT LOAN MATURITY	b) in the event that an amount borrowed is not repaid at maturity or, if applicable, an installment is not paid on the day the installment is due to be paid, particulars of the charges or penalties to be paid by the borrower because of the failure to repay or pay in accordance with the contract governing the loan;	b) in the event that an amount borrowed is not repaid at maturity or, if applicable, an installment is not paid on the day the installment is due to be paid, particulars of the charges or penalties to be paid by the borrower because of the failure to repay or pay in accordance with the contract governing the loan;
CHANGES TO COST OF BORROWING OR TO AGREEMENT	c) at such time and in such manner as may be prescribed, any changes respecting the cost of borrowing or the loan agreement as may be prescribed;	c) at the time and in the manner that may be prescribed, any changes respecting the cost of borrowing or the loan agreement that may be prescribed
ANY OTHER RIGHTS OR OBLIGATIONS	d) particulars of any other rights and obligations of the borrower; and	d) particulars of any other rights and obligations of the borrower; and
ANY OTHER INFORMATION AS PRESCRIBED	e) any other prescribed information, at such time and in such form and manner as may be prescribed	e) any other prescribed information, at the time and in the form and manner that may be prescribed.
DISCLOSURE IN CREDIT CARD APPLICATION APPLICATIONS	(1.1) A bank shall, in accordance with the regulations, at such time and in such manner as may be prescribed, provide prescribed information in any application forms or related documents that it prepares for the issuance of credit, payment or charge cards and provide prescribed information to any person applying to it for a credit, payment or charge card.  (2) Where a bank issues or has issued a credit, payment or charge card to a natural person, the bank shall, in addition to disclosing the costs of borrowing in respect of any loan obtained through the use of the card, disclose to the person, in accordance with the regulations,	(1.1) An authorized foreign bank shall, in accordance with the regulations, at the time and in the manner that may be prescribed, provide prescribed information in any application form or related document that it prepares for the issuance of credit, payment or charge cards and provide prescribed information to any person applying to it for a credit, payment or charge card.  (2) Where an authorized foreign bank issues or has issued a credit, payment or charge card to a natural person, the authorized foreign bank shall, in addition to disclosing the costs of borrowing in respect of any loan obtained through the use of the card, disclose to the person, in accordance with the regulations,
DISCLOSURE RE CREDIT CARDS	a) any charges or penalties described in paragraph (1)(b);  b) particulars of the person's rights and obligations;  c) any charges for which the person becomes responsible by accepting or using the card;  d) at such time and in such manner as may be prescribed, such changes respecting the cost of borrowing or the loan agreement as may be prescribed; and  e) any other prescribed information, at such time and in such form and manner as may be prescribed.	a) the charges or penalties described in paragraph (1)(b);  b) particulars of the person's rights and obligations;  c) the charges for which the person becomes responsible by accepting or using the card;  d) at the time and in the manner that may be prescribed, the changes respecting the cost of borrowing or the loan agreement that may be prescribed; and  e) any other prescribed information, at the time and in the form and manner that may be prescribed.
ADDITIONAL DISCLOSURE RE OTHER LOANS	(3) Where a bank enters into or has entered into an arrangement, including a line of credit, for the making of a loan in respect of which the disclosure requirements of section 450 apply and the loan is not a loan in respect of which subsection (1) or (2) applies, the bank shall, in addition to disclosing the costs of borrowing, disclose to the person to whom the loan is made, in accordance with the regulations,	(3) Where an authorized foreign bank enters into or has entered into an arrangement, including a line of credit, for the making of a loan in respect of which the disclosure requirements of section 568 apply and the loan is not a loan in respect of which subsection (1) or (2) applies, the authorized foreign bank shall, in addition to disclosing the costs of borrowing, disclose to the person to whom the loan is made, in accordance with the regulations,

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# Consumer Provisions Under FCAC Supervision and Other Relevant Provisions

