

Financial Services Regulatory Authority of Ontario (“FSRA”)
Notice of Changes and Request for Comment (the “Notice of Change”)

Rule 2024 – 004

Credit Unions – Unclaimed Deposits

Introduction

FSRA is proposing Rule 2024-004, with an accompanying Guidance, with respect to unclaimed deposits held by credit unions (the “Proposed Rule”).

FSRA posted a previous version of the Proposed Rule on its website for a 60-day consultation period that ended on May 16, 2024 (the “**Consultation Period**”). After analyzing the submissions received, FSRA is proposing material changes (the “**Material Changes**”) to the version of the Proposed Rule that FSRA published for comment during the Consultation Period (the “**Consulted-on Proposed Rule**”).

FSRA is publishing this Notice of Change on its website.¹ FSRA is seeking stakeholder comments on the Material Changes and estimated costs for managing and administering the Unclaimed Deposits program within 30 days after publishing the revised Proposed Rule on FSRA’s website.

Background

Overall, FSRA’s first consultation on the Proposed Rule confirmed that stakeholders generally support the implementation of a clear regime that addresses the treatment of unclaimed deposits with credit unions. FSRA received a number of comments and questions that were addressed in the Summary of Comments and FSRA Responses.

The comments received during the public consultation prompted revisions to the Proposed Rule with respect to how the unclaimed deposit process will be administered.

Purpose of Proposed Changes

The purpose of the changes is to ensure the unclaimed deposit process will protect consumers while minimizing burden on credit unions. In particular, the changes will clarify credit unions’ duties, such as how long they must retain documents, and the application of the rule, including clarifying that it does not apply to registered products or to deposits less than or equal to \$50. The rule will also provide more detail about the personal information collected under this process and how it may be used.

¹ This is required by s. 22(9) of the *Financial Services Regulatory Authority of Ontario Act, 2016* (the “**FSRA Act**”).

This approach aligns with FSRA's principles of regulatory effectiveness, efficiency and fairness by mitigating regulatory burden, protecting the rights and interests of consumers, promoting transparency and contributing to public confidence in the regulated sector.

Summary of Written Comments Received

FSRA requested submissions from all interested parties in the Notice of Rule published on March 18, 2024. FSRA received 7 submissions, including 6 from the credit union sector and one from a lawyer who has represented clients trying to address unclaimed deposits from Ontario credit unions. A summary of these comments, as well as the submissions, can be found on FSRA's website.

Stakeholders' comments on the Consulted-on Proposed Rule included feedback on topics including the following:

- **Minimum Threshold** – Stakeholders asked FSRA to consider a minimum threshold below which deposits would not be required to be transferred to FSRA. This would avoid having to transfer small dollar amounts that would cost more in internal resources than the value of the deposit.
- **Registered Deposits** – Stakeholders asked FSRA to confirm that registered products, such as registered retirement savings plans, are not required to be transferred to FSRA under the Proposed Rule.
- **Term Deposits and Auto-renewals** – Stakeholders requested clarification about when a term deposit, such as a guaranteed investment certificate, becomes unclaimed. Some suggested products that automatically renew at the end of each term should be considered active.
- **Data Retention Period** – Stakeholders noted that requiring credit unions to retain data for 40 or 100 years creates an unnecessary burden and increases the risk that this data, including personal information, could be lost or compromised. Some suggested credit unions should use their individual retention periods and one stakeholder suggested 7 years. One suggested FSRA should that clarify credit unions must retain all historical records from the date accounts are opened until the unclaimed accounts are passed to FSRA.
- **Personal Information Details** – Stakeholders raised concerns about certain data points credit unions will be expected to provide to FSRA, and the use of certain information in the attempt to locate deposits. For example, one suggested removing next of kin and emergency contact information from the data to be provided to FSRA. Another suggested, to reduce administrative burden, the data upload should be similar to requirements for the federal Unclaimed Properties Office at the Bank of Canada.

- **Transitional Period** – Stakeholders requested a reasonable implementation period to ensure there is sufficient time to meet the requirements under the Rule and associated Guidance. Some stakeholders requested a minimum of two years from the time the Rule is approved for credit unions to prepare, build systems and implement the rule.

Summary of, and Reasons for, Proposed Changes

FSRA is proposing the following revisions to the Proposed Rule for the following reasons:

- **Depositor** – The word “member” is replaced with “depositor” throughout to clarify that where the deposit is held by a depositor who is not a member, such as some municipalities, inactivity is based on the inactivity of the depositor that holds the account;
- **Payment** – In the revised Proposed Rule, “payment” means payment under s. 147(2) of the Act; this change simplifies the wording of the whole Proposed Rule – see s. 1(1)(iii);
- **Minimum threshold** – The revised Proposed Rule will not apply to deposits less than or equal to 50 Canadian dollars; this change will reduce the administrative burden while keeping a threshold low enough to protect consumers – see s. 1(3)(i);
- **Registered deposits** – The revised Proposed Rule will not apply to registered deposits; this change simplifies administration and protects consumers by ensuring the special tax status of these deposits is maintained – see s. 1(3)(ii);
- **Notification time frame** – The credit union must notify the depositor five and nine years from the date of the last activity, rather than from the date the account was considered inactive, which would be two years from the date of the last activity - see s.2(3)
- **Time frame** – All deposits that become unclaimed between January 1st and June 30th of the current year, together with deposits that became unclaimed between July 1st and December 31st of the previous year will be payable to FSRA between October 15th and December 15th of the current year; this change clarifies and simplifies administration by providing a single time period in which deposits are to be transferred – see s. 2(5);
- **Conversion to lump sum** – The revised Proposed Rule clarifies that credit unions must convert the value of an unclaimed deposit to a cash amount equal to principal plus accrued interest before transferring it to FSRA. This change clarifies the treatment of certain assets, including term deposits such as guaranteed investment certificates, and is consistent with the rule that a credit union shall not charge any fees or pay interest to a depositor once an account has become unclaimed under s. 2(9), which was s. 2(16) in the Consulted-on Proposed Rule – see s. 2(7)(i);

