LEADERS

This article was submitted **by the Canadian Federation of Independent Business.**

CFIB Statement on Canada Emergency Response Benefit

The Canadian Federation of Independent Business (CFIB) welcomes the federal government's announcement of the Canada Emergency Response Benefit (CERB), which will provide $2,000 per month to workers who have lost their job, including the self-employed. This is a significant step forward in addressing the growing economic emergency that accompanies the nation's efforts to slow the COVID-19 health crisis.

Dan Kelly
President,
CEO & Chair of the Board of Governors,
Canadian Federation of Independent Business (CFIB)

> The Canadian Federation of Independent Business is focused on measures that will keep the connections between workers and employers and not require layoffs.

We're particularly pleased that the federal government has indicated that an employer won't have to lay off a worker to allow them to qualify for the benefit. How this will operate in practice remains a question employers will need quickly resolved. The CFIB also calls on provincial governments to amend labour legislation to ensure that an employer can move an employee to be paid by the CERB or temporarily lay them off to collect Employment Insurance without triggering normal termination pay requirements.

More needs to be done

The CFIB believes that this new program doesn't replace the need to increase the 10 percent wage subsidy to 75 percent of wages for all employers, up to a cap of $5,000 per worker per month. A direct wage subsidy to employers will be a far faster way to ensure workers are paid than the CERB, particularly as the new program won't begin until early April and will pay workers only once per month. A wage subsidy will also help employers who can keep their employees working from home but have no or limited business income with which to pay them.

The CFIB is focused on measures that will keep the connections between workers and employers and not require layoffs. This is imperative to ensure employees can go back to work the day after the emergency ends, allowing Canada's economy to return to normal as quickly as possible.

LEADERS

This article was submitted **by the Canada Deposit Insurance Corporation.**

CDIC Takes Action to Support the Confidence of Canadian Depositors in the Wake of COVID-19 Global Outbreak

To allow its member institutions to focus resources on directly supporting the needs of their customers in this challenging economic and financial environment, Canada Deposit Insurance Corporation (CDIC) has announced the following measures:

- Defer premium due dates until December 15, 2020
- Delay submission of the stratification section of the Return of Insured Deposits (RID)
- Offer acceptable delays on complying with Deposit Insurance Information By-law (DIIB) requirements in light of changes to CDIC deposit insurance coverage, effective April 30, 2020
- Postpone testing for Data and System Requirements (DSR 2.0) compliance until July 15, 2020
- Waive the annual notification to multi-beneficiary trust depositors
- Step up its public awareness activities

"We anticipate that the above measures will offer member institutions some operational reprieve to aid in weathering the ongoing economic and market uncertainty and to focus resources on client service delivery," says CDIC President and CEO Peter Routledge.

> We anticipate that the above measures will offer member institutions some operational reprieve to aid in weathering the ongoing economic and market uncertainty.

CDIC is a federal Crown corporation that was established in 1967 to protect the savings of Canadians, and it contributes to financial stability by safeguarding over $800 billion in deposits at more than 80 member institutions. As a resolution authority, it's responsible for handling the failure of any of its members, from the smallest to the largest. CDIC members include banks and federally-regulated credit unions as well as loan and trust companies and associations governed by the Cooperative Credit Associations Act that take deposits. It's funded by premiums paid by member institutions and doesn't receive public funds to operate.

Peter Routledge, CDIC President & Chief Executive Officer

In these difficult times, when Canadians are concerned about their health and personal finances, rest assured that Canada Deposit Insurance Corporation (CDIC) is here to protect your deposits. Since 1967, CDIC has handled the failure of 43 member institutions affecting some two million Canadians. No one has lost a dollar of deposits under CDIC protection.

LEADERS

Investor Awareness with CIPF

An Interview with CIPF's President and CEO Rozanne Reszel

The Canadian Investor Protection Fund (CIPF) was formed in 1969, and in 2019, CIPF celebrated its 50th anniversary. In this interview with Rozanne Reszel, President and CEO at CIPF, we learn more about the role of CIPF and its mandate. We also dispel some common misconceptions that have proliferated throughout its 50-year history.

What is CIPF's mission?

CIPF's mission is to contribute to the security and confidence of customers (also referred to as clients) of our member firms.

How does CIPF do this?

We do this by maintaining adequate sources of funds to return missing property to eligible customers in cases where a CIPF member firm becomes insolvent.

What do you mean by "property"?

Client property is comprised of securities, cash, and other property held by member firms on behalf of clients.

What do you mean by "member firms"?

Member firms are investment dealers that are members of the Investment Industry Regulatory Organization of Canada (IIROC). These investment firms are automatically members of CIPF.

What does CIPF protect?

CIPF provides protection if property being held by a member firm on a client's behalf isn't returned to the client following the firm's insolvency.

CIPF and CDIC

Investors often make the mistake of assuming that CIPF operates like the Canada Deposit Insurance Corporation (CDIC). How can we easily differentiate between the two for investors?

> We don't protect against market losses, we return missing property.
> — Rozanne Reszel

CIPF

- An industry-sponsored organization that doesn't have a government backstop.
- CIPF members are investment dealers.
- Provides protection by ensuring that clients receive their property held by a member firm in the event of a member firm's failure. Client property can include securities and cash.

CDIC

- A federal Crown corporation.
- CDIC members are banks, loan and trust companies, and other financial institutions.
- Provides protection against the loss of eligible deposits at its member institutions in the event of failure. Eligible deposits include savings and chequing accounts, and guaranteed investment certificates (GICs).

Closing thoughts

CIPF's purpose will always be very clear, and that is to return missing property if a member firm fails. CIPF is committed to communicating with investors to increase awareness about its role and to foster confidence in dealing with the industry.

Most Common Myths About CIPF

Myth 1 **CIPF protects against market losses.**

Truth When you buy an individual security, that investment can go up and it can go down. When it goes down, that loss is a market loss, and that's not something that CIPF protects against. CIPF returns missing client property.

Myth 2 **CIPF protects against the failure of an issuer of a security.**

Truth If you own stock in a particular company (the issuing company), and this issuing company experiences a terrible event and as a result becomes insolvent, this isn't a loss covered by CIPF. CIPF only returns property when a CIPF member firm becomes insolvent, not if the issuing company fails.

These articles were **supported by the Canadian Investor Protection Fund.**

CIPF