## Consumer Provisions Under FCAC Supervision

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CLAUSE DESCRIPTION	BANKS / FOREIGN BANKS (Schedule I & II)	AUTHORIZED FOREIGN BANK BRANCHES (1)
	<p>a) any charges or penalties described in paragraph (1)(b);</p> <p>b) particulars of the person's rights and obligations;</p> <p>c) any charges for which the person is responsible under the arrangement;</p> <p>d) at such time and in such manner as may be prescribed, such changes respecting the cost of borrowing under the arrangement as may be prescribed; and</p> <p>e) any other prescribed information, at such time and in such form and manner as may be prescribed</p>	<p>a) the charges or penalties described in paragraph (1)(b);</p> <p>b) particulars of the person's rights and obligations;</p> <p>c) the charges for which the person is responsible under the arrangement;</p> <p>d) at the time and in the manner that may be prescribed, the changes respecting the cost of borrowing under the arrangement that may be prescribed; and</p> <p>e) any other prescribed information, at the time and in the form and manner that may be prescribed.</p>
RENEWAL STATEMENT	<p><b>452.1</b> Where a bank makes a loan in respect of which the disclosure requirements of section 450 apply and the loan is secured by a mortgage on real property, the bank shall disclose to the borrower, at such time and in such manner as may be prescribed, such information as may be prescribed respecting the renewal of the loan.</p>	<p><b>570.1</b> Where an authorized foreign bank makes a loan in respect of which the disclosure requirements of section 568 apply and the loan is secured by a mortgage on real property, the authorized bank shall disclose to the borrower, at the time and in the manner that may be prescribed, the information that may be prescribed respecting the renewal of the loan.</p>
DISCLOSURE IN ADVERTISING	<p><b>Disclosure in advertising</b></p> <p><b>453.</b> No person shall authorize the publication, issue or appearance of any advertisement in Canada relating to arrangements referred to in subsection 452(3), loans, credit cards, payment cards or charge cards, offered to natural persons by a bank, and purporting to disclose prescribed information about the cost of borrowing or about any other matter unless the advertisement contains such information as may be required by the regulations, in such form and manner as may be prescribed.</p>	<p><b>Disclosure in advertising</b></p> <p><b>571.</b> No person shall authorize the publication, issue or appearance of any advertisement in Canada relating to arrangements referred to in subsection 570(3), loans, credit cards, payment cards or charge cards, offered to natural persons by an authorized foreign bank, and purporting to disclose prescribed information about the cost of borrowing or about any other matter unless the advertisement contains any information that may be required by the regulations, in the form and manner that may be prescribed</p>
<p>REGULATION RE BORROWING COSTS</p> <p>RESPECTING THE MANNER AND TIMING OF DISCLOSURE</p> <p>RESPECTING THE CONTENT OF STATEMENTS DISCLOSING THE COST OF BORROWING</p> <p>RESPECTING CALCULATION OF COST OF BORROWING</p> <p>RESPECTING THE EXPRESSION OF BORROWING COSTS IN DOLLARS AND CENTS</p>	<p><b>Regulations re borrowing costs</b></p> <p><b>454.</b> The Governor in Council may make regulations</p> <p>a) respecting the manner in which, and the time at which, a bank shall disclose to a borrower</p> <p>(i) the cost of borrowing,</p> <p>(ii) any rebate of the cost of borrowing, and</p> <p>(iii) any other information relating to a loan, arrangement, credit card, payment card or charge card referred to in section 452;</p> <p>b) respecting the contents of any statement disclosing the cost of borrowing and other information required to be disclosed by a bank to a borrower;</p> <p>c) respecting the manner of calculating the cost of borrowing;</p> <p>d) respecting the circumstances under which the cost of borrowing is to be expressed as an amount in dollars and cents;</p>	<p><b>Regulations re borrowing costs</b></p> <p><b>572.</b> The Governor in Council may make regulations</p> <p>a) respecting the manner in which, and the time at which, an authorized foreign bank shall disclose to a borrower</p> <p>(i) the cost of borrowing,</p> <p>(ii) any rebate of the cost of borrowing, and</p> <p>(iii) any other information relating to a loan, arrangement, credit card, payment card or charge card referred to in section 570;</p> <p>b) respecting the contents of any statement disclosing the cost of borrowing and other information required to be disclosed by an authorized foreign bank to a borrower;</p> <p>c) respecting the manner of calculating the cost of borrowing;</p> <p>d) respecting the circumstances under which the cost of borrowing is to be expressed as an amount in dollars and cents;</p>

