

December 17, 2004

TO: All Banks, Trust and Loan Companies, Life Insurance Companies, Fraternal Benefit Societies, Property & Casualty Insurance Companies, Cooperative Credit Associations

Attention: Chief Compliance Officer

All Foreign Bank Branches, Foreign Life Insurance Companies, Foreign Fraternal Benefit Societies, Foreign Property & Casualty Insurance Companies

Attention: Principal Officer / Chief Agent

SUBJECT: Late and Erroneous Filing Penalty (LEFP) Framework: 2004 Update of Administrative Procedures

OSFI has recently completed a review and update of the **Instruction Guide: Administrative Procedures for the Late and Erroneous Filing Penalty (LEFP) Framework** for 2005. The updated Guide is available on our website at <http://www.osfi-bsif.gc.ca/>. As in prior years, all returns and filings subject to the LEFP Framework are identified in the Guide. Reference should be made to specific filing instructions for more detailed information about individual returns and filings.

The following are the principal changes made to the Guide for 2005:

1. Penalties will no longer be applied to the late filing of the “package”: *Annual Financial Statement, Auditors’ Report, and other material to go to Shareholders*. Note however that this “package” is still required to be sent by Canadian institutions to OSFI within statutory time limits.
2. Notices of Annual or Special Meeting of Shareholders, Proxy Circular/ Dissidents’ Proxy Circulars, and Forms of Proxy must now be filed with OSFI no later than 15 days before the annual meeting of shareholders. The previous requirement was to send this material to OSFI at least 21 days prior to the meeting. The change has been made to conform the deadline to other corporate filings, and to simplify OSFI’s administrative processes.
3. The Appendix to the Guide reflects changes made in returns and filings during 2004.

As in prior years, **all returns and filings must be sent to the Regulatory Information Division, OSFI, 255 Albert Street, Ottawa ON K1A 0H2**. If you have any questions about the LEFP Framework, please contact the Compliance Division at (416) 973-6117.

Nicolas W. R. Burbidge
Senior Director
Compliance Division