- **Currency conversion date** – When the credit union converts deposits held in foreign currency into Canadian dollars it will now be required to use the rate in effect on June 30th (as opposed to September 30th as described in the Consulted-on Proposed Rule) for consistency with the new time frames described above – see s. 2(8), which was s. 2(15) in the Consulted-on Proposed Rule;
- **Fees and Interest** – The revised Proposed Rule clarifies the provision that credit unions cannot charge any fee with respect to a deposit once it has become unclaimed. The new language clarifies this means the credit union cannot charge a fee for converting a deposit into the lump sum in Canadian dollars that will be transferred to FSRA – see s. 2(9), which was s. 2(16) in the Consulted-on Proposed Rule;
- **Information with Transfer** – In connection with the revised Proposed Rule, FSRA has decreased the number of data points credit unions will be required to provide about each unclaimed deposit, and has moved those data points from the proposed Guidance to the Rule itself. The Rule will not require credit unions to submit copies of physical documents. This approach will provide greater harmony with the federal unclaimed deposits regime, will reduce the information transferred to only the personal information that is absolutely necessary, and will provide greater clarity and transparency about how depositors’ personal information will be disclosed and used. – see s. 3(1) and Appendix A of the Proposed Rule.
- **Corrections** – The revised Proposed Rule will require credit unions to notify FSRA if they become aware that they have submitted incomplete, out-of-date or incorrect information with respect to an unclaimed deposit. In addition, if possible, credit unions will be required to provide correct, up-to-date information. This change will enhance FSRA’s ability to ensure that the proper claimants receive unclaimed deposits. – see s. 3(4), 3(5);
- **Electronic Portal** – The revised Proposed Rule indicates that credit unions that submit corrections to data, and claimants who request payment of a deposit to them or request a reconsideration of a refusal, must submit the relevant information through FSRA’s secure data portal. This change helps to clarify how the relevant personal information will be protected. – see ss. 3(2), 3(4), 5(1) and 6(1);
- **Attestation** – When a credit union submits information about unclaimed deposits, the revised Proposed Rule indicates an officer must attest that it is accurate, complete and up to date “in so far as it is known to the credit union” rather than absolutely correct; this change means credit unions will not breach the rule if the actual information is different than the information they possess or control – see s. 3(3)
- **Retention Period** – The revised Proposed Rule will require credit unions to retain all material information with respect to an unclaimed deposit for 10 years after providing the relevant information to FSRA, as opposed to retaining “all” information for 40 to 100 years. This change reduces administrative burden, and decreases the chance that personal information will be subject to improper use or

unauthorized disclosure, while still enabling FSRA to achieve the goals of this initiative – see s. 3(7)

- **Personal Information** – The revised Proposed Rule contains new provisions that explain how FSRA will collect, use and disclose personal information in connection with unclaimed deposits. These provisions increase transparency. – see ss. 3(1), 4 and 5(1) and Appendices A, B and C
- **Claiming Entitlement** – The revised Proposed Rule explains what information FSRA may ask a claimant to provide to prove that the claimant is entitled to receive an unclaimed deposit. This provision increases transparency. Note that the same information may be requested with respect to a request for reconsideration – see ss. 5(1), 5(2) and Appendix B, as well as 6(2) and 6(3) regarding reconsideration.
- **Transition** – Credit unions will have 24 months, rather than 12, to notify members with unclaimed deposits that their deposits will be paid to FSRA. Credit unions will not be required to transfer unclaimed deposits to FSRA during this first 24 months after the Proposed Rule takes effect. This change will give credit unions sufficient time to prepare for and develop systems to comply with the new obligations. – see s. 8

Estimated Costs of Administering the Unclaimed Deposits Program

FSRA is in the preliminary stages of planning how to implement the Unclaimed Deposits program and assessing the potential costs. FSRA has considered various options, including creating an in-house solution and purchasing a solution from an external vendor. FSRA's initial assessment has indicated that an internal solution is not viable or cost-effective, so FSRA is looking into procuring a vendor to develop and manage a web-based Information Technology solution to administer the Unclaimed Deposits program.

FSRA intends to choose a vendor following a public Request for Proposal. However, to create an initial cost assessment, FSRA has held an exploratory conversation with an external vendor, which is a professional services company specializing in managing and administering unclaimed property programs for over 40 government agencies. Following discussions and a full demonstration of the proposed solution by the vendor, the estimated costs for the implementation and ongoing costs to manage FSRA's Unclaimed Deposits program are provided in Table 1 below.

The total value of unclaimed deposits in credit unions in Ontario, including registered funds, is approximately \$22.2 million CAD as of June 30, 2024, with an additional \$39.5 million in deposits that are dormant (i.e., the accounts have been inactive for 2 to 10 years, less a day). Approximately 22% of funds on deposit with credit unions are in registered accounts and will not be transferred to FSRA under the Proposed Rule.

