

BY-LAW AMENDING THE CANADA DEPOSIT INSURANCE CORPORATION DEPOSIT
INSURANCE INFORMATION BY-LAW

AMENDMENTS

1. (1) The definition "Return of Insured Deposits" in section 1 of the *Canada Deposit Insurance Corporation Deposit Insurance Information By-law*^a is repealed.

(2) Section 1 of the By-law is amended by adding the following in alphabetical order:

"CDIC" means the Canada Deposit Insurance Corporation. (*SADC*)

2. The portion of section 2 of the By-law before paragraph (a) is replaced by the following:

2. No person shall make any false, misleading or deceptive representation with respect to

3. Section 4 of the By-law is replaced by the following:

4. (1) Subject to subsection (2), a member institution may, in its advertising, make any of the following representations, or representations in substantially the same words as any of the following representations, with respect to its status as a member institution:

(a) "Member of the Canada Deposit Insurance Corporation" (or "A Canada Deposit Insurance Corporation member");

(b) "Member of CDIC" (or "A CDIC member");

(c) "*(name of the member institution)* is a member of the Canada Deposit Insurance Corporation"; or

(d) "*(name of the member institution)* is a member of CDIC".

(2) The representations may appear

(a) anywhere in advertising that deals exclusively with

(i) the member institution, without mentioning any deposit or other financial product, or

(ii) deposits insured by the Corporation; and

^a SOR/96-542

(b) immediately following, or in close proximity to, the name of the member institution in advertising that

(i) deals exclusively with deposits insured by the Corporation and refers to both the member institution and a person other than a member institution, using their name or a brand name or other identifier, or

(ii) does not deal exclusively with deposits insured by the Corporation, if the statement set out in subsection 9.1(1) appears in close proximity to the representations respecting the deposits that are not insured by the Corporation.

4. (1) Subsections 5(1) and (2) of the By-law are replaced by the following:

5. (1) A member institution shall display a membership sign provided by the Corporation prominently at each entrance to each of its places of business in such a manner that the sign is clearly visible during business hours.

(2) The membership sign, representing a stylized Canadian flag, must contain, at a minimum, the name of the Corporation, contact information for the Corporation and the name of the member institution or member institutions doing business at the location where the sign is to be displayed.

(2.1) A member institution that has its own web site or shares a web site with another member institution shall display the membership sign, provided in electronic form by the Corporation, prominently on that web site, either on the home page of the member institution or at a location on the web site where the member institution makes representations respecting its deposits that are insured by the Corporation.

(2.2) A member institution that shares a web site with a person other than a member institution shall display the membership sign, provided in electronic form by the Corporation, on that web site in close proximity to the representations by the member institution respecting its deposits that are insured by the Corporation.

(2.3) A member institution may display a membership sign at any of its points of service.

(2) Section 5 of the By-law is amended by adding the following after subsection (3):

(4) When a member institution vacates a place of business or point of service, it shall remove all membership signs from the vacated premises.

5. Sections 6 to 8 of the By-law are replaced by the following:

6. The Corporation shall supply to each member institution a copy of a brochure that includes the following:

- (a) general information about the Corporation;
- (b) contact information for the Corporation;
- (c) the Corporation's logo or other identifiers;
- (d) information as to what constitutes a deposit that is insured by the Corporation;
- (e) information as to what constitutes a deposit that is not insured by the Corporation;
- (f) the maximum amount of deposit insurance coverage provided by the Corporation; and
- (g) information as to what a depositor needs to know when the Corporation is obliged to make an insurance payment.

7. (1) A member institution shall display the brochure prominently at each of its places of business and points of service and shall make copies of the brochure available to depositors or any other persons.

(2) A member institution that has a web site may display the brochure on the web site or provide access to it on the web site by means of a hyperlink to the brochure on the web site of the Corporation.

(3) A member institution that shares a web site with a person other than a member institution may display the brochure on the web site or provide access to it on the web site by means of a hyperlink to the brochure on the web site of the Corporation and, if it does so, must display the brochure or the hyperlink at a location that is in close proximity to the location where the membership sign referred to in subsection 5(2.2) is displayed.

8. A member institution may make representations with respect to anything contained in the brochure.

6. Subsections 9(1) and (2) of the By-law are replaced by the following:

9. (1) In this section, "instrument" means a document evidencing that a member institution has received or is holding money from or on behalf of a person

(a) that does not constitute a deposit that is insured by the Corporation; and

(b) in respect of which the Corporation does not collect a premium in accordance with section 21 of the Act.

(2) A member institution shall not issue an instrument to any person in writing or by electronic or other means unless the instrument bears a warning statement on its face, in the following location, if any is specified, and in substantially the same words as the following:

(a) if the instrument evidences only that the member institution has received or is holding money that does not constitute a deposit that is insured by the Corporation, the statement

(i) "Not insured by CDIC",

(ii) "Not insured by the Canada Deposit Insurance Corporation", or

(iii) "The deposit evidenced by this instrument does not constitute a deposit that is insured under the *Canada Deposit Insurance Corporation Act.*"; and

(b) if, in addition to the information referred to in paragraph (a), the instrument also evidences that the member institution has received or is holding money that constitutes a deposit that is insured by the Corporation

(i) the statement "Only deposits held in Canadian currency, having a term of five years or less and payable in Canada are insurable under the *Canada Deposit Insurance Corporation Act.*",

(ii) the statement "The following deposits evidenced by this instrument do not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act.*",

(iii) the statement "Not insured by CDIC" beside the reference to each deposit that is not insured, or

(iv) the statement "Not insured by CDIC" in a footnote the reference mark for which is located beside the reference to each deposit that is not insured.

7. Section 9.1 of the By-law is replaced by the following:

9.1 (1) A member institution may affix to any document relating to a deposit that is not insured by the Corporation a statement in substantially the same words as the following:

"Only deposits held in Canadian currency, having a term of five years or less and payable in Canada are insurable under the *Canada Deposit Insurance Corporation Act*."

(2) A member institution may affix any of the statements set out in subparagraphs 9(2)(a)(i) to (iii) to any instrument evidencing that the member institution has received or is holding money that does not constitute a deposit that is insured by the Corporation.

9.2 (1) The following definitions apply in this section.

"advertisement" means a sales communication in written form that is published in or designed for use on a public medium, other than radio or television. (*texte publicitaire*)

"sales communication" means a communication, relating to a mutual fund, that is made to any person in order to induce them to purchase securities of the mutual fund and that is not contained in any of the following documents of the mutual fund:

(a) a preliminary prospectus or a pro forma prospectus;

(b) a simplified prospectus or a simplified pro forma prospectus;

(c) an annual information form or a preliminary or pro forma annual information form;

(d) financial statements, including the notes to the financial statements and the auditor's report on the financial statements;

(e) a trade confirmation; or

(f) a statement of account. (*communication à des fins de vente*)

"subsidiary" has the same meaning as in section 2 of the *Bank Act*. (*filiale*)

(2) A member institution shall include in its advertisements about money market mutual funds, or have included in the advertisements of any of its subsidiaries or affiliates about money market mutual funds, a warning statement in substantially the same words as the following:

"Mutual fund securities are not covered by the Canada Deposit Insurance Corporation."

8. Schedules I and II to the By-law are repealed.

COMING INTO FORCE

9. This By-law comes into force on the day on which it is registered.