



FINANCIAL AND
CONSUMER SERVICES
COMMISSION

HOLDERS OF SECURITIES: REPORTING UNCLAIMED PROPERTY

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Introduction

The process for reporting and delivering unclaimed property that is a security depends on the value of the security on December 31 of the year it became unclaimed. This guide will explain how to report and deliver:

- securities valued at less than \$1,000 (before any deductions or withholdings)
- securities valued at \$1,000 or more (before any deductions or withholdings).

Disclaimer

In addition to this guide, refer to the *Unclaimed Property Act* (the “Act”), Rule UP-001 *Unclaimed Property - General*, and Rule UP-002 *Unclaimed Property - Fees* for more information. The Act, Rules and additional reference material are available on FundsFinderNB.ca.

In case of an inconsistency between this guide and legislation, the legislation prevails.

What is a security?

A security is defined by the *Securities Act*. Examples include:

- shares and equity securities
- a mutual fund, investment fund, or scholarship plan fund
- dividends resulting from a security.

Who is the holder of a security?

The holder of a security is the person who has the books, records, or documents identifying the apparent owner. If two or more holders have these books, records, or documents, then the holder with the most frequent or usual contact with the apparent owner is the holder, unless a written agreement exists that specifies who the holder is. This will likely result in the registered securities dealer or adviser being the holder in most cases.

When does a security become unclaimed?

A security becomes unclaimed three years after any of these events, whichever is earlier:

- a dividend, share split, or other distribution is unclaimed by the apparent owner,
- an event or action that the apparent owner did not respond to or complete as required, or
- correspondence to the apparent owner is returned as undeliverable or could not be delivered.

When does a security held within a registered plan or trust become unclaimed?

The Director **does not accept reports or the delivery of property** that is held within a registered account or trust except in limited circumstances. These accounts include:

- a registered retirement savings plan
- a tax free savings account
- a registered retirement income fund under the *Income Tax Act* (Canada), other similar plan or account qualifying for tax deferral, or
- a trust established under the *Income Tax Act*.

The **proceeds** of a registered plan or trust established under the *Income Tax Act* become unclaimed property three years after:

- the plan or trust has expired
- the owner is deceased
- a distribution has occurred, or
- the date of payment or obligation has passed.

Refer to Rule UP-001 *Unclaimed Property - General*, subsection 5(2) for more information.

Do I need to contact the apparent owner?

If the property has a value of \$100 or more, you must send a written notice to the apparent owner three to six months before you report the unclaimed property. The notice must include an offer to pay the unclaimed property to the owner or re-establish the account.

A sample notice can be found on FundsFinderNB.ca. To access the sample notice:

- Select **Report Property** from the top navigation bar
- Select **Holder Resources**
- Under **Templates**, select **Sample Notice to Owner**

You do not need to send a notice if you have reason to believe the address in your records is not correct and you cannot reasonably find the correct address.

Fair Market Value (FMV)

Fair market value is the value of the property converted to Canadian dollars. It is determined on December 31st of the year the property became unclaimed:

- For a mutual fund, it is the net asset value (NAV). Example:
 - $\text{FMV of ABC Fund} = \text{NAV} \times \text{units} = \$10 \times 101 \text{ units} = \$1,010$
- For a publicly listed security, it is the value at the close of the exchange.

Refer to section 2 of [Rule UP-001 Unclaimed Property - General](#) for more information on how to determine fair market value.

How to Report and Deliver Securities under \$1,000

When the total estimated fair market value of the securities is less than \$1,000 as of December 31:

- 1) Liquidate the security.
- 2) Remit any required deductions and withholdings that would have been required if the property was being delivered to the owner(s).
- 3) Create an account or sign in to an existing account to prepare your unclaimed property report in FundsFinderNB.ca. For more details on creating an account, creating an unclaimed property file, and submitting a report, refer to the [Holder Reporting Manual](#).
- 4) Determine the appropriate property type code. For a complete list of property type codes, refer to the [Holder Reporting Manual, Appendix D](#).
- 5) Leave the **Property Value*** field blank.
- 6) In the **Cash Amount*** field, enter the amount received from the liquidation (before deductions or withholdings).
- 7) In the **Amount Reported*** field, enter the net amount of cash that will be delivered to the program. This is the cash amount received from liquidation (step 6) less the amount of deductions or withholdings (step 9).
- 8) In the **Deduction Type*** field, enter the appropriate code for the deductions or withholdings. For a complete list of deduction and withholding codes, refer to the [Holder Reporting Manual, Appendix G](#). If there are no deductions or withholdings, leave this field blank.
- 9) In the **Deduction Amount*** field, enter the total amount of deductions and withholdings. This amount is reported, but not delivered to the program. If there are no deductions or withholdings, leave this field blank.
- 10) In the **Description of Property*** field, enter a description of the property, such as: account numbers, Committee on Uniform Security Identification Procedures (CUSIP) numbers, share amounts, or any other information related to the liquidated property.
- 11) The net amount and delivery instructions will appear on the invoice issued by FundsFinderNB.ca. Deliver the net amount to the program as set out in the delivery instructions.

Obligation to Deliver Date

Unclaimed property must be reported and delivered between January 1st and March 31st of the year after the year in which the property became unclaimed.

Invoices

The amount delivered to the program must match the amount on the invoice generated by FundsFinderNB.ca. Your report will be rejected if these amounts do not match. A late fee and interest may be applied if the report is resubmitted after March 31.

How to Report Securities over \$1,000

When the total estimated fair market value of the securities is \$1,000 or more as of December 31:

- 1) Between January 1st and March 31st of the year following when the securities became unclaimed, create an account or sign in to an existing account to prepare your unclaimed property report in FundsFinderNB.ca. For more details on creating an account, creating an unclaimed property file, and submitting a report, refer to the [Holder Reporting Manual](#).
- 2) Determine the appropriate property type code. For a complete list of property type codes, refer to the [Holder Reporting Manual, Appendix D](#).
- 3) In the **Property Value*** field, enter the [fair market value](#) as of December 31 of the year the security became unclaimed.
- 4) Leave the **Cash Amount*** field blank.
- 5) In the **Amount Reported*** field, enter the value of the property as of December 31. Leave the **Deduction Type*** and **Deduction Amount*** fields blank.
- 6) In the **Description of Property*** field, enter a description of the property, such as: account numbers, CUSIP numbers, share amounts, or any other information related to the property.
- 7) Change the name and address on the account statement to include the following:
(Apparent Owner's Name)
C/O Financial and Consumer Services Commission
Unclaimed Property Division
300-85 Charlotte Street
Saint John, NB E2L 2J2
- 8) Continue to hold the property until you receive instructions from the program.

What if the value of the security has changed?

The value of a security may change between December 31st and the date the security is liquidated. If the value rises above the \$1,000 threshold, continue to report and deliver the property at its **actual realized value** using the method for property valued under \$1,000. For example, the FMV calculated on December 31 is \$950 but when the security is liquidated on January 15, the FMV is \$1,200. You should continue to report and deliver the property using the process set out for amounts less than \$1,000, however, you would report the actual amount realized by the liquidation, in this case \$1,200.

Account Statements

We recognize that not all holders issue account statements to individual owners of the securities they hold. If you are unable to submit an account statement with your report, contact us at FundsFinderNB@fcnb.ca.

Conflicts in Legislation

If the guidance provided in this Guide conflicts with other legislation in your jurisdiction, such as the legislation covering the transfer of securities or the incorporation of an entity, please contact us at FundsFinderNB@fcnb.ca.

Contact Us

If you have questions concerning the submission of a report or the delivery of unclaimed property, contact us at FundsFinderNB@fcnb.ca.

*When submitting a report using the XML method, the field names appear in English only. See the chart below for a list of XML field names and translations.

Field (English)	Field (French)	XML Field Name
Property Value	Valeur du bien	Value
Cash Amount	Montant en espèces	Cash
Amount Reported	Montant déclaré	AmountReported
Deduction Type	Type de retenue	DeductionType
Deduction Amount	Montant retenu	DeductionAmount
Description of Property	Description du bien	Description