



CANADA  
SAVINGS BONDS  
PROGRAM

PROGRAMME  
DES OBLIGATIONS D'ÉPARGNE  
DU CANADA

# Processing and Maintenance Procedures (S42)

CANADA SAVINGS BONDS AND CANADA PREMIUM BONDS  
CERTIFICATED PRODUCTS

LAST UPDATED NOVEMBER 2018

## Canada Savings Bonds and Canada Premium Bonds Certificated Products Processing and Maintenance Procedures (S42)

### Table of Contents

<b>General Information</b> .....	<b>1</b>
Interest Options .....	1
Interest Rates .....	1
Maturing Bonds .....	1
Preservation of Records .....	1
Contact Information .....	2
<b>Canada Savings Bonds Program Services</b> .....	<b>3</b>
Change of Address .....	3
Enrollment in Direct Deposit, Account Number Changes and Corrections .....	3
Payment of Interest through Direct Deposit .....	3
T5 Inquiry .....	3
Unclaimed Bonds .....	3
Multiple Interest Payments and Mailings .....	4
Transferring and Assigning Bonds .....	4
Lost Bonds .....	5
<b>Redeeming Canada Premium Bonds and Canada Savings Bonds</b> .....	<b>6</b>
Hardship Redemption .....	6
Partial Redemption .....	7
Redemption During the Closed-Book Period .....	7
Deceased Registered Owner .....	7
Co-Owner Registration .....	8
Authorized Legal Representative .....	8
Minor .....	8
Reporting Interest Earned on Matured or Unmatured CSB Series .....	8
Processing of Redeemed Bonds by Central Branch Data Centres .....	9
<b>Appendix A: Canada Premium Bond Samples</b> .....	<b>11</b>
CPB Series P52 to P89 .....	11
CPB Series P17 to Series P51 (2001–06) .....	11
CPB Series P11 to Series P16 (2000) .....	12
CPB Series P3 to Series P10 (1998–99) .....	12
<b>Appendix B: Canada Savings Bond Samples</b> .....	<b>13</b>
CSB Series 102 to Series 129 (2006–11) .....	13
CSB Series 68 to Series 101 (2000–06) .....	13
CSB Series 62 to Series 67 (2000) .....	14
CSB Series 51 to Series 61 (1996–99) .....	14
CSB Series 32 to Series 50 (1977–95) .....	14

## General Information

The redemption and maintenance information contained in this procedure document (S42) pertains to the following products and series:

- Canada Savings Bonds (CSBs) Series S32 to S129 (sample images available in [appendix B](#)).
- Canada Premium Bonds (CPBs), starting with Series P3 to P89 (sample images available in [appendix A](#)).

**Note:** For Old Style CSBs Series 1 to Series 31 (1946–76), Coupons, Government of Canada Market Issue Bonds, Dominion of Canada Bonds, Treasury Bills and War Savings Certificates, refer to the [Old Style Bond Redemptions](#) document.

## Interest Options

### Compound Interest Bond

- redeemable at face value **plus** accrued interest;
- interest is earned monthly and is compounded from the first anniversary date until the earlier of maturity or redemption.

If a compound interest CPB is redeemed before maturity, simple and compound interest shall be payable to the registered owner up to the last annual anniversary date of the bond.

### Regular Interest Bond

- redeemable at face value **plus** any interest accrued since the issue date or the last anniversary date before maturity;
- regular interest bond redeemed in the month of the anniversary date is redeemable at face value only;
- interest is earned monthly and is paid annually on the anniversary date.

Regular interest CPBs redeemed before maturity will receive only simple interest paid up to the last annual anniversary date of the bond.

## Interest Rates

Interest rates and redemption value tables for CSBs and CPBs are available at [csb.gc.ca/rates](http://csb.gc.ca/rates).

## Maturing Bonds

As matured bonds no longer earn interest, customers are encouraged to redeem them in a timely manner. Customers will receive maturity notices by mail as bonds mature. For a list of the upcoming maturities please refer to the [Rates](#) page.

## Preservation of Records

The original hard copy of application records must be kept for a period of seven years, either in the original hard copy or by means of an electronic image-management program or such other form as may be agreed upon between the CSB Program and the financial institution. The reverse of the form must also be copied when it contains information pertinent to the purchase transaction.

