

## PROCEDURES FOR COMPLETING OSFI 298 FORM

### Overview

**PURPOSE**      [OSFI 298 Form](#) is an application form for Insurance Institutions requesting approval from the Office of the Superintendent of Financial Institutions (OSFI) to:

- Release assets vested in trust, and / or;
- Vest a non-Schedule “A” asset.

OSFI’s approval is necessary to ensure that:

- Financial Institutions remain in compliance with the applicable capital adequacy test (e.g., TAAM, BAAT etc.)
- Non-Schedule “A” assets are appropriate for vesting purposes

[OSFI 298 Form](#) must be approved by OSFI prior to completing the transaction(s). (i.e. Settlement Date)

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### TRUST ACCOUNTS REQUIRING OSFI 298 FORM

The use of the [OSFI 298 Form](#) applies to all trust accounts requiring OSFI approval. The following parties are to be identified and appropriate signing authorities secured, as outlined in the Instructions.

#### Standard Trust Account:

- Federally Regulated Financial Institution
- Trustee
- OSFI

#### Reinsurance Trust Account:

- Federally Regulated Financial Institution
  - Non-approved Insurance Company (unregistered reinsurer)  
*(needs to be identified, but does not need to sign form)*
  - Trustee
  - OSFI
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### Instructions

#### Completing [OSFI 298 Form](#)

The applicant preparing the Form should send the completed Form to OSFI for approval *prior* to Settlement Date.

#### General

**Sections 1 to 5** of the [OSFI 298 Form](#) must be fully completed. The following table provides further details on the fields required for completion, which for the most part are self-explanatory:

REQUIRED INFORMATION		DESCRIPTION
<b>SECTION 1</b>  <b>TRUSTEE INFORMATION</b>	<b>Name of Trustee</b>	▪ Legal name of the Trustee
	<b>Street Address</b>	▪ Trustee's address
	<b>City, Province</b>	▪ Trustee's location
	<b>Admin. Officer</b>	▪ Name of administrative officer at the trustee who can be contacted if further information is required
	<b>Telephone No.</b>	▪ Administrative officer's contact number
	<b>Fax No.</b>	▪ Administrative officer's fax number
	<b>E-mail</b>	▪ Administrative officer's email address
<b>SECTION 2</b>  <b>FINANCIAL INSTITUTION INFORMATION</b>	<b>Financial Institution Code</b>	▪ Unique OSFI's Financial Institution Code ▪ 'R' code previously provided by OSFI is required for reinsurance trust account
	<b>Name of Financial Institution</b>	▪ Legal name of the Federally Regulated Financial Institution
	<b>Name of Reinsurer (If applicable)</b>	▪ Legal name of the non-approved insurance company. <b><i>This must be provided for requests involving reinsurance trust accounts.</i></b>
	<b>Requested by / On behalf of</b>	▪ Name of the person (Applicant) or individual acting on behalf of the Financial Institution making the request
	<b>Telephone No.</b>	▪ Applicant's telephone number
	<b>Fax No.</b>	▪ Applicant's fax number
<b>SECTIONS 3 &amp; 4</b>  <b>ASSET(S) INFORMATION</b>  ▪ <b>SECTION 3 – VEST IN TRUST</b>  ▪ <b>SECTION 4 – RELEASE</b>  <b>IMPORTANT NOTE:</b> <i>Approval will not be given if any information is incomplete or inaccurate. The Trustee should fail the trade if required approval is not obtained by settlement date.</i>	<b>Trust Account #</b>	▪ Trustee's account number
	<b>Held:</b>	▪ Check the appropriate box: <b>(C)</b> for asset(s) held by a Canadian Depository for Securities or <b>(P)</b> for assets physically held by the trustee
	<b>CUSIP #:</b>	▪ CUSIP number for securities
	<b>Security Description:</b>	▪ Full description of the security (asset) including quantity, par value, interest rate, and maturity date. Include currency denomination if other than Canadian dollars, US dollars or Euros.
	<b>Currency:</b>	▪ Select <b>C</b> for Canadian Dollars; <b>U</b> for US Dollars; <b>E</b> for Euros; <b>O</b> for Other currencies. <b>Note:</b> <i>Only one foreign currency can be use on each OSFI 298 Form request</i>
	<b>Book value:</b>	▪ Total book value of the security
	<b>Market value:</b>	▪ Total current market value of the security as at Trade Date.
<b>Curr Exchange Rate</b>	▪ Current exchange rate for the foreign securities, as applicable, as at Trade Date.	
<b>SECTIONS 4A</b>	<b>Reason For Release</b>	▪ State the reason why the release is requested.