It is projected that, by the initial transfer of unclaimed deposits to FSRA in the fall of 2027, the total amount of unclaimed deposits will be approximately \$32.5 million. Please note that these amounts only include unclaimed deposits that are greater than \$50 as only such amounts will be required to be transferred to FSRA. Assuming that registered funds are the same proportion of unclaimed deposits as they are of overall deposits, this means 78% of \$32.5 million or approximately \$25.4 million could be transferred to FSRA in the fall of 2027.

The proposed Rule would authorize FSRA to invest the transferred unclaimed deposits received from credit unions. FSRA will invest the transferred unclaimed deposits prudently and FSRA expects to earn interest based on current interest rate projections. This interest income will help offset costs related to the administration of the Unclaimed Deposits program.

FSRA’s preliminary estimates indicate that the cost of administering the Unclaimed Deposits program will lead to increased assessments for the credit union sector. Despite the interest FSRA expects to receive on transferred unclaimed deposits, the Unclaimed Deposits program is projected to face financial shortfalls over the five-year planning horizon.

The proposed Rule provides that, if earnings from any investments are insufficient to cover the costs of administering the Rule, the shortfall will be recovered from the credit union sector through assessments, as outlined in section 3.1 of the Assessments and Fee Rule. Projected shortfalls during the FY 2025-26 to FY 2031-32 timeframe range from \$304,000 in FY 2025-26 to \$1.3 million in FY 2027-28.

Table 1: **Estimated Costs and Revenues (in CAD) per Fiscal Year**

Estimated Expenses and Revenues	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Initial Development and Implementation of Vendor Solution (This is a comprehensive solution that includes software development and installation of website portal and database system, integration with systems and onsite training.)	(304,083)	(912,249)					

Estimated Expenses and Revenues	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Annual Licensing and Database Management Fees for Vendor Solution			(873,264)	(908,195)	(944,522)	(982,303)	(1,021,595)
Costs to hire additional FSRA staff to review and approve unclaimed deposits claims that are received through the portal		(70,000)	(704,900)	(729,572)	(755,107)	(781,535)	(808,889)
Total Cost	(304,083)	(982,249)	(1,578,164)	(1,637,766)	(1,699,629)	(1,763,838)	(1,830,484)
Projected Interest Rate			2.75%	2.50%	2.25%	2.25%	2.25%
Projected Unclaimed Deposits			25,385,880	5,502,900	5,304,000	8,775,000	8,026,746
Projected Claims Payout (5% of total UD amount)			(1,269,294)	(1,480,974)	(1,672,126)	(2,027,269)	(2,327,243)
Revenue (interest income)			276,336 ¹	703,463	714,834	866,658	994,896
Net Amount	(304,083)	(982,249)	(1,301,828)	(934,303)	(984,795)	(897,181)	(835,588)

¹As the first inflow would be in October 2027, the interest income would be for only 5 months in fiscal 2027-28.

Text of Revised Proposed Rule

For the text of the revised Proposed Rule, please refer to Schedule A.

For the blacklining showing the changes to the Proposed Rule since the first consultation draft, please refer to Schedule B.

Comments

Interested parties are invited to make written representations with respect to the revised Proposed Rule. Submissions received by February 10, 2025, will be considered.

Submissions should be made through the submission system on FSRA's website.

Under the FSRA Act, FSRA is required to make written representations publicly available and they will be posted on FSRA's website.

Schedule A: Revised Proposed Rule

UNCLAIMED DEPOSITS

**FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO
RULE 2024 – 004**

CREDIT UNIONS – UNCLAIMED DEPOSITS

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1 Interpretation and Application

- 1(1) In this Rule,
- (i) “Act” means the *Credit Union and Caisses Populaires Act, 2020*, SO 2020, c 36, Sched 7, as amended,
 - (ii) “Fee Rule” means Authority Rule 2022 – 001 Assessments and Fees,
 - (iii) “payment” means payment of an amount under subsection 147(2) of the Act,
 - (iv) “personal information” means personal information within the meaning of the *Freedom of Information and Protection of Privacy Act*, RSO 1990, c F.31, as amended.
- 1(2) If a term or phrase used in this Rule is defined in the Act, the definition used in the Act shall apply for the purposes of this Rule.
- 1(3) This Rule does not apply to:
- (i) deposits less than or equal to \$50 in Canadian dollar currency (CAD), or
 - (ii) money deposited with a credit union under a federal or provincial registered savings plan or fund.

2 Unclaimed deposits – General – Credit unions

- 2(1) For the purposes of this Rule,
- (i) a depositor’s account is considered inactive if:
 - (a) no transaction has taken place by the depositor(s) on any of the accounts associated with the depositor’s profile for two years, and
 - (b) no statement of account has been requested or acknowledged by the depositor(s) for two years following:
 - 1. the depositor(s) last transaction, or
 - 2. the last request for or acknowledgment of a statement of account made by a depositor(s) on any of the accounts associated with the depositor’s profile.