Upon request, financial institutions and dealers are required to provide the CSB Program with details of all bonds sold for cash through their offices. Information from all cash application forms, or from forms that contain the name and address of the registered owner and the signature of the purchaser acknowledging receipt for delivery of the bonds, is to be preserved until the later of seven years or until such time as the owner would be prevented by law from commencing a legal action claiming relief for non-delivery of the purchased bonds. Such records must include any receipts for bonds delivered to customers.

Consistent with the provisions of the *Privacy Act*, the personal information collected by financial institutions and dealers is to be used solely for matters related to Government of Canada debt instruments.

### **Contact Information**

**Phone:**

Canada Savings Bonds Program  
1 800 575-5151 (Option 1)  
1 800 354-2222 (TTY/Teletypewriter)  
Monday to Friday, 8 a.m. to 8 p.m. (ET)

**Fax:**

613 782-8096

**Mailing Address:**

Canada Savings Bonds Program  
P.O. Box 2770, Station D  
Ottawa, ON K1P 1J7

**Courier Address:**

Canada Savings Bonds Program  
2500 Solandt Road, Suite 100  
Kanata, ON  
K2K 3G5

## Canada Savings Bonds Program Services

### Change of Address

The registered owner, legal parent or guardian acting on behalf of a minor or an authorized representative, may change their address at any time by completing the [Change of Address and Direct Deposit Form and Guidelines \(COADD\)](#) or by notifying the CSB Program.

The CSB Program must be informed at least two months before the anniversary date to ensure proper delivery of the interest payment for regular interest bonds.

### Enrollment in Direct Deposit, Account Number Changes and Corrections

Registered owners of regular interest bonds can enroll in Direct Deposit or make a change to their Direct Deposit information by completing the [Change of Address and Direct Deposit Form and Guidelines \(COADD\)](#).

- The registration information provided on the COADD Form must match the registration printed on the bond(s);
- New Direct Deposit information will always supersede any existing instructions in place for all regular interest bonds for that same registration;
- All registered owners must be named on the voided cheque or the bank account must be held in both owners' names.

Bond owners must inform the CSB Program of the change at least two months before the anniversary date to ensure proper delivery of the interest payment for regular interest bonds.

### Payment of Interest through Direct Deposit

Customers having interest deposited into their account will receive a statement close to the anniversary date confirming that the interest payment was sent to their financial institution.

In cases where financial institutions receive payments that cannot be posted to the customer's account (e.g. account closed), **the payment must be returned** to the CSB Program by the second business day following the anniversary date. Returned Direct Deposit payments automatically cancel the Direct Deposit instructions for future interest payments, and a cheque is automatically issued to the registered owner's address, if the address is valid.

### T5 Inquiry

The registered owner should be directed to call the CSB Program. T5 slips are not issued if the total amount of interest earned is less \$50.

### Unclaimed Bonds

Bonds held by institutions for safekeeping must be returned to the CSB Program should the institution be unable to locate the registered owner.

Should a purchaser claim bonds after they have been returned to the CSB Program, the financial institution may request that the bonds be returned to the financial institution by contacting the Program.

## Multiple Interest Payments and Mailings

Registered owners who receive multiple regular interest bond payments or T5 slips and wish to consolidate their holdings may do so by contacting the CSB Program.

## Transferring and Assigning Bonds

### Canada Savings Bonds and Canada Premium Bonds

Matured Canada Savings Bonds and Canada Premium Bonds that are transferred to a new registered owner will be automatically paid out. Unmatured Canada Savings Bonds and Canada Premium bonds that require a change in ownership can either be redeemed, or ownership may be maintained. If a customer chooses to maintain ownership, they will not receive a new physical certificate. However, the bond(s) will remain safe, guaranteed and will continue to earn interest until maturity or redemption. Registered owners will receive a letter confirming their ownership, including all bond details and [redemption instructions](#).

#### For CSBs and CPBs issued on November 1, 2008 and after:

Subject to the applicable laws and in a manner acceptable to the CSB Program, bonds may only be transferred and assigned in the following cases:

- to a beneficiary as the result of the death of a registered owner;
- if the registered owner has a spouse, or the bonds are owned or held by spouses of each other, to one of those spouses in the event of divorce or if stipulated in a written separation agreement in form and substance acceptable to the Bank of Canada;
- to The Canadian Depository for Securities Limited; and
- where they are to be pledged to Her Majesty in right of Canada as security for any purpose.