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<p>SPECIFYING EXCEPTIONS FOR CERTAIN TYPES OF LOANS</p> <p>RESPECTING THE RIGHTS, OBLIGATIONS, CHARGES, &amp; PENALTIES</p> <p>PROHIBITION OF CHARGES &amp; PENALTIES</p> <p>RESPECTING THE NATURE OR AMOUNT OF CHARGES OR PENALTIES</p> <p>METHOD OF CALCULATION OF REBATE OF THE COST OF BORROWING</p> <p>RESPECTING ADVERTISEMENTS</p> <p>RESPECTING THE RENEWAL</p> <p>OTHER MATTERS</p>	<p>e) specifying any class of loans that are not to be subject to section 449.1 or subsection 450(1) or 452(1) or (3) or section 452.1 or 453 or the regulations or any specified provisions of the regulations;</p> <p>f) respecting the manner in which and the time at which any rights, obligations, charges or penalties referred to in sections 449.1 to 453 are to be disclosed;</p> <p>g) prohibiting the imposition of any charge or penalty referred to in section 452 or providing that the charge or penalty, if imposed, will not exceed a prescribed amount;</p> <p>h) respecting the nature or amount of any charge or penalty referred to in paragraph 452(1)(b), (2)(a) or (3)(a) and the costs of the bank that may be included or excluded in the determination of the charge or penalty;</p> <p>i) respecting the method of calculating the amount of rebate of the cost of borrowing, or the portion of the cost of borrowing referred to in subparagraph 452(1)(a)(ii);</p> <p>j) respecting advertisements made by a bank regarding arrangements referred to in subsection 452(3), loans, credit cards, payment cards or charge cards;</p> <p>k) respecting the renewal of loans; and</p> <p>l) respecting such other matters or things as are necessary to carry out the purposes of sections 449.1 to 453.</p>	<p>e) specifying any class of loans that are not to be subject to section 567.1, subsection 568(1) or 570(1) or (3) or section 570.1 or 571 or the regulations or any specified provisions of the regulations;</p> <p>f) respecting the manner in which and the time at which any rights, obligations, charges or penalties referred to in sections 567.1 to 571 are to be disclosed;</p> <p>g) prohibiting the imposition of any charge or penalty referred to in section 570 or providing that the charge or penalty, if imposed, will not exceed a prescribed amount;</p> <p>h) respecting the nature or amount of any charge or penalty referred to in paragraph 570(1)(b), (2)(a) or (3)(a) and the costs of the authorized foreign bank that may be included or excluded in the determination of the charge or penalty;</p> <p>i) respecting the method of calculating the amount of rebate of the cost of borrowing, or the portion of the cost of borrowing referred to in subparagraph 570(1)(a)(ii);</p> <p>j) respecting advertisements made by an authorized foreign bank regarding arrangements referred to in subsection 570(3), loans, credit cards, payment cards or charge cards;</p> <p>k) respecting the renewal of loans; and</p> <p>l) respecting such other matters or things that are necessary to carry out the purposes of sections 567.1 to 571.</p>
<p>PROCEDURES FOR DEALING WITH COMPLAINTS</p> <p>ESTABLISHING PROCEDURES</p> <p>DESIGNATING OFFICER OR EMPLOYEE RESPONSIBLE FOR IMPLEMENTING PROCEDURES</p> <p>DESIGNATING OFFICER OR EMPLOYEE RESPONSIBLE FOR RECEIVING COMPLAINTS</p> <p>FILING COPY OF COMPLAINT PROCEDURES WITH FCAC</p>	<p><b>Procedures for dealing with complaints</b></p> <p><b>455.</b> (1) A bank shall</p> <p>a) establish procedures for dealing with complaints made by persons having requested or received products or services in Canada from a bank;</p> <p>b) designate an officer or employee of the bank to be responsible for implementing those procedures; and</p> <p>c) designate one or more officers or employees of the bank to receive and deal with those complaints.</p> <p><b>Procedures to be filed with Commissioner</b></p> <p>(2) A bank shall file with the Commissioner a copy of its procedures established under paragraph (1)(a).</p>	<p><b>Procedures for dealing with complaints</b></p> <p><b>573.</b> (1) An authorized foreign bank shall</p> <p>a) establish procedures for dealing with complaints made by persons having requested or received products or services from the authorized foreign bank;</p> <p>b) designate one of its officers or employees in Canada to be responsible for implementing those procedures; and</p> <p>c) designate one or more of its officers or employees in Canada to receive and deal with those complaints.</p> <p><b>Procedures to be filed with Commissioner</b></p> <p>(2) An authorized foreign bank shall file with the Commissioner a copy of its procedures established under paragraph (1)(a).</p>
<p>DESIGNATION OF COMPLAINTS BODY</p>	<p><b>Designation of complaints body</b></p> <p><b>455.1</b> (1) The Minister may, for the purposes of this section, designate a body corporate incorporated under Part II of the <i>Canada Corporations Act</i> whose purpose, in the view of the Minister, under its letters patent is dealing with complaints, made by persons</p>	