REQUIRED INFORMATION		DESCRIPTION
<b>SECTION 5</b>  REQUESTED BY	<b>Name (Print)</b>	<ul style="list-style-type: none"> <li>Print the name of the Chief Agent or the authorized delegate of the Federally Regulated Financial Institution who is signing the OSFI Form 298 form.</li> </ul>
	<b>Title</b>	<ul style="list-style-type: none"> <li>Company title of the signatory</li> </ul>
	<b>Company</b>	<ul style="list-style-type: none"> <li>Legal Name of the Federally Regulated Financial Institution</li> </ul>
	<b>Signature</b>	<ul style="list-style-type: none"> <li>Signature from the Chief Agent or the authorized delegate of the federally regulated financial institution.</li> </ul>
	<b>Date</b>	<ul style="list-style-type: none"> <li>Date of the signature</li> </ul>
<b>SECTION 6</b>  OSFI APPROVAL	<b>Signature</b>	<ul style="list-style-type: none"> <li>OSFI's Signature authorizing the Form 298 request.</li> </ul>
	<b>Date</b>	<ul style="list-style-type: none"> <li>Date of OSFI's signature/approval</li> </ul>
<b>SECTION 7</b>  TRANSACTION COMPLETED ON	<b>Signature</b>	<ul style="list-style-type: none"> <li>Trustee's signature confirming the completed transaction(s)</li> </ul>
	<b>Date</b>	<ul style="list-style-type: none"> <li>The transaction(s) completion date (i.e. Settlement date)</li> </ul>

## FAQs

## Frequently Asked Questions

<b>FINANCIAL INSTITUTION CODE</b>	<p><b>Q.</b> What is my company's Financial Institution Code?</p> <p><b>A.</b> The Financial Institution Code is an OSFI identification number specific to each regulated Financial Institution. You can contact your Trustee or OSFI to obtain this code.</p>
<b>"R" CODE</b>	<p><b>Q.</b> Who do I contact to obtain the "R" code for my company's reinsurance trust accounts?</p> <p><b>A.</b> The Financial Institution "R" code is a specific reinsurance trust account identification number provided by OSFI (Securities Administration Unit). You can contact your Trustee or OSFI to obtain this code.</p>
<b>TOTAL VEST IN TRUST</b>	<p><b>Q.</b> How do you calculate "Total VEST IN TRUST" (Section 3)?</p> <p><b>A.</b> This total can only be the sum of one currency. It is the sum of the total market value of all asset(s) to be vested.</p>
<b>TOTAL RELEASE</b>	<p><b>Q.</b> How do you calculate "Total RELEASE" (Section 4)?</p> <p><b>A.</b> This total can only be the sum of one currency. It is the sum of either the greater total market value or total book value of each asset(s) requested for release.</p>