- 2(2) Prior to making payment to the Authority, a credit union shall take reasonable steps to locate depositors and notify depositors in writing that their accounts have become inactive in accordance with subsection 2(1) of this Rule.
- 2(3) If a depositor does not respond to a credit union following the credit union's attempt to locate the depositor and notify the depositor in writing as required under subsection 2(2) of this Rule, then the credit union is required to take reasonable steps to locate the depositor and notify the depositor five and nine years from the latter of the date of the last:
- (i) transaction by the depositor(s) on any of the accounts associated with the depositor's profile, or
 - (ii) statement of account has been requested or acknowledged by the depositor(s) on any of the accounts associated with the depositor's profile.
- 2(4) If a credit union receives a response from a depositor after the credit union has taken reasonable steps to notify the depositor under subsection 2(2) or subsection 2(3) of this Rule but before the inactive account becomes an unclaimed deposit, then the depositor's response constitutes an acknowledgement of a statement of account under subsection 147(1) of the Act.
- 2(5) A credit union shall make payment in accordance with the following requirements:
- (i) for any deposit that is or has become an unclaimed deposit between January 1st and June 30th of a calendar year, the credit union shall make payment to the Authority between October 15th and December 15th of the same calendar year, or
 - (ii) for any deposits that become an unclaimed deposit at any time after June 30th of a given calendar year, the credit union shall make payment to the Authority between October 15th and December 15th of the following calendar year.
- 2(6) Payments shall be transferred to the Authority through an electronic fund transfer.
- 2(7) Immediately prior to making a payment, a credit union shall:
- (i) convert the value of the deposit to a cash amount equal to the principal amount of the unclaimed deposit, plus interest, if any,

calculated in accordance with the terms of the unclaimed deposit;
and

- (ii) convert any foreign currency amounts to Canadian currency (CAD).
- 2(8) The conversion of currency amounts in subsection 2(7) of this Rule shall be based on a credit union's exchange rate as of June 30th of the year the payment is to be made, as used by the credit union for their regulatory reporting pursuant to section 199 of the Act.
- 2(9) A credit union shall not charge any fees, or pay interest that accrues to the depositor, after the depositor's account has become an unclaimed deposit including, for greater clarity, charging any fees in relation to converting a deposit to a lump sum in Canadian dollars that will be a payment.

3 Unclaimed deposits – Material information – Credit unions

- 3(1) When transferring an unclaimed deposit to the Authority, a credit union shall submit all material information, including personal information as described in Appendix A, necessary to establish the identity of the depositor(s) entitled to the unclaimed deposit.
- 3(2) Material information required by subsection 3(1) of this Rule shall be transferred to the Authority through the Authority's electronic portal.
- 3(3) All material information provided by the credit union to the Authority pursuant to subsection 3(1) of this Rule shall be attested by an officer of the credit union to be accurate, complete, and up to date, in so far as it is known to the credit union.
- 3(4) If a credit union provides material information pursuant to subsection 3(1) of this Rule and becomes aware that the information provided is or has become incomplete, out-of-date, or factually incorrect, then the credit union shall as soon as practicable, remedy the deficiencies in the material information through the Authority's electronic portal.
- 3(5) If a credit union is unable to remedy the deficiencies in the material information provided, then the credit union must immediately give written notice to the Authority that the credit union is unable to remedy the deficiencies.
- 3(6) When making payment, the credit union shall provide the Authority with the following:

- (i) evidence of all attempts by the credit union to notify a depositor with inactive accounts as required under subsection 2(2) or subsection 2(3) of this Rule; and
 - (ii) documentation of any foreign currency conversions required under subsection 2(7) of this Rule.
- 3(7) A credit union shall maintain original records of all material information related to an unclaimed deposit for a 10 year period following the date the credit union provides the information under subsection 3(1) of this Rule.
- 3(8) If a credit union fails to provide the material information required by subsection 3(1) of this Rule, then the Authority may reject payment in which case:
 - (i) The Authority shall not accept payment; and
 - (ii) until such time that payment is accepted, a credit union is still liable for the purposes of subsection 147(3) of the Act.
- 3(9) A credit union shall provide the Authority with any information related to subsection 3(7) at the Authority's request.

4 Material information – Personal Information

- 4(1) The Authority is authorized to directly or indirectly collect, use and disclose personal information, and credit unions may disclose personal information to the Authority, for purposes related to the following matters:
 - (i) Administering section 147 of the Act in accordance with this Rule, including:
 - (a) Collecting from a credit union all personal information necessary to establish the identity of the depositor(s) entitled to the unclaimed deposit for which the credit union is required to make payment to the Authority;
 - (b) Collecting from a credit union all personal information necessary to maintain a searchable database of transferred unclaimed amounts under subsection 147(10) of the Act; and
 - (c) Collecting from a person claiming entitlement to a transferred unclaimed amount all personal information necessary to establish that person's entitlement to the transferred unclaimed amount

under subsection 147(4) of the Act and in accordance with this Rule.

- (ii) Authenticating the personal information obtained from a person claiming entitlement to a transferred unclaimed amount in respect of the material information provided by a credit union under subsection 3(1) of this Rule.
 - (iii) Reuniting depositors of credit unions with the transferred unclaimed amounts to which they are entitled.
- 4(2) The Authority may require any of the following persons or entities to disclose to the Authority such personal information as is reasonably necessary for the purposes described in subsection 4(1) of this Rule:
- (i) Credit unions; and
 - (ii) Persons claiming entitlement to transferred unclaimed amounts held by the Authority.
- 4(3) Without limiting the ability to give notice in other ways, the notice required by subsection 39(2) of the *Freedom of Information and Protection of Privacy Act* may be given by a public notice posted on a searchable database of transferred unclaimed amounts accessible through the Authority's website.
- 4(4) The database described in subsection 4(3) may display the information listed in Appendix B to members of the public who search the database.