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<p>JOINING THIRD PARTY DISPUTE RESOLUTION</p> <p>APPOINTMENT OF DIRECTORS</p> <p>NOT AN AGENT</p> <p>DESIGNATION TO BE PUBLISHED</p>	<p>having requested or received products or services from its member financial institutions, that have not been resolved to the satisfaction of those persons under procedures established by those financial institutions under paragraph 455(1)(a).</p> <p><b>Obligation to be member</b></p> <p>(2) A bank shall be a member of any body corporate that is designated under subsection (1).</p> <p><b>Directors</b></p> <p>(3) The Minister may, in accordance with the letters patent and by-laws of the body corporate designated under subsection (1), appoint the majority of its directors.</p> <p><b>Not an agent</b></p> <p>(4) A body corporate designated under subsection (1) is not an agent of Her Majesty.</p> <p><b>Designation to be published</b></p> <p>(5) A designation under subsection (1) shall be published in the <i>Canada Gazette</i>.</p>	<p><b>Obligation to be member</b></p> <p><b>573.1</b> An authorized foreign bank shall be a member of any body corporate that is designated under subsection 455.1(1).</p>
<p>INFORMATION ON CONTACTING AGENCY</p> <p>REPORT BY COMMISSIONER CONCERNING</p> <p>RESPECTING COMPLAINT PROCEDURES</p> <p>RESPECTING NUMBER AND NATURE OF COMPLAINTS</p>	<p><b>Information on contacting Agency</b></p> <p><b>456.</b> (1) A bank shall, in the prescribed manner, provide a person requesting or receiving a product or service from it with prescribed information on how to contact the Agency if the person has a complaint about a deposit account, an arrangement referred to in subsection 452(3), a payment, credit or charge card, the disclosure of or manner of calculating the cost of borrowing in respect of a loan or about any other obligation of the bank under a consumer provision.</p> <p><b>Report</b></p> <p>(2) The Commissioner shall prepare a report, to be included in the report referred to in section 34 of the <i>Financial Consumer Agency of Canada Act</i>, respecting</p> <p>a) procedures for dealing with complaints established by banks pursuant to paragraph 455(1)(a); and</p> <p>b) the number and nature of complaints that have been brought to the attention of the Agency by persons who have requested or received a product or service from a bank.</p>	<p><b>Information on contacting Agency</b></p> <p><b>574.</b> (1) An authorized foreign bank shall, in the prescribed manner, provide a person requesting or receiving a product or service from it with prescribed information on how to contact the Agency if the person has a complaint about an arrangement referred to in subsection 570(3), a payment, credit or charge card, the disclosure of or manner of calculating the cost of borrowing in respect of a loan, or about any other obligation of the authorized foreign bank under a consumer provision.</p> <p><b>Report</b></p> <p>(2) The Commissioner shall prepare a report, to be included in the report referred to in section 34 of the <i>Financial Consumer Agency of Canada Act</i>, respecting</p> <p>a) procedures for dealing with complaints established by authorized foreign banks pursuant to paragraph 573(1)(a); and</p> <p>b) the number and nature of complaints that have been brought to the attention of the Agency by persons who have requested or received a product or service from an authorized foreign bank.</p>
<p>RIGHT TO PREPAY LOAN</p> <p>CONDITION OF LOAN OF MAINTAINING MINIMUM CREDIT BALANCE</p>	<p><b>Prepayment protected</b></p> <p><b>458.</b> (1) A bank shall not make a loan to a natural person that is repayable in Canada, the terms of which prohibit prepayment of the money advanced or any installment thereon before its due date.</p> <p><b>Minimum balance</b></p> <p>(2) Except by express agreement between the bank and the borrower, the making in Canada of a loan or advance by a bank to a borrower shall not be subject</p>	<p><b>Prepayment protected</b></p> <p><b>575.</b> (1) An authorized foreign bank shall not make a loan to a natural person that is repayable in Canada, the terms of which prohibit prepayment of the money advanced or any installment on the money advanced before its due date.</p> <p><b>Minimum balance</b></p> <p>(2) Except by express agreement between the authorized foreign bank and the borrower, the making in Canada of a loan or advance by an authorized foreign bank to a borrower shall</p>

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EXCEPTION TO RIGHT OF REPAYMENT OF LOAN	<p>to a condition that the borrower maintain a minimum credit balance with the bank.</p> <p><b>Non-application of subsection (1)</b></p> <p>(3) Subsection (1) does not apply in respect of a loan</p> <p>a) that is secured by a mortgage on real property; or</p> <p>b) that is made for business purposes and the principal amount of which is more than \$100,000 or such other amount as may be prescribed.</p> <p><b>Government cheques</b></p> <p>(4) A bank shall not make a charge</p> <p>a) for cashing a cheque or other instrument drawn on the Receiver General or on the Receiver General's account in the Bank of Canada, in any bank or other deposit-taking Canadian financial institution incorporated by or under an Act of Parliament or in any authorized foreign bank that is not subject to the restrictions and requirements referred to in subsection 524(2), in respect of its business in Canada;</p> <p>b) for cashing any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund; or</p> <p>c) in respect of any cheque or other instrument that is</p> <p>(i) drawn in favour of the Receiver General, the Government of Canada or any department thereof or any public officer acting in the capacity of a public officer, and</p> <p>(ii) tendered for deposit to the credit of the Receiver General.</p> <p><b>Deposits of Government of Canada</b></p>	<p>not be subject to a condition that the borrower maintain a minimum credit balance with the authorized foreign bank.</p> <p><b>Non-application of subsection (1)</b></p> <p>(3) Subsection (1) does not apply in respect of a loan</p> <p>a) that is secured by a mortgage on real property; or</p> <p>b) that is made for business purposes and the principal amount of which is more than \$100,000 or any other amount that may be prescribed.</p> <p><b>Government cheques</b></p> <p>(4) An authorized foreign bank shall not make a charge</p> <p>a) for cashing a cheque or other instrument drawn on the Receiver General or on the Receiver General's account in the Bank of Canada, or in any bank or other deposit-taking Canadian financial institution incorporated by or under an Act of Parliament or in any authorized foreign bank that is not subject to the restrictions and requirements referred to in subsection 524(2), in respect of its business in Canada;</p> <p>b) for cashing any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund; or</p> <p>c) in respect of any cheque or other instrument that is</p> <p>(i) drawn in favour of the Receiver General, the Government of Canada or any department of the Government of Canada or any public officer acting in the capacity of a public officer, and</p> <p>(ii) tendered for deposit to the credit of the Receiver General.</p> <p><b>Deposits of Government of Canada</b></p>
NO CHARGE FOR CASHING GOVERNMENT CHEQUES	<p>(5) Nothing in subsection (4) precludes any arrangement between the Government of Canada and a bank concerning</p> <p>a) compensation for services performed by the bank for the Government of Canada; or</p> <p>b) interest to be paid on any or all deposits of the Government of Canada with the bank.</p>	<p>(5) Nothing in subsection (4) precludes any arrangement between the Government of Canada and an authorized foreign bank concerning</p> <p>a) compensation for services performed by the authorized foreign bank for the Government of Canada; or</p> <p>b) interest to be paid on any or all deposits of the Government of Canada with the authorized foreign bank.</p>
ARRANGEMENTS CONCERNING GOVERNMENT DEPOSITS	<p><b>Cashing of government cheques</b></p> <p><b>458.1</b> (1) Subject to regulations made under subsection (2), a member bank shall, at any branch in Canada at which it, through a natural person, opens retail deposit accounts and disburses cash to customers, cash a cheque or other instrument for an individual who is considered not to be a customer of the bank under the regulations, if</p>	
REQUIREMENT TO CASH GOVERNMENT CHEQUES		

