



Excise Duty Memorandum

EDM2.2.4

January 2017

Approved Financial Institutions and Acceptable Bonding Companies

[This version replaces the one dated December 2014.](#)

This memorandum provides hyperlinks to lists of approved financial institutions and acceptable bonding companies. Surety bonds that are issued by an approved financial institution or an acceptable bonding company are accepted as security. Under the *Excise Act, 2001*, providing security is a condition for obtaining a spirits or tobacco licence and for the issuance of excise stamps.

The information in this notice is for reference purposes only and does not replace the *Excise Act, 2001* or its regulations. Should there be any discrepancy between the information in this notice and that contained in the Act or its regulations, the legislative provisions apply. If the information in this publication does not completely address your particular situation, you may wish to refer to the Act or appropriate regulation, or contact any Canada Revenue Agency (CRA) regional excise duty office for additional information. These offices are listed in Excise Duty Memorandum EDM1.1.2, *Regional Excise Duty Offices*.

Security requirement

1. Under the *Excise Act, 2001*, the following persons are required to provide security in a form satisfactory to the CRA and in an amount determined in accordance with the *Regulations Respecting Excise Licences and Registrations* and the *Stamping and Marking of Tobacco Products Regulations*:

- under paragraph 23(3)(b) of the Act, persons applying for or renewing a spirits licence or tobacco licence and
- under subsection 25.1(3) of the Act, a prescribed person who is importing a tobacco product and applying for excise stamps.

2. The person who elects to provide security in the form of a surety bond must ensure that an approved financial institution or an acceptable bonding company issues the bond.

Financial institutions

3. Lists of financial institutions that are approved for providing security to the CRA are available on the webpages indicated in the paragraphs that follow.

Banks

4. The lists of the following acceptable banks are included in Schedules I, II, and III to the *Bank Act*:

- the banks listed in Schedule I (pursuant to section 14 of the *Bank Act*) are domestic banks authorized under the *Bank Act* to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation (CDIC);
- the banks listed in Schedule II (pursuant to section 14 of the *Bank Act*) are foreign bank subsidiaries authorized under the *Bank Act* to accept deposits, which may be eligible for deposit insurance provided by the CDIC. Foreign bank subsidiaries are controlled by eligible foreign institutions;

La version française de la présente publication est intitulée *Institutions financières approuvées et sociétés de cautionnement reconnues*.



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- the banks listed in Schedule III (pursuant to section 14.1 of the *Bank Act*) are foreign bank branches of foreign institutions that have been authorized under the *Bank Act* to carry on banking operations in Canada. These branches have certain restrictions.

Credit unions, trust or loan companies and other financial institutions under the Canadian Payments Act

5. For a listing of the acceptable central co-operative credit societies, trust or loan companies and other financial institutions, as provided under section 4 of the *Canadian Payments Act*, that are members of Payments Canada and that may issue bonds as security under the *Excise Act, 2001*, go to the Participant Financial Institutions page of the Payments Canada website.

Canada Deposit Insurance Corporation

6. For a listing of member institutions that accept deposits insured by the Canada Deposit Insurance Corporation (CDIC) and that may issue bonds as security under the *Excise Act, 2001*, go to CDIC's List of Member Institutions webpage.

Bonding companies

7. For a listing of acceptable bonding companies, go to the Treasury Board Secretariat's Contracting Policy webpage and scroll down to "Appendix L – Acceptable Bonding Companies".

8. Additional information on the requirement to provide security under the *Excise Act, 2001* and the amounts of security required for licensees and prescribed persons is contained in Excise Duty Memoranda EDM2.2.2, *Security Requirements for Certain Licensees and for Prescribed Persons Importing Tobacco Products*, and EDM2.2.3, *Government of Canada Bonds and Surety Bonds*. Information for prescribed persons who import tobacco products can be found in Excise Duty Notice EDN28, *Becoming a Prescribed Person under the New Tobacco Stamping Regime*.

Further information

All technical publications related to the *Excise Act, 2001* and its regulations are available on the CRA website at cra.gc.ca/exciseduty. Click on "Excise Act, 2001 – Technical Information" under the Publications heading.

To request a ruling or interpretation or make a technical enquiry on excise duty, contact one of the regional excise duty offices listed in Excise Duty Memorandum EDM1.1.2, *Regional Excise Duty Offices*.