

Successful Canadian Conference Held in Halifax

Art Chamberlain, Manager, Media & Public Relations, CUCC

The annual Canadian Conference for Credit Union Executives themed FUTURE FOCUS, was held May 2-6 in Halifax with more than 500 attendees enjoying keynote speakers, in-depth workshops and enlightening discussions.

On Monday, just before the conference officially got underway, Canadian Central held its annual general meeting and presented its financial results.

The keynote speakers at the conference were Leonard Brody, who looked at the future of work, technology and the changing workforce; John Ibbitson, The Globe and Mail's Washington correspondent, who discussed challenges in Canada's relationship with its largest trading partner; and Jeremy Gutsche, an innovation expert and founder of www.trendhunter.com, who talked about ways to generate effective new ideas.

A credit union issues forum started with an economic overview by Fred Morley, chief economist with the Greater Halifax Partnership, and Helmut Pastrick, chief economist with Central 1 Credit Union.

It continued with a panel discussion on the topic: Where is the Financial Services Industry Headed in Canada? The discussion, moderated by David Phillips, president and CEO of Canadian Central, featured Daniel Burns, director of Canadian Central and Central 1 Credit Union, Janet Grantham, CEO of Sydenham Community Credit Union, John Lahey, CEO of Alterna Savings and Credit Union, Alberta (Bobbie) McNutt, chair of Credit Union Central of New Brunswick, and

Garth Melle, CEO of Credit Union Deposit Guarantee Corporation of Saskatchewan.

The panel members responded to questions about the short and medium term prospects for the system and discussed what they expect it to look like in 2020.

After their comments, the same questions were posed to more than 50 tables of participants who responded with written comments. Those comments are summarized in a report that is available on Canadian Central's website www.cucentral.ca/eventsconf. Workshop presentations are also available at that location.

During the closing gala the 2009 National Credit Union Awards were presented.

The National Credit Union Award for Community Economic Development was won by Vancouver City Savings Credit Union (Vancity) of Vancouver for its project Microfinance at Vancity that has helped many of its own members and provided micro-loans to people in more than a dozen other countries.

The National Credit Union Innovation Award was won by Servus Credit Union Ltd. of Edmonton for its Young & Free Alberta program that was developed by Common Wealth Credit Union, which last November merged with Community Credit Union and Servus Credit Union.

The program took an innovative approach to reaching younger members by developing an online presence using blogs and videos posted on YouTube.com. It engaged younger members in an interactive discussion about their financial needs and led to dramatic growth

in new accounts by members in the 17 to 25 age group.

Five young credit union professionals were recognized with through the National Young Leaders Award program:

- Corey Bowes, Chief Operating Officer, OMISTA Credit Union, Moncton, NB
- Sherri Fogwill, Director, Marketing, Newfoundland & Labrador Credit Union, St. John's, NL
- Shawn Good, Manager Branch Operations, Mennonite Savings & Credit Union, Kitchener, ON
- Darren Hinkel, Branch Manager, Servus Credit Union, Lloydminster, AB
- Steve Till-Rogers, Vice President, Systems & Technology, Servus Credit Union, Lloydminster, AB

Shawn Good received the National Young Leaders Award, which provides a \$10,000 scholarship to cover tuition and travel costs to attend a leadership development program at a university in Canada.

Two former leaders of the system were inducted into the Credit Union Hall of Fame - Howard Bogach, former president and chief executive officer of Credit Union Central of Ontario, and Jim Scopick, former president and chief executive officer of Credit Union Central Alberta Ltd.

Feedback for the conference has been very positive: "The sessions were informative and educational. Thank you for the experience!" one participant wrote.

"This conference provides national perspective as well as information on credit unions across the country. The gives me valuable information when I am planning for my credit union," another wrote.

"Keynote speakers were so dynamic, not only up to date, but leading the way and telling us how to use the tools we already have to be very successful," a third participant wrote.

Canadian Central is looking forward to the 2010 Canadian Conference which will take place from May 1 to May 5 in Winnipeg, Manitoba.