<b>NET VEST OR RELEASE</b>	<p><b>Q.</b> How is the “NET Vest or Release” calculated?</p> <p><b>A.</b> It’s the (Total VEST IN TRUST multiplied by the Currency Exchange Rate) less (Total RELEASE multiplied by the Currency Exchange Rate).</p>
<b>APPROVAL NOT REQUIRED FOR SCHEDULE A – ASSETS</b>	<p><b>Q.</b> What assets can be vested in trust <b><u>without the prior approval</u></b> of OSFI?</p> <p><b>A.</b> Approved assets are those listed in <b><u>Schedule “A”</u></b>. <b><i>Refer to the appendix in the Standard Trust Agreement or Reinsurance Trust Agreement.</i></b></p> <p>Please note that securities listed in Schedule “A” must be:</p> <ul style="list-style-type: none"> <li>• payable in Canadian dollars;</li> <li>• issued by a Canadian company;</li> <li>• held either with the Canadian Depository for Securities (CDS) or physically held by the Trustee.</li> </ul>
<b>PRE-APPROVAL NON-SCHEDULE A ASSETS</b>	<p><b>Q.</b> What assets require <b>pre-approval by OSFI</b> before it can be vested in trust?</p> <p><b>A.</b> Any asset not meeting the <b><u>Schedule “A”</u></b> criteria.</p>
<b>TRADE SETTLEMENT AND REGISTRATION</b>	<p><b>Q.</b> What are the requirements for trade settlement, holding and registering of vested assets?</p> <p><b>A.</b> The trade must settle either through Canadian Depository for Securities or physically by a trustee. Registration must be in either the Trustee’s or a Nominee’s name.</p>
<b>CHIEF AGENT OR AUTHORIZED DELEGATE</b>	<p><b>Q.</b> Who signs in <b>Box 5 of the OSFI FORM 298</b> when the account is reinsurance trust account?</p> <p><b>A.</b> The Chief Agent or the authorized delegate from the Federally Regulated Financial Institution that is a party to the reinsurance trust agreement. The reinsurance company does not need to sign the form.</p>
<b>OSFI SERVICE STANDARDS</b>	<p><b>Q.</b> How quickly does OSFI turnaround the OSFI 298 Form?</p> <p><b>A.</b> For <b>non-complex request</b>, OSFI will usually provide approval within 48hrs. Others may involve further analysis and may take longer. OSFI makes every effort to respond to requests on a timely basis.</p>
<b>SETTLEMENTS WITHOUT OSFI REQUIRED APPROVAL</b>	<p><b>Q.</b> What happens if a transaction(s) requiring OSFI’s approval settles without an approved OSFI 298 Form?</p> <p><b>A.</b> The transaction(s) will not be accepted by OSFI as an approved vested asset and should not be allowed to settle in the vested account. If such a transaction does settle, OSFI should be advised and steps taken to reverse the transactions.</p>
<b>FOREIGN CURRENCY TRANSACTIONS</b>	<p><b>Q.</b> Are foreign currency transactions acceptable?</p> <p><b>A.</b> All transactions involving the vesting of foreign currency assets will require OSFI prior approval via the OSFI Form 298.</p>

<b>REPLACEMENT OF NON-SCHEDULE A ASSET WITH SCHEDULE A ASSET</b>	<p><b>Q.</b> Is OSFI's approval required when a company replaces (sells) non-schedule "A" assets with schedule "A" assets?</p> <p><b>A.</b> OSFI's approval is not required if the total value (BV or MV whichever greater) of the non-schedule "A" securities being sold are <b><u>equal to or less than</u></b> the total value of the schedule "A" asset vested/purchased.</p>
<b>INVESTMENT INCOME INCLUDED IN SCHEDULE B</b>	<p><b>Q.</b> What happens if the investment income in a trust account is reported in the monthly <a href="#">Schedule "B"</a>?</p> <p><b>A.</b> Once the investment income from a vested account is reported in the Trustee's monthly schedule "B", the amount reported becomes vested asset.</p> <p><b>Q.</b> What happens if the investment income in a trust account is invested in a Money Market instrument and I want to withdraw the income the next day or later?</p> <p><b>A.</b> The invested income can be withdrawn without OSFI approval, if it is done prior to the Trustee's monthly reporting. If the Money Market instrument or any other investment is included in the reported monthly schedule "B" it becomes a vested asset and requires OSFI prior approval to be released.</p>

**OSFI CONTACT INFO**

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