5 Transferred Unclaimed Amounts – Person(s) claiming entitlement

- 5(1) A person claiming entitlement to a transferred unclaimed amount shall submit a written application to the Authority's electronic portal that includes satisfactory evidence to demonstrate entitlement to a transferred unclaimed amount including, to the extent the person possesses it, the information listed in Appendix C.
- 5(2) Where the person is unable to provide information listed in Appendix C, the Authority may request and accept alternative information that demonstrates the person's entitlement to a transferred unclaimed amount.
- 5(3) The Authority shall determine whether a person claiming entitlement to a transferred unclaimed amount has furnished sufficient satisfactory

evidence to demonstrate entitlement to the transferred unclaimed amount under subsection 147(4) of the Act.

- 5(4) The Authority shall respond in writing to an application made under subsection 5(1) of this Rule within 120 calendar days of the date the Authority issues a receipt confirming that it has received a complete application under subsection 5(1) of this Rule.
- 5(5) The response by the Authority under subsection 5(3) of this Rule may approve, deny or require additional information from the claimant.

6 Request for reconsideration regarding entitlement to transferred unclaimed amounts

- 6(1) If the Authority rejects a person's claim to a transferred unclaimed amount, then the person claiming entitlement to a transferred unclaimed amount may submit a written request for reconsideration through the Authority's electronic portal.
- 6(2) Requests for reconsideration under subsection 6(1) of this Rule shall include a reasonable basis for the Authority to reconsider its original decision.
- 6(3) If a request for reconsideration under subsection 6(1) of this Rule is made because material information or satisfactory evidence was not considered during an initial claim of entitlement, then all material information or satisfactory evidence must be included in the request for reconsideration.
- 6(4) The Authority shall respond in writing to a request made under subsection 6(1) of this Rule within 120 calendar days of the date the Authority issues a receipt confirming that it has received a complete request under subsection 6(1) of this Rule.
- 6(5) The response by the Authority under subsection 6(4) of this Rule may:
 - (i) confirm the Authority's original decision;
 - (ii) reverse the Authority's original decision; or
 - (iii) request further documentation from the person claiming entitlement to a transferred unclaimed amount.

7 Interest on transferred unclaimed amounts

- 7(1) No interest is payable by the Authority to a person claiming entitlement on transferred unclaimed amounts held by the Authority.
- 7(2) The Authority may invest transferred unclaimed amounts in a manner the Authority considers appropriate to offset the costs related to the administration of this Rule.
- 7(3) With respect to investments made by the Authority under subsection 7(2) of this Rule:
 - (i) If earnings from any investments exceed the costs of administering this Rule, the excess amount will be used to offset costs to the credit union sector in the assessment outlined in the section 3.1 of the Fee Rule; and
 - (ii) If earnings from any investments are insufficient to cover the costs of administering this Rule, the difference will be recovered from the credit union sector in the assessment outlined in the section 3.1 of the Fee Rule.

8 Transitional Matters

- 8(1) Credit Unions will be subject to the requirements in subsection 2(2) and subsection 2(3) of this Rule immediately after the coming into force date specified in subsection 9(1).
- 8(2) Credit Unions will have 24 months following the coming into force date specified in subsection 9(1) to notify depositors who hold unclaimed deposits during these 24 months that the credit union intends to make payment of these deposits to the Authority.
- 8(3) Credit Unions are not required to make payments during the 24 month period following the coming into force date specified in subsection 9(1).

9 Coming into Force

- 9(1) This Rule will come into force on the later of the date that section 147 and clause 45 of subsection 285(1) of the Act comes into force and 15 days after the Rule is approved by the minister.

Appendix A: Material Information Fields Credit Unions to Provide FSRA

1. Personal information of any account holders relating to the unclaimed deposit:
 - a. Legal or given name;
 - b. Primary address;
 - c. Date of birth;
 - d. Secondary mailing address, if applicable;
 - e. Social insurance number;
 - f. Email address on file.

2. Account information related to the unclaimed deposit:
 - a. Account number
 - b. Type of account;
 - c. Date of last transaction performed by depositor; and
 - d. Balance amount.

3. Credit union information associated with the unclaimed deposit:
 - a. Name and institution number of the credit union;
 - b. Transit and branch number of the credit union;
 - c. Internal Institution Cross Reference Data code; and
 - d. Branch address.

4. If the account is a business account, the following information:
 - a. Full name of the business;
 - b. Personal contact information relating to any principal holders of the business; and
 - c. Business registration number.

5. If the account is a trust account or owned by an estate, the following information:
 - a. The account type;
 - b. Information listed in section 1, above, about the person(s) the account is in trust for; and
 - c. Information listed in section 1, above, about the trustees associated with the account.

6. If the account is owned by an estate, the following information:
 - a. The account type;
 - b. Information listed in section 1, above, about the person(s) who represent(s) the estate;
 - c. Evidence that this person is (or these persons are) entitled to represent the estate;
 - d. Information listed in section 1, above, about the beneficiaries who are entitled to all or part of the unclaimed deposit under the estate; and
 - e. Evidence that the person described in 6(d) is (or these persons are) entitled to all or part of the unclaimed deposit under the estate.

Appendix B: Information Fields Available on Searchable Database

1. Depositor's full name
2. City of the depositor's primary address
3. Province of the depositor's primary address

Appendix C: Information FSRA May Request of Claimants

1. Information listed in Appendix A, where applicable
2. Proof of the claimant's identity such as government issued photo identification
3. Where the claimant is not the depositor, proof the claimant is entitled to the transferred unclaimed deposit, such as proof of the depositor's death and proof the claimant is a beneficiary who is entitled to the transferred unclaimed deposit under the depositor's will or under applicable law with respect to intestacy.

