



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

Ian C.W. Russell FCSI
President & Chief Executive Officer

April 9, 2020

Ms. Julia Bareman
Senior Policy Advisor
Office of the Minister
Treasury Board and Finance
208 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K 2B6

E-mail: julia.bareman@gov.ab.ca

Dear Ms. Bareman:

Re: Electronic Signatures and Designations of Plan Beneficiaries

The Investment Industry Association of Canada (“IIAC”) requests assistance from the Alberta Ministry of Finance in amending legislation to permit electronic signatures to be accepted for investors to designate beneficiaries for their Registered Retirement Savings Plans (“RRSPs”) or Registered Retirement Income Funds (“RRIFs”). The use of electronic signatures, which has become ubiquitous in most commercial activities has been a critical means of conducting business, particularly during the COVID 19 pandemic, where obtaining “wet” signatures has become ill-advised from a personal safety perspective.

The Investment Industry Association of Canada is the national association representing the investment industry’s position on securities regulation, public policy and industry issues on behalf of our 120 IIROC regulated investment dealer Member firms. These dealer firms are the key intermediaries in Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in public and private markets for governments and corporations. The IIAC provides leadership for the Canadian securities industry with a commitment to a vibrant, prosperous investment industry driven by strong and efficient capital markets.

Background

IIAC member firms administer over \$2 trillion in financial assets for Canadians. Among the many types of investment accounts available through our members are RRSPs and RRIFs. Increasingly, Canadians utilize electronic means for opening these accounts and transacting in them – a practice which amid the current pandemic has become significantly more pronounced, and, necessary to ensure continued access to the financial services our industry provides.

Certain provincial legislation governing commerce and succession law across the country makes it unclear to advisors and firms that beneficiary designations cannot be executed by the plan holder through electronic signature. For example, while investors could be permitted to open an RRSP/RRIF account on-line through the services of our members, they may be required to download, print, sign and submit their beneficiary designation. This would unnecessarily detract from the client's online experience and further complicate our industry's ability to administer these plans amid the current operating environment.

For example, in Alberta, the Electronic Transactions Act, 2001 (the "ETA") governs many commercial activities involving electronic or digital communications and documentations between our members and their clients. However, pursuant to section 7(1) of the ETA, wills are excluded from the provisions that permit electronic signatures. The definition of a will is contained in the Wills and Succession Act, 2010, and indicates that "testamentary dispositions" are included in the definition of a will in Alberta. As such, when a plan holder designates their beneficiary for their RRSP or RRIF, it is considered a "testamentary dispositions" under the Wills and Successions Act. The exclusion of a will in the ETA, therefore, results in a beneficiary designation made with the application of an electronic signature by the plan holder to be invalid under Alberta law.

Accordingly, in order to align with current technological advances, and the widespread use of electronic signatures, we request that the ETA be amended to clarify that electronic signatures are valid when used for designating a plan beneficiary, in order to provide financial consumers in Alberta with the ability to use such signatures when designating beneficiaries for their RRSPs/RRIFs.

We would be pleased to discuss this issue with you at your convenience.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "J. Mann", with a horizontal line underneath.