#### For CSBs and CPBs issued before November 1, 2008:

Subject to the applicable laws and in a manner acceptable to the CSB Program, bonds may only be transferred and assigned in the following cases:

- to a trust governed by one of the following plans under the *Income Tax Act* (Canada) or provincial legislation: a Registered Retirement Savings Plan, a Registered Retirement Income Fund, a Registered Education Savings Plan, a Deferred Profit Sharing Plan, an Employee Profit Sharing Plan or a Registered Pension Plan;
- from one of the above plans to the beneficial owner or beneficiary thereof;
- to a beneficiary, estate or trustee appointed under a will if the owner dies or from the estate or the trustee to the beneficiary thereof;
- if the owner has a spouse or the bond is owned by spouses of each other, to one of those spouses in the event of divorce or if stipulated in a written separation agreement in form and substance acceptable to the Bank of Canada;
- from a charitable organization or charitable foundation to an individual as a prize or scholarship;
- to The Canadian Depository for Securities Limited; and
- where they are to be pledged to Her Majesty in right of Canada as security for any purpose.

The [Transfer Form TRF-533](#) is to be used for all transfers.

In the case of a deceased registered owner who was a resident of any province except Quebec, [Estate Transfer Form \(2351\) ETRF](#) is to be used. If the deceased registered owner was a resident of the province of Quebec, use [Quebec Estate Transfer Form QETRF 534](#).

Refer to the [Bank of Canada Business Rules](#) for more information on estate value transfer limits and documentation requirements.

### **Transferring Out of the Canada RSP/RIF**

- Transferring out of The Canada RSP/RIF can be done in cash, and the [Form T2033](#) or equivalent must be completed;
- CSB or CPB positions held in The Canada RSP/RIF that are transferred to Self-Directed Plans will be deposited into CDS;
- Linker series or Connector series (any CSB or CPB series with a 500 or 900-series identifier) cannot be transferred from The Canada RSP/RIF to CDS;
- Canada RSP and Canada RIF customers can be directed to contact Customer Service at 1 800 575-5151 for inquiries regarding their Plans.

### **Adding Co-Owner and Survivorship**

A registered owner who wishes to add the name of an individual as a co-owner of the bond (except for products held in a Canada RSP or a Canada RIF) may do so by completing [Transfer Form TRF-533](#).

A registered owner who wishes to add “and survivor,” meaning that the share of the deceased co-owner will go to the surviving co-owner (except for the province of Quebec) should one of them die, may do so by completing [Transfer Form TRF-533](#).

### **Exchangeability Rules**

Denomination exchanges or splits for either regular or compound bonds may be completed at any time before maturity within the same series.

Compound interest bonds may be exchanged for regular interest bonds of the same series at any time (beginning with the minimum amount of \$300). The registered owner will receive the regular interest bonds and any applicable interest payment owed. Thereafter, the bond owner will receive an annual interest cheque or Direct Deposit payment on the anniversary date.

The financial institution is required to prepare a letter of direction for the above-mentioned types of transfer/exchange request, which is to be forwarded with the bonds and any appropriate documents to the CSB Program.

### **Lost Bonds**

Bonds that have been lost, stolen or destroyed, by either a customer or a financial institution, will not be replaced by a new physical certificate. Ownership may only be maintained for unmatured bonds lost by customers.

#### **Bonds Lost by Financial Institution**

Matured and unmatured bonds that are lost, stolen or destroyed by a financial institution will be redeemed and paid out.

To report bonds lost while in the custody of a financial institution, complete the *Financial Institution Indemnity Form for Lost Bonds* ([Form 2387](#)).

Before submitting Form 2387 to report the lost bond(s), verify with your head office that the bond(s) are not in their possession.

If a financial institution requires serial numbers for lost bonds, the financial institution must contact the CSB Program. The information to be provided is as follows:

- name of the bondholder(s);
- bondholder(s) address;
- denomination(s) of the bonds being reported lost;
- series number(s) and/or series issue date(s).

### **Bonds Lost by Customer**

Matured bonds lost by customers will be redeemed and paid out directly. Unmatured bonds may either be redeemed, or the customer may choose to maintain ownership. If they choose to retain their bond they will receive a letter confirming their ownership, including all bond details and [redemption instructions](#).

