



PROCEDURES FOR COMPLETING OSFI FORM 298

Overview

PURPOSE [OSFI Form 298](#) is an application form used by insurance institutions that are 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 Form 298](#) must be approved by OSFI prior to completing the **transaction(s)**. (i.e., before the Settlement Date)

TRUST ACCOUNTS REQUIRING OSFI FORM 298

The use of the [OSFI Form 298](#) 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 FORM 298 The applicant preparing the Form should send the completed Form to OSFI for approval *prior* to the Settlement Date.

GENERAL **Sections 1 to 5** of the [OSFI Form 298](#) must be fully completed. The following table provides further details on the fields required for completion:

REQUIRED INFORMATION		DESCRIPTION
SECTION 1 TRUSTEE INFORMATION	Name of Trustee	▪ Legal name of the trustee
	Street Address	▪ Trustee's address
	City, Province	▪ Trustee's location
	Admin. Officer	▪ Name of administrative officer at the trustee who can be contacted if further information is required
	Telephone No.	▪ Administrative officer's contact number
	Fax No.	▪ Administrative officer's fax number
	E-mail	▪ Administrative officer's email address
SECTION 2 FINANCIAL INSTITUTION INFORMATION	Financial Institution Code	▪ Unique OSFI Financial Institution Code ▪ 'R' code previously provided by OSFI is required for reinsurance trust account
	Name of Financial Institution	▪ Legal name of the federally regulated financial Institution
	Name of Reinsurer (If applicable)	▪ Legal name of the non-approved insurance company. <i>This must be provided for requests involving reinsurance trust accounts.</i>
	Requested by / On behalf of	▪ Name of the person (Applicant) or individual acting on behalf of the financial institution making the request
	Telephone No.	▪ Applicant's telephone number
	Fax No.	▪ Applicant's fax number
SECTIONS 3 & 4 ASSET(S) INFORMATION ▪ SECTION 3 – VEST IN TRUST ▪ SECTION 4 – RELEASE IMPORTANT NOTE: <i>Approval</i>	Trust Account #	▪ Trustee's account number
	Held:	▪ Check the appropriate box: (C) for asset(s) held by CDS Clearing and Depository Services Inc. or (P) for assets physically held by the trustee
	CUSIP #:	▪ CUSIP number for securities
	Security Description:	▪ 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.
	Currency:	▪ Select C for Canadian dollars; U for US dollars; E for Euros; O for Other currencies. Note: <i>Only one foreign currency can be used on each OSFI Form 298 request</i>
	Book value:	▪ Total book value of the security
	Market value:	▪ Total current market value of the security as at trade date.

REQUIRED INFORMATION		DESCRIPTION
<i>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>	Curr Exchange Rate	<ul style="list-style-type: none"> Current exchange rate for the foreign securities, as applicable, as at trade date.
SECTIONS 4A	Reason For Release	<ul style="list-style-type: none"> State the reason why the release is requested
SECTION 5	Name (Print)	<ul style="list-style-type: none"> Print the name of the Chief Agent or the authorized delegate of the federally regulated financial Institution who is signing the OSFI Form 298.
REQUESTED BY	Title	<ul style="list-style-type: none"> Company title of the signatory
	Company	<ul style="list-style-type: none"> Legal name of the federally regulated financial Institution
	Signature	<ul style="list-style-type: none"> Signature from the Chief Agent or the authorized delegate of the federally regulated financial institution.
	Date	<ul style="list-style-type: none"> Date of the signature
SECTION 6	Signature	<ul style="list-style-type: none"> OSFI's signature authorizing the Form 298 request.
OSFI APPROVAL	Date	<ul style="list-style-type: none"> Date of OSFI's signature/approval
SECTION 7	Signature	<ul style="list-style-type: none"> Trustee's signature confirming the completed transaction(s)
TRANSACTION COMPLETED ON	Date	<ul style="list-style-type: none"> The transaction(s) completion date (i.e. settlement date)

FAQs

Frequently Asked Questions

FINANCIAL INSTITUTION CODE	<p>Q. What is my company's Financial Institution Code?</p> <p>A. 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>
"R" CODE	<p>Q. Who do I contact to obtain the "R" code for my company's reinsurance trust accounts?</p> <p>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's SAU to obtain this code.</p>
TOTAL VEST IN TRUST	<p>Q. How do you calculate "Total Vest In Trust" (Section 3)?</p> <p>A. 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>

