

Bmo 1854 / 20605

INDUSTRY MODEL DISCLOSURE PROCEDURES FOR THE SALE OF DEPOSIT TYPE INSTRUMENTS

New federal *Deposit Type Instruments Regulations* (DTIRs) have come into force. Investment dealers purchasing on behalf of their clients Deposit Type Instruments issued by federally regulated institutions – including guaranteed investment certificates (GICs), term deposit receipts (TDs), and other deposit-type products – must provide at or before the time the instrument is purchased certain oral and/or written disclosures when dealing with clients in person or over the phone.

The Investment Industry Association of Canada and the Canadian Bankers Association have developed these procedures to assist investment dealers in meeting the DTIR disclosure requirements.



Summary of Procedures for In-Person and Over-the-Phone Transactions:

- In-Person:** The oral disclosure script must be read to the client and a completed written copy of this script must be provided to the client at or before the time the instrument is purchased, as is outlined below.
- Over-the-Phone:** The oral disclosure script must be read to the client at or before the time the instrument is purchased. The dealer confirmation must be provided without delay after entering into the agreement.

Written Disclosure Procedure (for in-person transactions)

For in-person transactions, provide the client with a completed copy of the below script at or before the time that the instrument is purchased.

Include a name and phone number of a person who the client can contact if at any point they have any questions pertaining to this instrument.

Barrister, Solicitor and Notary Public
Tel: [redacted]

I certify that this is a true copy
of the original document
Date 3 July 2015



Oral Disclosure Script (for in-person or over-the-phone transactions)

1. You are purchasing a GIC/other Deposit Type Instrument
 - a. from _____ (insert issuer name)
 - b. in the amount of \$ _____
 - c. for a term of _____ (years/days)
 - d. starting on _____ (issue date)
2. The instrument pays:
☒ a fixed annual interest rate of _____ %
(if the interest rate changes each year, specify each annual interest rate)
☐ a variable rate of interest. The rate of interest is determined as follows _____
(include prime lending rate used for the interest calculation and lending rate in effect when the information is disclosed). At any time during the investment period you may contact me directly to obtain the rate of interest being paid on the instrument.
3. Interest is calculated and paid as follows:
☐ compounded – interest is compounded annually and paid at maturity
☐ annual – interest is calculated and paid annually
☐ semi-annual – interest is calculated and paid semi-annually
☐ quarterly – interest is calculated and paid quarterly
☒ monthly – interest is calculated and paid monthly
4. The instrument has a maturity date of _____, or, should the maturity date fall on a non-business day, the maturity date may be moved backward or forward.
5. Your investments held with us are protected under the Canadian Investor Protection Fund (CIPF).
6. The instrument is:
☐ eligible for insurance coverage by the Canada Deposit Insurance Corporation up to applicable limits.
☒ not eligible for Canada Deposit Insurance Corporation insurance coverage (where the term exceeds five years or is in a currency other than Canadian dollars).
7. ☐ There are no fees charged to you for the purchase or maintenance of the instrument.
☒ There are fees charged to you for the purchase or maintenance of the instrument. A charge of 2.00% will appear on the trade confirmation sent to you in relation to the purchase of the instrument
8. _____ instrument is:
☐ non-redeemable
☐ redeemable before maturity with the following terms:
☐ if redeemed within 30 days of the issue date, no interest will be paid
☐ it may be partially redeemed, and _____ minimum redemption amount is \$ _____
☐ redeemable before maturity after _____ days with interest paid at the contract rate up to the redemption date
☒ other (explain) Redeemable at _____ risk, based on current market value with no early trading charge.

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