Schedule B: Proposed Rule Blacklined vs. First Consultation Draft

UNCLAIMED DEPOSITS

**FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO
RULE ~~202X-00X~~2024 - 004**

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1 Interpretation and Application

1(1) In this Rule,

(i) “Act” means the *Credit Union and Caisses Populaires Act, 2020*, SO 2020, c 36, Sched 7, as amended₁.

(ii) “Fee Rule” means Authority Rule 2022 – 001 Assessments and Fees₁.

(iii) “payment” means payment of an amount under subsection 147(2) of the Act.

~~(iii)~~(iv) “personal information” means personal information within the meaning of the *Freedom of Information and Protection of Privacy Act*, RSO 1990, c F.31, as amended.

1(2) If a term or phrase used in this Rule is defined in the Act, the definition used in the Act shall apply for the purposes of this Rule.

1(3) This Rule does not apply to:

(i) deposits less than or equal to \$50 in Canadian dollar currency (CAD), or

(ii) money deposited with a credit union under a federal or provincial registered savings plan or fund.

2 Unclaimed deposits – General – Credit unions

2(1) For the purposes of this Rule,

(i) a member’s depositor’s account is ~~deemed~~considered inactive if:

(a) no transaction has taken place by the member depositor(s) on any of the accounts associated with the member’s depositor’s profile for two years, ~~or and~~

(b) no statement of account has been requested or acknowledged by the member depositor(s) for two years following:

1. the member depositor(s) last transaction, or

2. the last request for or acknowledgment of a statement of account made by a member depositor(s) on any of the accounts associated with the member’s depositor’s profile.

2(2) Prior to ~~paying an amount~~making payment to the Authority ~~under subsection 147(2) of the Act~~, a credit union shall take reasonable steps to locate ~~members~~depositors and notify ~~members~~depositors in writing ~~once that~~ their accounts have become inactive in accordance with subsection 2(1) of this Rule.

~~2(3)~~ If a ~~member has~~depositor does not ~~responded~~respond to a credit union following the credit union's attempt to locate ~~member~~the depositor and notify ~~member~~the depositor in writing as required under subsection 2(2) of this ~~rule~~Rule, then the credit union ~~shall~~is required to take reasonable steps to locate ~~members~~depositors and notify ~~member~~the depositor ~~once their accounts have been inactive for five and nine years, respectively, from the latter of the date of the last:~~

- (i) transaction by the depositor(s) on any of the accounts associated with the depositor's profile, or
- (ii) statement of account has been requested or acknowledged by the depositor(s) on any of the accounts associated with the depositor's profile.

~~2(3)2(4)~~ If a credit union receives a response from a ~~member~~depositor after the credit union has taken reasonable steps to notify the ~~member~~depositor under subsection 2(2) or subsection 2(3) of this Rule but before the inactive account becomes an unclaimed deposit, then the ~~member's~~depositor's response constitutes an acknowledgement of a statement of account under subsection 147(1) of the Act. .

~~2(4)2(5)~~ A credit union shall make ~~payments under subsection 147(2) of the Act~~payment in accordance with the following requirements:

- (i) for any ~~deposits~~deposit that is or has become an unclaimed deposit between January 1st and ~~September~~June 30th of a calendar year, the credit union shall make payment to the Authority between October 15th and December 15th of the same calendar year, or
- (ii) for any deposits that become an unclaimed deposit ~~between October 1st and December 31st of a~~ at any time after June 30th of a given calendar year, the credit union shall make payment to the Authority between October 15th and December 15th of the following calendar year.

~~2(5)2(6)~~ Payments ~~made under subsection 147(2) of the Act~~ shall be transferred to the Authority through an electronic fund transfer.

~~2(7)~~ Immediately prior to making a payment to the Authority, a credit union shall:

(i) ~~convert the value of the deposit to a cash amount equal to the principal amount of the unclaimed deposit, plus interest, if any, calculated in accordance with the terms of the unclaimed deposit; and~~

(ii) ~~convert any foreign currency amounts to Canadian currency (CAD).~~

~~2(8)~~ The conversion of currency amounts in subsection 2(7) of this Rule shall be based on a credit union's exchange rate as of June 30th of the year the payment is to be made, as used by the credit union for their regulatory reporting pursuant to section 199 of the Act.

~~2(9)~~ A credit union shall not charge any fees, or pay interest that accrues to the depositor, after the depositor's account has become an unclaimed deposit including, for greater clarity, charging any fees in relation to converting a deposit to a lump sum in Canadian dollars ~~that will be the transferred unclaimed amount pursuant to 2(7) of this Rule~~ that will be a payment.

3 Unclaimed deposits – Material information – Credit unions

~~2(6)~~~~3(1)~~ When transferring an unclaimed deposit to the Authority, a credit union shall submit all material information, including ~~any~~ personal information as described in Appendix A, necessary to establish the identity of the ~~member~~depositor(s) entitled to the unclaimed deposit.

~~3(2)~~ Material information required by subsection 3(1) of this Rule shall be transferred to the Authority through the Authority's electronic portal.

~~2(7)~~~~3(3)~~ All material information provided by the credit union to the Authority pursuant to subsection 3(1) of this Rule shall be attested by an officer of the credit union to be accurate, complete, and up to date, in so far as it is known to the credit union.

