

<p style="text-align: center;">Summary of Comments on the Proposed Rule 2019-002 Credit Union Deposit Insurance Advertising Rule</p>

Purpose of Consultation:

In accordance with FSRA's priorities of reducing regulatory burden and improving regulatory effectiveness, and to ensure clarity for both credit unions and their members, FSRA has developed a Credit Union Deposit Insurance Advertising Rule 2019-002 (the Rule). A consultation draft of the Rule was posted for public comment from October 11, 2019 to January 15, 2020. On January 23, 2020, FSRA's Board of Directors approved the Rule. It was submitted to the Minister of Finance for consideration on February 14, 2020. Pending approval by the Minister, the Rule will be published in the Ontario Gazette and on FSRA's web site, and would replace the former Deposit Insurance Corporation of Ontario (DICO) By-law #3. If no action is taken by the Minister, the Rule would come into force on April 29, 2020.

The Rule sets out key-requirements for advertising deposit insurance coverage: credit unions will have to post decals in their branches and an electronic version of the decal on their websites, indicating that deposit insurance is provided through FSRA. Credit unions will also have to display deposit insurance brochures provided by FSRA in their branches and on their websites. The Rule also sets out approved language on deposit insurance coverage for credit unions to use in their advertising materials. Similar requirements are currently in place for credit unions under DICO By-Law #3, only the existing required decal, brochures and advertising material contain outdated references to DICO as the deposit insurer.

During the consultation period, FSRA received 4 submissions to the proposed Rule. The submissions and comments are available on FSRA's [website](#).

Our Response

FSRA thanks all commenters for their submissions. FSRA has carefully considered all comments received.

FSRA hasn't substantively changed the Rule based on the feedback received, but has made some minor drafting changes to improve the clarity of the Rule.

List of Contributors: The following stakeholders took the time to share their perspectives with FSRA:

- 1 David Gunderson - Ontario Educational Credit Union
- 2 Jody Vizza - PenFinancial Credit Union
- 3 Canadian Credit Union Association
- 4 Le Mouvement Desjardins

No.	Subject	Summarized Comments	Response
1.	David Gunderson - Ontario Educational Credit Union	Approved advertising wording should have message about joint /trust accts because there is separate insurance coverage for deposits held in one name, jointly in more than one name, in a trust account.	The approved messaging is intended to provide a high-level statement that may be used in credit union advertising material, indicating that eligible deposits are insured through FSRA up to the specified amount. Details on the application of deposit insurance to different types of eligible deposits would be included in the deposit insurance brochure that credit unions must have on display in their branches and websites (via a link).
2.	Jody Vizza - PenFinancial Credit Union	On what date will these advertising rules come into effect and where will credit unions go to access digital logos and copy as well as order decals for our branches?	FSRA Rules become effective 15 days after approval by the Minister of Finance (unless there is a later day specified in the rule). The consultation period for this Rule ends on January 15, 2020. After the consultation, FSRA will review comments received and proceed to finalize the draft Rule for the Minister's consideration. In accordance with the Financial Services Regulatory Authority of Ontario Act, 2016, the Minister has 60 days after receiving a draft FSRA Rule to approve, reject, or send the rule for re-consideration. At this point, FSRA is unable to speculate on the exact timing of the Minister's decision and, hence, the potential effective date. However, in accordance with section 2.5 of the draft Rule, credit unions would have three

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			<p>months from the effective date to complete the necessary changes to all decals, marks, signs, advertisements and marketing materials regarding deposit insurance. FSRA will produce and distribute the decals, brochures and additional details to all credit unions if and when the Rule becomes effective. FSRA will also develop a mechanism through the FSRA website to allow credit unions to order additional brochures and decals as required after the initial distribution is completed.</p>
3.	Canadian Credit Union Association	<p>The rule could better support the use of technology by not requiring credit unions to make copies of the brochure available in branches.</p>	<p>The rule does not preclude brochures from being provided by electronic means. However, it is important to require that credit unions make copies available in-branch, in order to ensure accessibility for members who do not have access to electronic communication.</p>
3.	Canadian Credit Union Association	<p>The Federal Deposit Insurance Corporation in the US uses a decal that states additional details such as the amount of coverage and a government backstop. Providing similar details on FSRA's decal could promote better understanding of the coverage.</p>	<p>Providing such details could potentially create consumer confusion and create additional burden when changes are made to the deposit insurance framework. Details on deposit insurance coverage would be more accurately explained in the deposit insurance brochure.</p>
4.	Le Mouvement Desjardins	<p>The third and the sixth paragraph of Article 2.3 use the term "caisse populaire" whereas the definition of the term "caisse", Article 1.1(b), specifies that the generic term includes both credit unions and caisses populaires.</p> <p>In order to avoid issues of interpretation, the questions relating to language rights and to preserve the coherence of the nomenclature within the rule, we recommend the use of the generic term "Caisse" in the whole of the Rule and of the documentation relating to the latter.</p>	<p>This problem can occur in the translation of "credit union" from Canadian English to Canadian French. We will make sure that the Canadian French translation of the Rule is corrected for this translation problem.</p>