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REGULATION MAKING AUTHORITY RESPECTING THE CASHING OF CHEQUES	<p>a) the cheque or other instrument is drawn on the Receiver General or on the Receiver General's account in the Bank of Canada, or in any bank or other deposit-taking Canadian financial institution incorporated by or under an Act of Parliament, or is any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund;</p> <p>b) the individual makes the request to cash it in person and meets the prescribed conditions; and</p> <p>c) the amount of the cheque or other instrument is not more than the prescribed amount.</p> <p><b>Regulations</b></p> <p>(2) The Governor in Council may make regulations</p> <p>a) respecting circumstances in which subsection (1) does not apply;</p> <p>b) for the purposes of subsection (1), prescribing the maximum amount of a cheque or other instrument;</p> <p>c) prescribing conditions to be met by an individual referred to in subsection (1); and</p> <p>d) prescribing circumstances in which an individual referred to in subsection (1) is considered not to be a customer of the bank.</p>	
<p>REGULATIONS REGARDING CUSTOMER INFORMATION</p> <p>PROCEDURES FOR COLLECTION, RETENTION USE AND DISCLOSURE</p> <p>PROCEDURES FOR COMPLAINTS</p> <p>DISCLOSURE OF COMPLAINTS</p> <p>DESIGNATION OF PERSON RESPONSABLE FOR PROCEDURES &amp; COMPLAINTS</p> <p>REPORTING ON COMPLAINTS &amp; ACTIONS TAKEN</p>	<p><b>Regulations re customer information</b></p> <p><b>459.</b> The Governor in Council may make regulations</p> <p>a) requiring a bank to establish procedures regarding the collection, retention, use and disclosure of any information about its customers or any class of customers;</p> <p>b) requiring a bank to establish procedures for dealing with complaints made by a customer about the collection, retention, use or disclosure of information about the customer;</p> <p>c) respecting the disclosure by a bank of information relating to the procedures referred to in paragraphs (a) and (b);</p> <p>d) requiring a bank to designate the officers and employees of the bank who are responsible for</p> <p>(i) implementing the procedures referred to in paragraph (b), and</p> <p>(ii) receiving and dealing with complaints made by a customer of the bank about the collection, retention, use or disclosure of information about the customer;</p> <p>e) requiring a bank to report information relating to</p> <p>(i) complaints made by customers of the bank about the collection, retention, use or disclosure of information, and</p>	<p><b>Regulations re customer information</b></p> <p><b>576.</b> The Governor in Council may make regulations</p> <p>a) requiring an authorized foreign bank to establish procedures regarding the collection, retention, use and disclosure of information about its customers or any class of its customers;</p> <p>b) requiring an authorized foreign bank to establish procedures for dealing with complaints made by a customer about the collection, retention, use or disclosure of information about the customer;</p> <p>c) respecting the disclosure by an authorized foreign bank of information relating to the procedures referred to in paragraphs (a) and (b);</p> <p>d) requiring an authorized foreign bank to designate officers and employees in Canada of the authorized foreign bank who are responsible for</p> <p>(i) implementing the procedures referred to in paragraph (b), and</p> <p>(ii) receiving and dealing with complaints made by a customer of the authorized foreign bank about the collection, retention, use or disclosure of information about the customer;</p> <p>e) requiring an authorized foreign bank to report information relating to</p> <p>(i) complaints made by its customers about the collection, retention, use or disclosure of information, and</p>