Spring into Consultations

Brigitte Goulard, Vice President, Policy, CUCC

Spring fever has caught both Parliamentarians and the public service and now hardly a day goes by without some announcement of a new consultation or the introduction of a new bill. The policy team is hard at work monitoring the activity and preparing submissions where required. In order to give you a flavor of the various topics that we are working on you will find below a brief description of each matter as well as the name of the contact person should you have any questions or require additional information.

Hearings on Credit Card Interchange Fees and the Debit Payment System in Canada

Brigitte Goulard, Vice President, Policy, CUCC

As noted in the previous edition of the Policy and Advocacy Report, Canadian Central appeared on March 26th before the Senate Banking Committee during their review of the credit card and debit card system. This issue is still receiving lots of attention and the House of Commons Standing Committee on Finance and the House of Commons Standing Committee on Industry, Science and Technology are now holding meetings to examine "Credit Card Interchange Fees and the Debit Payment System in Canada". Canadian Central will appear before the two committees on May 28 and will outline for the Members of the Committees the structure of the Canadian credit union system and the manner in which card services are provided to members.

Consultation on Draft Amendments to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act

Jan Hopper, Senior Policy Advisor, Consumer & Community Affairs, CUCC

Amendments to the regulations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act

were published in Part 1 of the Canada Gazette on May 16, 2009. These amendments which apply to provincial Centrals were deemed to be necessary to address a gap in Canada's anti-money laundering and terrorist financing compliance regime.

Consultations between the government, the credit union system through Canadian Central's Legislative Affairs Committee and the Desjardins Group have led to these anticipated regulatory changes. As expected, the proposed amendments bring Desjardins under the regulations of the Act for all its activities (as it had requested), whereas, credit union Centrals outside of Quebec are only captured when services are offered to the public. Credit union Centrals will not have the ability to report transactions to FINTRAC on behalf of their member credit unions. Credit unions retain this requirement as reporting entities as defined by the Act. Also, section 64 of the regulations will be amended to clarify the understanding of membership in a credit union Central and thereby facilitate compliance with regulations pertaining to how to ascertain the identity of members in non-face-to-face situations.

Public consultation on these regulations is for a period of 30 days commencing May 16, 2009. Interested parties can review the proposed regulations at <http://canadagazette.gc.ca/rp-pr/p1/2009/2009-05-16/html/reg4-eng.html#k101>. **Please send your comments or concerns to hopperj@cucentral.com by June 8 to enable the preparation of a submission to the government if necessary.**

Provincial Updates

The Newfoundland Credit Union Act has now received third reading and will be proclaimed on July 1st, 2009. The Act now permits Credit unions to sell life, health and disability insurance products directly from credit union branches. Property and casualty insurance products may not be sold from the branches. This will allow credit unions to fully service their members' wealth management needs.

Bill C-27 Electronic Commerce Protection Act

Jan Hopper, Senior Policy Advisor, Consumer & Community Affairs, CUCC

The Electronic Commerce Protection Act (ECPA), also known as the "Anti-spam Act" was introduced in the House of Commons on April 24, 2009. The goal of the legislation is to foster online commerce by protecting the privacy and personal security concerns that are associated with spam, counterfeit websites and spyware. This bill addresses the recommendations of the government's Task Force on Spam provided in its May 2005 report.

Of note, the proposed legislation includes:

- A prohibition against the sending of commercial electronic messages without obtaining prior consent of the recipient;
- A provision requiring a mechanism for the withdrawal of previously provided consent;
- Amendments to the Personal Information Protection and Electronic Documents Act to prohibit the collection of personal information through the unauthorized use of a computer, and unauthorized compiling of lists of electronic addresses;
- An imposition of administrative monetary penalties by the CRTC of up to \$1 million for individuals and \$10 million for other offenders, as well as a private right of action for persons affected by contraventions of the Act.

Of particular interest is the requirement to "opt-in" to receiving specified electronic messages. This requires that consent be obtained by organizations in advance of the use of electronic commercial messages for marketing to non-customers. The legislation also includes a provision accepting the use of "implied" consent for messages sent to existing customers. Existing customers are defined as those who have either purchased a product or service within the past 18 months.