[Certificates lost, destroyed or stolen](#) while in the custody of a customer must be reported by the customer directly to the CSB Program.

## **Redeeming Canada Savings Bonds Bonds and Canada Premium Bonds**

CSBs (S32 to S129) and CPBs (P3 to P89) are redeemable at any time in all financial institution across Canada.

When a bond is presented to a financial institution for redemption, the following steps are required:

- The financial institution must authenticate the registered owner(s) or the legal representative to ensure that the bond is being properly endorsed;
- When two or more individuals are registered co-owners, all registered owners must sign the back of the bond(s);
- The back of the bond is stamped with the redemption date and the name and branch/transit number of the encashing financial institution. The impression of the branch stamp constitutes a guarantee that the signature on the bond is that of the registered owner(s);
- Redemption values can be obtained from the [S40 Redemption Tables](#). The redemption value must be written in the space provided on the face of the certificate.

CSBs and CPBs that do not have a corresponding physical certificate, because they have been transferred or replaced after December 1, 2018, cannot be redeemed by Financial Institutions. Please instruct customers to call Customer Service at **1 800 575-5151**.

If CPBs are redeemed before their anniversary date, **interest is paid up to the last annual anniversary date of the bonds in question.**

**In the case of a CPB hardship redemption request for interest to be paid up to the end of the month before the date of redemption.**

### **Hardship Redemption**

A CPB hardship redemption with interest paid up to the end of the month before the date of redemption can be considered if one of the following conditions exists:



- the owner has died;
- the redemption is ordered by a court; or
- the proceeds of redemption are required by the registered owner
  - to avoid bankruptcy;
  - to purchase a home further to the federal government's Home Buyers' Plan or to pursue education further to the Lifelong Learning Plan of the Government of Canada, for which bonds must be held in a Registered Plan to be eligible for redemption.

The physical certificate(s), together with the required documentation, must be sent to the CSB Program for approval and payment.

If the financial institution doubts the authenticity of a CSB/CPB, the certificate can be forwarded on a collection basis to the CSB Program.

For CSB Series 32 to 50, the bond head must be removed from the certificate and is not to be returned to the customer; it must be disposed of by the branch in accordance with instructions provided by the head office. The bond head has no value and therefore is **not redeemable**.

### **Partial Redemption**

An unmatured bond certificate presented for partial redemption is to be accepted for collection only and sent to the CSB Program, together with a letter of explanation, for exchange into smaller denominations. Customers will not receive replacement certificates for new denominations resulting from a partial redemption, but will instead receive a letter confirming ownership and including all bond details.

### **Redemption During the Closed-Book Period**

The registers for regular interest bonds are closed to enable the preparation of interest payments **two months before the interest payment date**.

#### **Regular interest CSB during the closed-book period**

The redemption values shown in the S40 Redemption Tables for regular interest bonds redeemed during the closed-book period are the **par value less the unearned interest for one or two months**, as appropriate. Regular interest payment will be received on the bond series' anniversary date.

#### **Regular interest CPB during the closed-book period**

The redemption values shown in the S40 Redemption Tables for regular interest bonds redeemed during the closed-book period are the **par value less the unearned interest for one year**. Regular interest payment will be received on the bond series' anniversary date.

### **Deceased Registered Owner**

In the case of a deceased registered owner and when the financial institution is unable to redeem the bond(s), the customer needs to send the bond(s) directly to the CSB Program, together with the appropriate legal documentation and the applicable transfer form, as follows:

- To transfer or redeem a bond from a deceased owner who was **not residing in the province of Quebec** at time of death, customers need to complete the [Estate Transfer Form 2351 and Guidelines \(ETRF\)](#).

- To transfer or redeem a bond from a deceased owner **who was residing in the province of Quebec** at time of death, customers need to complete the [QETRF Form 534 and Guidelines](#).

For estate value limits and documentation requirements, refer to the [Bank of Canada Business Rules](#).

Note: Transferred bonds will not be reprinted as certificates. Registered owners will receive a letter confirming ownership and including all bond details.

### **Co-Owner Registration**

When a bond is registered in the names of two or more individuals **with** the words “and survivor” and when one or more of the individuals is deceased, the bond value is to be divided equally among the surviving registered bond owner(s). However, such right of survivorship may not be enforceable when the deceased co-owner was residing in the province of Quebec at time of death.