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DEFINITIONS	(ii) the actions taken by the bank to deal with the complaints; and  f) defining "information", "collection" and "retention" for the purposes of paragraphs (a) to (e) and the regulations made under those paragraphs.	(ii) the actions taken by the authorized foreign bank to deal with the complaints; and  f) defining "information", "collection" and "retention" for the purposes of paragraphs (a) to (e) and the regulations made under those paragraphs.
TIED SELLING	<b>Restriction on tied selling</b>  <b>459.1</b> (1) A bank shall not impose undue pressure on, or coerce, a person to obtain a product or service from a particular person, including the bank and any of its affiliates, as a condition for obtaining another product or service from the bank.	<b>Restriction on tied selling</b>  <b>576.1</b> (1) An authorized foreign bank shall not impose undue pressure on, or coerce, a person to obtain a product or service from a particular person, including the authorized foreign bank and any of its affiliates, as a condition for obtaining another product or service from the authorized foreign bank.
ALLOWING FAVOURABLE TIED SALES	<b>Favourable bank product or service tied to other sale</b>  (2) For greater certainty, a bank may offer a product or service to a person on more favourable terms or conditions than the bank would otherwise offer, where the more favourable terms and conditions are offered on the condition that the person obtain another product or service from any particular person.	<b>Favourable authorized foreign bank product or service tied to other sale</b>  (2) For greater certainty, an authorized foreign bank may offer a product or service to a person on more favourable terms or conditions than the authorized foreign bank would otherwise offer, where the more favourable terms and conditions are offered on the condition that the person obtain another product or service from any particular person.
ALLOWING FAVOURABLE TIED SALES BY AFFILIATE OF BANK	<b>Favourable other sale tied to bank product or service</b>  (3) For greater certainty, an affiliate of a bank may offer a product or service to a person on more favourable terms or conditions than the affiliate would otherwise offer, where the more favourable terms and conditions are offered on the condition that the person obtain another product or service from the bank.	<b>Favourable other sale tied to authorized foreign bank product or service</b>  (3) For greater certainty, an affiliate of an authorized foreign bank may offer a product or service to a person on more favourable terms or conditions than the affiliate would otherwise offer, where the more favourable terms and conditions are offered on the condition that the person obtain another product or service from the authorized foreign bank.
APPROVAL OF LOAN SECURITY PROVIDED BY 3 <sup>RD</sup> PARTY	<b>Bank approval</b>  (4) A bank may require that a product or service obtained by a borrower from a particular person as security for a loan from the bank meet with the bank's approval. That approval shall not be unreasonably withheld.	<b>Bank approval</b>  (4) An authorized foreign bank may require that a product or service obtained by a borrower from a particular person as security for a loan from the authorized foreign bank meet with the authorized foreign bank's approval. The approval shall not be unreasonably withheld.
DISCLOSURE OF PROHIBITION OF COERCIVE TIED SELLING IN BRANCHES <i>(includes changes from C-08)</i>	<b>Disclosure</b>  (4.1) A bank shall disclose the prohibition on coercive tied selling set out in subsection (1) in a statement in plain language that is clear and concise, displayed and available to customers and the public at all of its branches and at all prescribed points of service in Canada.  (4.2) The Governor in Council may make regulations for the purposes of subsection (4.1) defining "point of service" and prescribing points of service.	<b>Disclosure</b>  (4.1) An authorized foreign bank shall disclose the prohibition on coercive tied selling set out in subsection (1) in a statement in plain language that is clear and concise, displayed and available to customers and the public at all of its branches and at all prescribed points of service in Canada.  (4.2) The Governor in Council may make regulations for the purposes of subsection (4.1) defining "point of service" and prescribing points of service.
REGULATION MAKING AUTHORITY	<b>Regulations</b>  (5) The Governor in Council may make regulations  (a) specifying types of conduct or transactions that shall be considered undue pressure or coercion for the purpose of subsection (1); and	<b>Regulations</b>  (5) The Governor in Council may make regulations  (a) specifying types of conduct or transactions that shall be considered undue pressure or coercion for the purpose of subsection (1); and

(1) Authorized Foreign Bank Branches are *wholesale banks* that cannot accept retail deposit accounts, i.e. personal deposit accounts under \$150,000.

# Consumer Provisions Under FCAC Supervision and Other Relevant Provisions

## Consumer Provisions Under FCAC Supervision

Note: Always check against actual legislation for certainty

CLAUSE DESCRIPTION	BANKS / FOREIGN BANKS (Schedule I & II)	AUTHORIZED FOREIGN BANK BRANCHES (1)
	(b) specifying types of conduct or transactions that shall be considered not to be undue pressure or coercion for the purpose of subsection (1).	(b) specifying types of conduct or transactions that shall be considered not to be undue pressure or coercion for the purpose of subsection (1).
NOTICE OF BRANCH CLOSURE	<p><b>Notice of branch closure</b></p> <p><b>459.2</b> (1) Subject to regulations made under subsection (5), a member bank with a branch in Canada at which it, through a natural person, opens retail deposit accounts and disburses cash to customers, shall give notice in accordance with those regulations before closing that branch or having it cease to carry on either of those activities.</p>	
PRECLOSURE MEETING	<p><b>Pre-closure meeting</b></p> <p>(2) After notice is given but before the branch is closed or ceases to carry on the activities, the Commissioner may, in prescribed situations, require the bank to convene and hold a meeting between representatives of the bank, representatives of the Agency and interested parties in the vicinity of the branch in order to exchange views about the closing or cessation of activities.</p>	
PUBLIC MEETING DETAILS	<p><b>Meeting details</b></p> <p>(3) The Commissioner may establish rules for convening a meeting referred to in subsection (2) and for its conduct.</p>	
NON-APPLICABILITY OF THE STATUTORY INSTRUMENTS ACT	<p><b>Not statutory instruments</b></p> <p>(4) The <i>Statutory Instruments Act</i> does not apply in respect of rules established under subsection (3).</p>	
REGULATION MAKING AUTHORITY	<p><b>Regulations</b></p> <p>(5) The Governor in Council may make regulations prescribing</p> <p>a) the manner and time, which may vary according to circumstances specified in the regulations, in which notice shall be given under subsection (1), to whom it shall be given and the information to be included;</p> <p>b) circumstances in which a member bank is not required to give notice under subsection (1), circumstances in which the Commissioner may exempt a member bank from the requirement to give notice under that subsection, and circumstances in which the Commissioner may vary the manner and time in which notice is required to be given under any regulation made under paragraph (a); and</p> <p>c) circumstances in which a meeting may be convened under subsection (2).</p>	
FILING OF A PUBLIC ACCOUNTABILITY STATEMENTS	<p><b>Public accountability statements</b></p> <p><b>459.3</b> (1) A bank with equity of one billion dollars or more shall, in accordance with regulations made under subsection (4), annually publish a statement describing the contribution of the bank and its prescribed affiliates to the Canadian economy and society.</p>	