~~3(4)~~ ~~When making payment under subsection 147(2) of the Act, the credit union shall concurrently~~ If a credit union provides material information pursuant to subsection 3(1) of this Rule and becomes aware that the information provided is or has become incomplete, out-of-date, or factually incorrect, then the credit union shall as soon as practicable, remedy the deficiencies in the material information through the Authority's electronic portal.

~~3(5)~~ If a credit union is unable to remedy the deficiencies in the material information provided, then the credit union must immediately give written notice to the Authority that the credit union is unable to remedy the deficiencies.

~~2(8)~~3(6) When making payment, the credit union shall provide the Authority with the following:

(i) evidence of all attempts by the credit union to notify a member depositor with inactive accounts as required under subsection 2(2) or subsection 2(3) of this Rule; and

~~(ii)~~ copies of all material information related to an unclaimed deposit in the credit union's possession as required under subsection 2(7) of this Rule; and

~~(iii)~~(ii) documentation of any foreign currency conversions required under subsection 2(~~147~~) of this Rule.

~~2(9)~~ Information required by subsection 2(9) of this Rule shall be transferred to the Authority through the Authority's electronic portal.

~~2(10)~~3(7) A credit union shall maintain original records of all material information related to an unclaimed deposit for a 10 year period following the date the credit union provides the information ~~related to an unclaimed deposit for at least as long as FSRA is required to hold the unclaimed deposit pursuant to subsection 147(7) of the Act~~ under subsection 3(1) of this Rule.

~~2(11)~~3(8) If a credit union fails to provide the material information required by subsection ~~2(73)~~(1) of this Rule, then the Authority may reject payment in which case: :

(i) The Authority shall not accept payment ~~under subsection 147(2) of the Act, and; and~~

(ii) until such time that payment is accepted, a credit union is still liable for the purposes of subsection 147(3) of the Act.

~~2(12)~~3(9) A credit union shall provide the Authority with any information related to subsection ~~2(113)~~(7) at the Authority's request.

~~2(13)~~3(10) Prior to making a payment under subsection 147(2) of the Act, the credit union shall convert any foreign currency amounts to Canadian currency.

4 Material information – Personal Information

4(1) The Authority is authorized to directly or indirectly collect, use and disclose personal information about identifiable individuals, and credit unions may disclose personal information about identifiable individuals to the Authority, for purposes related to the following matters:

(i) Administering section 147 of the Act in accordance with this Rule, including:

Collecting from a credit union all personal information necessary to establish the identity of the depositor(s) entitled to the

3(1) The conversion in subsection 2(14) of this Rule shall be based on a credit union's exchange rate as of September 30th of the year the payment under subsection 147(2) of the Act is to be made, as used by the credit union for their regulatory reporting pursuant to section 199 of the Act.

(a) A credit union shall not charge any fees or pay interest on a member's account once the account has become an unclaimed deposit and for which the credit union is thereby required to be paid to make payment to the Authority;

(b) Collecting from a credit union all personal information necessary to maintain a searchable database of transferred unclaimed amounts under subsection 147(10) of the Act; and

(c) Collecting from a person claiming entitlement to a transferred unclaimed amount all personal information necessary to establish that person's entitlement to the transferred unclaimed amount under subsection 147(24) of the Act and in accordance with this Rule.

(ii) Authenticating the personal information obtained from a person claiming entitlement to a transferred unclaimed amount in respect of the material information provided by a credit union under subsection 3(1) of the this Rule.

(iii) Reuniting depositors of Ontario credit unions with the transferred unclaimed amounts to which they are entitled.

4(2) The Authority may require any of the following persons or entities to disclose to the Authority such personal information as is reasonably necessary for the purposes described in subsection 4(1) of this Rule:

(i) Ontario-Credit Unions; and

(ii) Persons claiming entitlement to transferred unclaimed amounts held by the Authority.

3(2)4(3) Without limiting the ability to give notice in other ways, the notice required by subsection 39(2) of the *Freedom of Information and Protection of Privacy Act*– may be given by a public notice posted on a searchable database of transferred unclaimed amounts accessible through the Authority’s website.

4(4) The database described in subsection 4(3) may display the information listed in Appendix B to members of the public who search the database.

45 Transferred Unclaimed Amounts – Person(s) claiming entitlement

4(1)5(1) A person claiming entitlement to a transferred unclaimed amount shall submit ~~ana~~ written application to the ~~Authority~~Authority’s electronic portal that includes satisfactory evidence to demonstrate entitlement to a transferred unclaimed amount including, to the extent the person possesses it, the information listed in Appendix C.

4(2)5(2) Where the person is unable to provide information listed in Appendix C, the Authority may request and accept alternative information that demonstrates the person’s entitlement to a transferred unclaimed amount.

4(3)5(3) The Authority shall determine whether a person claiming entitlement to a transferred unclaimed amount has furnished sufficient satisfactory evidence to demonstrate entitlement to the transferred unclaimed amount under subsection 147(4) of the Act.

4(4)5(4) The Authority shall respond in writing to an application made under subsection ~~35~~(1) of this Rule within 120 calendar days of the date the Authority issues a receipt confirming that it has received a complete ~~request~~application under subsection ~~35~~(1) of this Rule.

4(5)5(5) The response by the Authority under subsection ~~5(3)~~(3) of this Rule may approve, deny or require additional information from the claimant.

56 Request for reconsideration regarding entitlement to transferred unclaimed amounts

~~5(1)~~6(1) If the Authority ~~has rejected~~rejects a person's claim to a transferred unclaimed amount, then the person claiming entitlement to a transferred unclaimed amount may submit a written request for reconsideration ~~to the Authority~~through the Authority's electronic portal.

