

ACQUISITION OR DISPOSAL OF ASSETS EXCEEDING 5% OF A FI'S ASSETS, TO/FROM A WIDELY HELD BANK OR INSURANCE HOLDING COMPANY OR A SUBSIDIARY OF THE HOLDING COMPANY THAT IS RELATED TO FI**Legislative Authorities**

- section 495.3 of *Bank Act*
- section 483.3 of *Trust and Loan Companies Act*
- section 528.3 of *Insurance Companies Act*

Information Requirements

- ownership diagram showing FI seeking approval, its parent bank holding company or insurance holding company and, if applicable, any subsidiaries of the holding company or entities in which the holding company has a substantial investment, that are involved in the proposed transaction
- nature and value of assets being acquired or transferred by FI
- total value of all assets, excluding exempted assets in subsection (2) of the legislative authorities referred to above, that FI directly or indirectly acquired from, or directly or indirectly transferred to the related party in the 12 months ending immediately before the proposed acquisition or transfer
- total value of assets of FI as shown in its last annual statement prepared before the proposed acquisition or transfer
- purpose, rationale and details of payment of purchase or sale
- for material acquisitions, copies of due diligence reports, if any, that confirm asset quality
- copy of resolution of Conduct Review Committee of the FI approving the transaction, including confirmation that the transaction will be at least as favourable as market terms and conditions
- pro-forma calculation of capital adequacy tests reflecting asset transaction for FI seeking approval, and for its parent bank holding company or insurance holding company if the holding company is involved in the transaction.
- analysis of transaction in respect of asset/liability management

Administrative Guidance

An application under any of the legislative authorities:

- should conform to prudent balance sheet asset management principles
- may also require an approval of the Superintendent under section 482 of *Bank Act* or section 470 of *Trust and Loan Companies Act* or section 512 of the *Insurance Companies Act* as appropriate, if the value of the assets being acquired from or transferred to the related party plus the total value of any other assets acquired from or transferred to the related party within the twelve months ending immediately before the proposed transfer, exceeds 10% of the FI's total assets.