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## Consumer Provisions Under FCAC Supervision

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CLAUSE DESCRIPTION	BANKS / FOREIGN BANKS (Schedule I & II)	AUTHORIZED FOREIGN BANK BRANCHES (1)
<p>FILING OF STATEMENT</p> <p>DISCLOSURE TO THE PUBLIC</p> <p>REGULATION MAKING AUTHORITY</p>	<p><b>Filing</b></p> <p>2) A bank shall, in the manner and at the time prescribed, file a copy of the statement with the Commissioner.</p> <p><b>Provision of statement to public</b></p> <p>(3) A bank shall, in the manner and at the time prescribed, disclose the statement to its customers and to the public.</p> <p><b>Regulation</b></p> <p>(4) The Governor in Council may make regulations prescribing</p> <p>a) the name, contents and form of the statement referred to in subsection (1) and the time within which it must be prepared;</p> <p>b) affiliates of a bank referred to in subsection (1);</p> <p>c) the manner and time in which a statement must be filed under subsection (2); and</p> <p>d) the manner and time in which a statement mentioned in subsection (3) is to be disclosed, respectively, to a bank's customers and to the public.</p>	
<p>REGULATION MAKING AUTHORITY FOR DISCLOSURE</p>	<p><b>Regulations re disclosure</b></p> <p><b>459.4</b> The Governor in Council may, subject to any other provisions of this Act relating to the disclosure of information, make regulations respecting the disclosure of information by banks or any prescribed class of banks, including regulations respecting</p> <p>a) the information that must be disclosed, including information relating to</p> <p>(i) any product or service or prescribed class of products or services offered by them,</p> <p>(ii) any of their policies, procedures or practices relating to the offer by them of any product or service or prescribed class of products or services,</p> <p>(iii) anything they are required to do or to refrain from doing under a consumer provision, and</p> <p>(iii) anything they are required to do or to refrain from doing under a consumer provision, and</p> <p>(iv) any other matter that may affect their dealings with customers or the public;</p> <p>b) the manner, place and time in which and the persons to whom information is to be disclosed; and</p> <p>c) the content and form of any advertisement by banks or any prescribed class of banks relating to any matter referred to in paragraph (a).</p>	<p><b>Regulations re disclosure</b></p> <p><b>576.2</b> The Governor in Council may, subject to any other provisions of this Act relating to the disclosure of information, make regulations respecting the disclosure of information by authorized foreign banks or any prescribed class of authorized foreign banks, including regulations respecting</p> <p>a) the information that must be disclosed, including information relating to</p> <p>(i) any product or service or prescribed class of products or services offered by them,</p> <p>(ii) any of their policies, procedures or practices relating to the offer by them of any product or service or prescribed class of products or services,</p> <p>(iii) anything they are required to do or to refrain from doing under a consumer provision, and</p> <p>(iv) any other matter that may affect their dealings with customers or the public;</p> <p>b) the manner, place and time in which and the persons to whom information is to be disclosed; and</p> <p>c) The content and form of any advertisement by authorized foreign banks or any prescribed class of authorized foreign banks relating to any matter referred to in paragraph (a).</p>

(1) Authorized Foreign Bank Branches are *wholesale banks* that cannot accept retail deposit accounts, i.e. personal deposit accounts under \$150,000.



# Consumer Provisions Under FCAC Supervision and Other Relevant Provisions

## Consumer Provisions Under FCAC Supervision

Note: Always check against actual legislation for certainty

CLAUSE DESCRIPTION	BANKS / FOREIGN BANKS (Schedule I & II)	AUTHORIZED FOREIGN BANK BRANCHES (1)
<p>BANK AFFILIATES TO COMPLY WITH PROVISIONS OF THE ACT <i>(includes changes from C-08)</i></p>	<p><b>459.5</b> A bank shall not enter into any arrangement or otherwise cooperate with any of its affiliates that is controlled by a bank or a bank holding company and that is a finance entity as defined in subsection 464(1) or other prescribed entity to sell or further the sale of a product or service of the bank or the affiliate unless</p> <p>(a) the affiliate complies, with respect to the product or service, with the following provisions as if it were a bank, namely,</p> <p>(i) Sections 449 to 455, subsections 458(1) and (3) and section 459.1, and</p> <p>(ii) section 456, to the extent that it is applicable to the activities of the affiliate; and</p> <p>(b) the persons who request or receive the product or service have access to complaint handling by the body corporate designated under subsection 455.1(1).</p>	

