



June 18, 2021

Delivered By Email: information@fcnb.ca

Secretary
Financial and Consumer Services Commission
of New Brunswick
85 Charlotte Street, Suite 300
Saint John, N.B. E2L 2J2

Dear Sirs and Mesdames:

RE: FCNB Consultation on Unclaimed Property

The Investment Funds Institute of Canada (IFIC) appreciates the opportunity to comment on the Financial and Consumer Services Commission of New Brunswick (FCNB) consultation on RULE UP-001 *Unclaimed Property – General* (“Rules”). IFIC is the voice of Canada’s investment funds industry. IFIC brings together 150 organizations, including fund managers, distributors and industry service organizations, to foster a strong, stable investment sector where investors can realize their financial goals. IFIC operates on a governance framework that gathers member input through working committees. The recommendations of the working committees are submitted to the IFIC Board or board-level committees for direction and approval. This process results in a submission that reflects the input and direction of a broad range of IFIC members.

IFIC thanks the FCNB for taking into account many of its comments presented in our previous submission of November 23, 2020. In this letter, we provide some additional comments for your consideration on the amended draft rules.

When Property is Unclaimed – Indication of Interest

Paragraph 4(1)

We recommend replacing the word “statement” with “correspondence” as used in subparagraph 5(1)(m) for coherence purposes and to broaden the scope of eligible communications.

When Property is Unclaimed – Time Period

Paragraph 5(2)

We understand that the proposed formulation “... other similar plan or account that is qualified for tax deferral, or a trust established under the *Income Tax Act* ...” includes all types of registered accounts namely a tax-free savings account (TFSA), registered disability savings plan (RDSP) and registered education savings plan (RESP).

We would like to note that for TFSA, the only trigger for remittance is subparagraph (b) “*three years after the receipt of information that the apparent owner is deceased*”. Therefore, the owner of a forgotten TFSA account would not benefit from unclaimed property reporting in their lifetime and the financial institution would never be able to remit if the owner is not reported to be deceased.

Submitting Report and Delivery of Property That Is a Security

Paragraph 11

We recommend replacing subparagraph 11. (1) with the following:

- (1) *For property that is a security, the issuer of the security is not its holder if another person also is the holder of the security.*

The reason for this recommendation is to avoid having a fund company be the holder when there is another holder (such as a registered dealer or trust company) between the owner and the fund company. In the investment funds industry, the dealer or other intermediary should always be deemed the holder because they have a direct relationship with the apparent owner. Subparagraph 11. (2) could lead a fund company to be the holder if they happen to be the last person to contact the apparent owner. Fund companies do contact apparent owners for mailings required by legislation or regulation.

The proposed amendment would also hold true for all other securities.

Transitional provisions

Paragraph 18

We disagree that holders would be “...required to submit a report and deliver property to the director at any time preceding the date of the commencement of the Act...”. Submission of reports and delivery of unclaimed property to the director should only be done once the rules are in force.

* * * * *

IFIC appreciates this opportunity to provide the FCNB with our comments on this important initiative. Please feel free to contact me by email at krassekh@ific.ca or by phone at 514-985-7025. I would be pleased to provide further information or answer any questions you may have.

Yours sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA



By: Kia Rassekh
Regional Director, Quebec