When a bond is registered in the names of two or more individuals **without** the words “and survivor,” the bond value is to be divided equally among the estate of the deceased and the surviving registered bond owner(s).

### **Authorized Legal Representative**

The documents required to provide proof of authority to sign when the registered bonds are signed by a person acting in a representative capacity, such as power of attorney or an estate representative, should include the following:

- a notarial or other authenticated copy of the power of attorney when the registered bonds were signed under the authority of such document; and
- a certified copy of the resolution naming the officers authorized to sign when the bond is
- registered in the name of a charitable organization.

### **Minor**

If the registered owner is not the age of majority (under 18 years of age) but is able to sign and provide proof of identity, the customer may be dealt with as if the registered owner were of the age of majority.

The parents or legal guardian may redeem, on behalf of the registered owner, a bond registered in the name of a minor who is unable to sign by reason of age. An acceptable proof-of-age document will be requested by the encashing financial institution.

In the case of a separation or divorce, the same rules apply. The parent who has legal custody of the child is the only one who can redeem this certificate and must provide proof of legal custody and age of the minor at the time of redemption.

### **Reporting Interest Earned on Matured or Unmatured CSB Series**

For compound CSB series 32 to 44, complete a Canada Revenue Agency (CRA) [Form T600](#) for interest earned on the bond and submit the original copy of the T600 Form to CRA. Provide two copies to the registered owner and keep one copy for the branch.

For compound and regular interest bonds for Series 45 and subsequent series, the CSB Program reports the interest earned annually directly to the bond owner and CRA.

## Processing of Redeemed Bonds by Central Branch Data Centres

For further information on redeemed instruments, refer to Payments Canada's Rule G3, *Rules Pertaining to the Redemption and Settlement of Government of Canada Paper Instruments*.

Central branch data centres may present redeemed instruments to the CSB Program by sending either the original redeemed certificate, or a clearing replacement document (CRD) with an MICR line and an image of the original redeemed certificate. CRDs must meet the quality and design standards outlined in the Payments Canada's Standard 014 (*Clearing Replacement Document Design Standard*) and Standard 006 (*Specifications for MICR-Encoded Payment Items*). Regardless of whether a central branch data centre is submitting original redeemed certificates or CRDs, the same process applies.

Payments Canada's Rule 10 indicates that source documents such as bond certificates are to be destroyed within 120 calendar days of image creation. We recommend that the original bond certificates should not be destroyed for a minimum of 90 days to allow financial institutions the time to respond and follow-up on adjustments.

Any duplicate CRD or bond certificate received will be rejected. A debit adjustment for the amount redeemed will be issued and returned to the central branch data centre.

### Redeemed Bond Shipments

- Batches are to be securely wrapped in a sealed parcel with the financial institution's name, address, branch numbers and the said-to-contain value on the outside;
- If more than one parcel is submitted at the same time, include a summary of each parcel;
- The CSB Program will not accept broken or unsealed parcels.

### Bond Settlement Process

- The number of certificates presented for settlement should not exceed 250 per batch.
- The batch total should be entered in the Automated Clearing Settlement System (ACSS). The total redemption value is to be recorded under Code 101–Stream B.
- The value of all items entered in the ACSS and forwarded to the Bank of Canada will be settled through the Canadian Payments Association's Large Value Transfer System (LVTS).
- Once the bonds are processed, any adjustments will be prepared and settled with the direct clearers using Form 1206.

### Adjustment Process

Adjustments with financial institutions will be done only for values that are greater than \$6.99, whether positive or negative.

The CSB Program will continue to provide photocopies of the redeemed certificates (if requested) to those financial institutions receiving CSB redemption adjustments on paper when:

- no "Paid" stamp appears on the redeemed certificates and the adjustment is returned to the data centre;
- the claim value of the redeemed certificate is incorrectly listed on the detailed listing sent to the data centre;
- a certificate is received by itself (this refers to a 'free item' a bond is mistakenly included with a batch and was not included in the bank tape listing); and
- the redeemed certificate value has been incorrectly MICR-encoded.

The CSB Program will provide the data centres with a redemption adjustment settlement summary report to help them determine the paper adjustments associated with a presentation for a settlement date and value.

Inquiries related to adjustments should be directed to your central branch data centre. If the inquiry cannot be resolved, the central branch data centre should call the CSB Program.