TOTAL RELEASE	<p>Q. How do you calculate “Total Release” (Section 4)?</p> <p>A. 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>
NET VEST OR RELEASE	<p>Q. How is the “Net Vest or Release” calculated?</p> <p>A. It is the (Total Vest In Trust multiplied by the Currency Exchange Rate) less (Total Release multiplied by the Currency Exchange Rate).</p>
APPROVAL NOT REQUIRED FOR SCHEDULE A – ASSETS	<p>Q. What assets can be vested in trust <u>without the prior approval</u> of OSFI?</p> <p>A. Approved assets are those listed in <u>Schedule “A”</u> (refer to the appendix in the Standard Trust Agreement or Reinsurance Trust Agreement).</p> <p>Please note that securities listed in Schedule “A” must be:</p> <ul style="list-style-type: none"> • payable in Canadian dollars; • issued by a Canadian company; • held either with CDS Clearing and Depository Services Inc. (CDS) or physically held by the Trustee.
PRE-APPROVAL NON-SCHEDULE A ASSETS	<p>Q. What assets require pre-approval by OSFI before they can be vested in trust?</p> <p>A. Any asset not meeting the <u>Schedule “A”</u> criteria.</p>
TRADE SETTLEMENT AND REGISTRATION	<p>Q. What are the requirements for trade settlement, holding and registering of vested assets?</p> <p>A. The trade must settle either through CDS Clearing and Depository Services Inc. or physically by a trustee. Registration must be in either the trustee’s or a nominee’s name.</p>
CHIEF AGENT OR AUTHORIZED DELEGATE	<p>Q. Who signs in Box 5 of the OSFI Form 298 when the account is a reinsurance trust account?</p> <p>A. 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>
OSFI SERVICE STANDARDS	<p>Q. How quickly will OSFI be able to process the OSFI Form 298?</p> <p>A. OSFI will usually provide a decision on a Form 298 request within three business days (with a target of 80% for achieving this standard). Where requests require additional information from the financial institution and involve further analysis, our decision may take longer. OSFI makes every effort to respond to requests on a timely basis.</p>
SETTLEMENTS WITHOUT OSFI REQUIRED APPROVAL	<p>Q. What happens if a transaction(s) requiring OSFI’s approval settles without an approved OSFI 298 Form?</p> <p>A. 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</p>

	transaction does settle, OSFI should be advised and steps taken to reverse the transactions.
FOREIGN CURRENCY TRANSACTIONS	<p>Q. Are foreign currency transactions acceptable?</p> <p>A. All transactions involving the vesting of foreign currency assets will require OSFI prior approval via the OSFI Form 298.</p>
REPLACEMENT OF NON-SCHEDULE A ASSET WITH SCHEDULE A ASSET	<p>Q. Is OSFI's approval required when a company replaces (sells) non-Schedule "A" assets with Schedule "A" assets?</p> <p>A. OSFI's approval is not required if the total value (the greater of book value or market value) of the non-Schedule "A" securities being sold is <u>equal to or less than</u> the total value of the Schedule "A" asset(s) being vested (purchased).</p>
INVESTMENT INCOME INCLUDED IN SCHEDULE B	<p>Q. What happens if the investment income in a trust account is reported in the monthly <u>Schedule "B" report</u>?</p> <p>A. Once the investment income from a vested account is reported in the trustee's monthly Schedule "B report", the amount reported is considered to be a vested asset.</p>
	<p>Q. 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>A. 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 approval to be released.</p>
COMPLAINTS	<p>A. In the event you are not satisfied with the service received in connection with your 298 approvals request, you can call, fax or email OSFI as follows:</p> <p>Via telephone, 8:30 a.m. to 5:00 p.m. Eastern time, Monday through Friday</p> <ul style="list-style-type: none"> • 1-800-385-8647 or • 613-943-3950 (local Ottawa/Gatineau) <p>Via fax 613-990-5591</p> <p>Via email information@osfi-bsif.gc.ca</p> <p>Via regular mail Office of the Superintendent of Financial Institutions Canada 255 Albert Street Ottawa, Ontario, Canada K1A 0H2</p>

**OSFI CONTACT
INFO (FOR ANY
OTHER ISSUES)**

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