~~5(2)~~6(2) Requests for reconsideration under subsection ~~46(1)~~of this Rule shall include a reasonable basis for the Authority to reconsider its original decision.

~~5(3)~~6(3) If a request for reconsideration under subsection ~~46(1)~~of this Rule made because material information or satisfactory evidence was not considered during an initial claim of entitlement, then all material information or satisfactory evidence must be included in the request for reconsideration.

~~5(4)~~6(4) The Authority shall respond in writing to a request made under subsection ~~46(1)~~of this Rule within 120 calendar days of the date the Authority issues a receipt confirming that it has received a complete request under subsection ~~46(1)~~of this Rule.

~~5(5)~~6(5) The response by the Authority under subsection ~~6(4)~~of this Rule may:

- (i) confirm the Authority's original decision;
- (ii) reverse the Authority's original decision; or
- (iii) request further documentation from the person claiming entitlement to a transferred unclaimed amount.

~~5(6)~~ ~~The Authority's decision to either confirm its original decision or reverse its original decision under subsection 4(5) shall be final and binding for all purposes;~~

67 Interest on transferred unclaimed amounts

~~6(1)~~7(1) No interest is payable by the Authority to a person claiming entitlement on transferred unclaimed amounts held by the Authority.

~~6(2)~~7(2) The Authority may invest transferred unclaimed amounts in a ~~vehicle manner~~ the Authority ~~deems~~considers appropriate to offset the costs related to the administration of this Rule.

~~7(3)~~ 7(3) ~~If earnings from any~~ With respect to investments made by the Authority under subsection ~~57~~79(2) of this Rule:

- (i) If earnings from any investments exceed the costs of administering this Rule, the excess amount will be used to offset costs to the credit union sector in the assessment outlined in the section 3.1 of the Fee Rule; and
- (ii) If earnings from any investments ~~made under subsection 5(2) of this Rule~~ are insufficient to cover the costs of administering this Rule, the difference will be recovered from the credit union sector in the assessment outlined in the section 3.1 of the Fee Rule.

78 Transitional Matters

~~7(1)8(1)~~ 8(1) Credit Unions will be subject to the requirements in subsection 2(2) and subsection 2(3) of this Rule immediately after the coming into force date specified in subsection ~~79~~79(1).

~~7(2)8(2)~~ 8(2) Credit Unions will have ~~twelve~~24~~twenty-four~~ months following the coming into force date specified in subsection ~~79~~79(1) to notify ~~members~~ with depositors who hold unclaimed deposits during these twenty-four~~24~~ months that ~~their unclaimed~~the credit union will intends to make payment of these deposits ~~will be paid~~ to the Authority ~~in accordance with subsection 147(2) of the Act~~.

~~7(3)8(3)~~ 8(3) Credit Unions are not required to ~~pay amounts pursuant to subsection 147(2) of~~ make payments during the Act ~~and in accordance with the requirements prescribed by this Rule during the twelve~~ ~~twenty-four~~24 month period following the coming into force date specified in subsection ~~79~~79(1).

89 Coming into Force

~~8(1)9(1)~~ 9(1) This Rule will come into force on the later of the date that section 147 and clause 45 of subsection 285(1) of the Act comes into force and 15 days after the Rule is approved by the minister.

Appendix A: Material Information Fields Credit Unions to Provide FSRA

1. Personal information of any account holders relating to the unclaimed deposit including,
 - a. Legal or given name;
 - b. Primary address;
 - c. Date of birth;
 - d. Secondary mailing address, if applicable;
 - e. Social insurance number;
 - f. Email address on file.

2. Account information related to the unclaimed deposit, including:
 - a. Account number
 - b. Type of account;
 - c. Date of last transaction performed by depositor; and
 - d. Balance amount.

3. Credit union information associated with the unclaimed deposit, including:
 - a. Name and institution number of the credit union;
 - b. Transit and branch number of the credit union;
 - c. Internal Institution Cross Reference Data code; and
 - d. Branch address.

4. If the account is a business account information including:
 - a. Full name of the business;
 - b. Personal contact information relating to any principal holders of the business;
and
 - c. Business registration number.

5. If the account is a trust account or owned by an estate, information including:
 - a. The account type;
 - b. Information listed in section 1, above, about the person(s) the account is in trust for; and
 - c. Information listed in section 1, above, about the trustees associated with the account.

6. If the account is owned by an estate, information including:
 - a. The account type;
 - b. Information listed in section 1, above, about the person(s) who represent(s) the estate;
 - c. Evidence that this person is (or these persons are) entitled to represent the estate;
 - d. Information listed in section 1, above, about the beneficiaries who are entitled to all or part of the unclaimed deposit under the estate; and
 - a-e. Evidence that the person described in 6(d) is (or these persons are) entitled to all or part of the unclaimed deposit under the estate.

Appendix B: Information Fields Available on Searchable Database

1. Depositor's full name
2. City of the depositor's primary address
- 4.3. Province of the depositor's primary address

Appendix C: Information FSRA May Request of Claimants

1. Information listed in Appendix A, where applicable
2. Proof of the claimant's identity such as government issued photo identification
3. Where the claimant is not the depositor, proof the claimant is entitled to the transferred unclaimed deposit, such as proof of the depositor's death and proof the claimant is a beneficiary who is entitled to the transferred unclaimed deposit under the depositor's will or under applicable law with respect to intestacy.