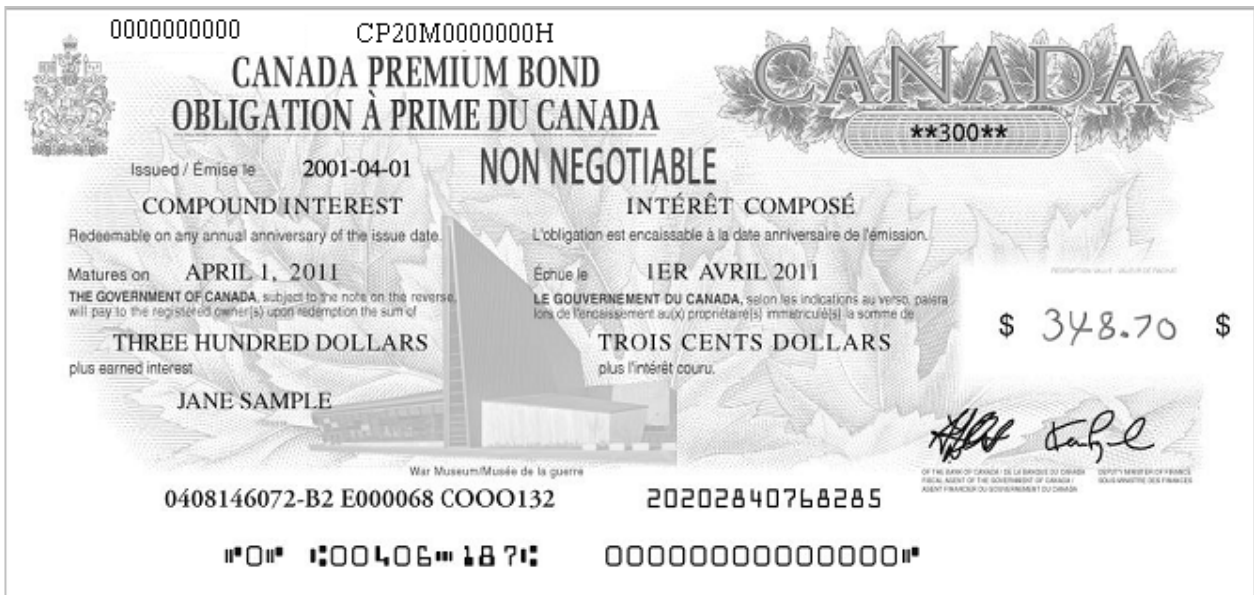
**Adjustments for bonds cashed are to be mailed to the financial institutions' data centre within 4 to 6 weeks from the time the CSB Program receives the redeemed bonds.**

## Appendix A: Canada Premium Bond Samples

Below are samples of the current and previous CPB certificate types that have been issued since Series P3 (1998).

Any certificates issued to replace transferred, exchanged or lost bonds would have been printed on the certificate style available at the time the replacement certificate was issued, as noted in the first sample below.

### CPB Series P52 to P89 (2006-18)



### CPB Series P17 to Series P51 (2001-06)



CPB Series P11 to Series P16 (2000)



CPB Series P3 to Series P10 (1998-99)