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# Other Provisions

Banks / Foreign Banks (Schedule I & II)  
Authorized Foreign Bank Branches

June 2002

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**Consumer Provisions Under FCAC Supervision and Other Relevant Provisions**  
**Other Relevant Provisions**

Note: Always check against actual legislation for certainty

CLAUSE DESCRIPTION	BANKS / FOREIGN BANKS (Schedule I & II)	AUTHORIZED FOREIGN BANK BRANCHES (1)
PROVIDING INFORMATION TO COMMISSIONER	<p><b>REGULATION OF BANKS – COMMISSIONER</b></p> <p><b>Required information</b></p> <p><b>657.</b> A bank or an authorized foreign bank shall provide the Commissioner with the information at the times and in the form that the Commissioner may require for the purposes of the administration of the consumer provisions.</p>	<p>SAME AS BANKS</p> <p>SAME AS BANKS</p>
<p>CONFIDENTIAL TREATMENT OF INFORMATION</p> <p>DISCLOSURE OF CONFIDENTIAL INFORMATION</p>	<p><b>Confidential information</b></p> <p><b>658.</b> (1) Subject to subsection (2), information regarding the business or affairs of a bank or authorized foreign bank or regarding persons dealing with any of them that is obtained by the Commissioner or by any person acting under the direction of the Commissioner, in the course of the exercise or performance of powers, duties and functions referred to in subsection 5(1) of the <i>Financial Consumer Agency of Canada Act</i>, and any information prepared from that information, is confidential and shall be treated accordingly.</p> <p><b>Disclosure permitted</b></p> <p>(2) If the Commissioner is satisfied that the information will be treated as confidential by the agency, body or person to whom it is disclosed, subsection (1) does not prevent the Commissioner from disclosing it</p> <p>a) to any government agency or body that regulates or supervises financial institutions, for purposes related to that regulation or supervision;</p> <p>b) to any other agency or body that regulates or supervises financial institutions, for purposes related to that regulation or supervision;</p> <p>c) to the Canada Deposit Insurance Corporation, for purposes related to its operation; and</p> <p>d) to the Deputy Minister of Finance or any officer of the Department of Finance authorized in writing by the Deputy Minister of Finance or to the Governor of the Bank of Canada or any officer of the Bank of Canada authorized in writing by the Governor of the Bank of Canada, for the purposes of policy analysis related to the regulation of financial institutions.</p>	<p>SAME AS BANKS</p> <p>SAME AS BANKS</p> <p>SAME AS BANKS</p> <p>SAME AS BANKS</p> <p>SAME AS BANKS</p> <p>SAME AS BANKS</p>
YEARLY EXAMINATIONS	<p><b>Examination of banks</b></p> <p><b>659.</b> (1) The Commissioner, from time to time but at least once in each calendar year, shall make or cause to be made any examination and inquiry that the Commissioner considers necessary for the purposes of satisfying the Commissioner that the applicable consumer provisions are being complied with and, after the conclusion of each examination and inquiry, shall report on it to the Minister.</p> <p><b>Access to records of bank</b></p> <p>(2) The Commissioner or a person acting under the Commissioner's direction in carrying out his or her duties under subsection (1)</p>	<p>SAME AS BANKS</p> <p>SAME AS BANKS</p>

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## Consumer Provisions Under FCAC Supervision and Other Relevant Provisions

### Other Relevant Provisions

**Note: Always check against actual legislation for certainty**

CLAUSE DESCRIPTION	BANKS / FOREIGN BANKS (Schedule I & II)	AUTHORIZED FOREIGN BANK BRANCHES (1)
ACCESS TO RECORDS BY FCAC	<p>(a) has a right of access to any records, including electronic records, of a bank or authorized foreign bank; and</p> <p>(b) may require the directors or officers of a bank or authorized foreign bank to provide information and explanations, to the extent that they are reasonably able to do so, in respect of any matter subject to examination or inquiry under subsection (1).</p>	<p><b>SAME AS BANKS</b></p> <p><b>SAME AS BANKS</b></p>
POWER OF THE COMMISSIONER UNDER PART II OF THE INQUIRIES ACT	<p><b>Power of Commissioner on inquiry</b></p> <p><b>660.</b> The Commissioner, in carrying out his or her duties in relation to consumer provisions, has all the powers of a person appointed as a commissioner under Part II of the <i>Inquiries Act</i> for the purpose of obtaining evidence under oath, and may delegate those powers to any person acting under the Commissioner's direction.</p>	<p><b>SAME AS BANKS</b></p>
RIGHT TO ENTER INTO COMPLIANCE AGREEMENTS	<p><b>Compliance agreement</b></p> <p><b>661.</b> The Commissioner may enter into an agreement, called a "compliance agreement", with a bank or an authorized foreign bank for the purposes of implementing any measure designed to further compliance by it with the consumer provisions.</p>	<p><b>SAME AS BANKS</b></p>

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