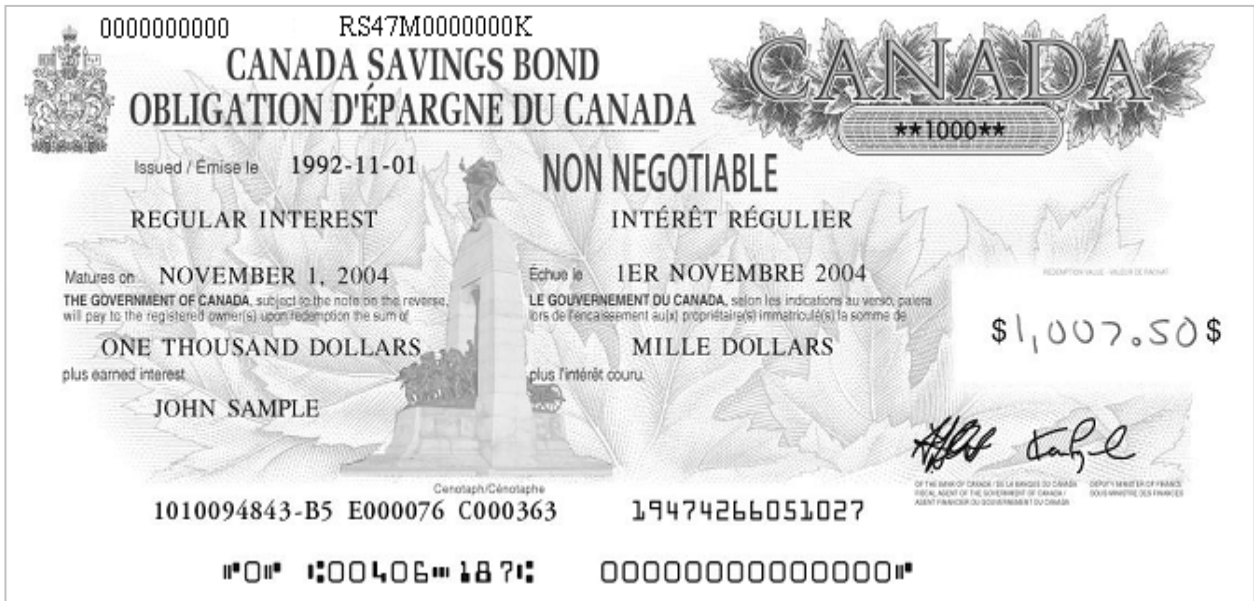


## Appendix B: Canada Savings Bond Samples

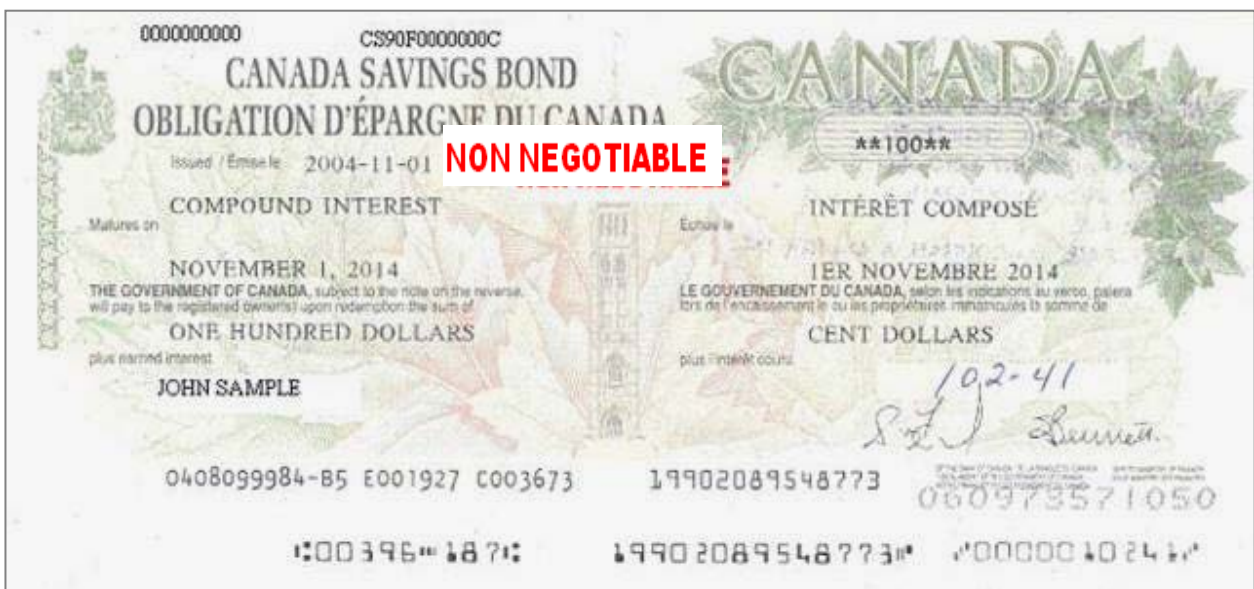
Below are samples of CSB certificate types that have been issued, from Series S32 (1977) to Series S129 (2011).

Any certificates issued to replace transferred, exchanged or lost bonds would have been printed on the certificate style available at the time the replacement certificate was issued, as noted in the first sample below.

### CSB Series 102 to Series 129 (2006–11)



### CSB Series 68 to Series 101 (2000–06)



CSB Series 62 to Series 67 (2000)



CSB Series 51 to Series 61 (1996-99)



CSB Series 32 to Series 50 (1977-95)