In addition to the consent requirements, the ECPA targets the tactics frequently employed by spammers. For example, it would become a violation to compile email addresses without consent or to alter the transmission information on an electronic message, something that is commonly done to conduct phishing attacks.

Finally, the ECPA will apply to all forms of telecommunication, including text, sound, voice or image messages. It has the potential to replace the present Do-Not-Call list although the government has not stated that this is its intention. However, there is a provision within the legislation that could repeal the federal Do-Not-Call list if enacted.

Canadian Central is examining the possibility of participating in Parliamentary hearings. The progress of this Bill will be followed in the Legislative Bulletin.

HRSDC Consultation with RESP Advisory Group Members

Jan Hopper, Senior Policy Advisor, Consumer & Community Affairs, CUCC

Human Resources and Social Development Canada (HRSDC) has requested a commitment from Canadian Central on how it plans to respond to the recommendations made in the August 2008 report, Review of Registered Education Savings Plans (RESP) Industry Practices. The request for a commitment comes as follow-up to a bilateral meeting held on March 12 between HRSDC and Canadian Central. HRSDC has held similar meetings with other members of its RESP Advisory Group.

Canadian Central is being asked for a commitment to assist the government with the following stated objectives:

1. More actively promote the use of RESPs, through publicity about the plans and available government grants;
2. Improve the disclosure of the specific features of plans and their outcomes;

3. Establish minimum standards regarding the governance structures of RESP providers and;
4. Consult with all partners in the RESP industry to introduce measures that ensure RESPs operate in accordance with the government's education saving policy objectives.

In the preparation of a response to the government, Canadian Central is consulting with representatives from Concentra Financial and Central 1 Credit Union, as they facilitate the provision of RESPs by credit unions. A meeting of the RESP Advisory Group is planned by the government to provide participants with the results of the bilateral consultations that have taken place. Canadian Central will remain a participant in this forum.

Do not hesitate to contact Jan Hopper at (416) 232-3414 or by e-mail hopperj@cucentral.com if you have any questions.

Bill S-4 – An Act to Amend the Criminal Code (identity theft and related misconduct)

Jan Hopper, Senior Policy Advisor, Consumer and Community Affairs, CUCC

As noted in the April 21, 2009 Policy and Advocacy Report, Bill S-4, An Act to amend the Criminal Code (identity theft and related misconduct), was introduced in the Senate on March 31, 2009. The new bill is substantially similar to the former Bill C-27 which had full party support prior to Parliament being prorogued in late 2008. Consequently, Bill S-4 is expected to move quickly through the parliamentary process. It was debated on May 13 and May 14 by the Legal and Constitutional Affairs Committee to which it was referred by the Senate upon second reading on May 5, 2009.

The legislation is designed to combat identity theft by criminalizing the preparatory steps involved in identity theft and fraud. Specifically, it introduces three new identity theft related offences that are all subject to a

maximum five-year prison sentence. The are:

- Obtaining and possessing identity information with the intent to use the information deceptively, dishonestly or fraudulently in the commission of a crime;
- Trafficking in identity information with the knowledge of or recklessness as to the possible criminal use of the information; and,
- Unlawfully possessing or trafficking in government-issued identity documents of another person.

Of particular relevance to credit unions is the inclusion within the legislation of an offence to fraudulently use another person's "Personal Identification Number" (PIN). Also of interest is the inclusion of a prohibition against the possession of skimming devices (to capture card data). These two amendments are welcomed by both law enforcement and the financial services industry as they will aid in the fight against credit and debit card skimming through the enhanced ability to prosecute offenders.

Canadian Central will monitor the progress of this Bill. Do not hesitate to contact Jan Hopper at (416) 232-3414 or by e-mail hopperj@cucentral.com if you have any questions.

BDC Operating Line of Credit Program Coming Soon

Robert Martin, Director, Research, CUCC

It is anticipated that the Federal Government and the Business Development Bank of Canada will soon officially announce the start of their new loan guarantee program, the Operating Line of Credit (OLC) Program. This program is being facilitated by the Business Development Bank of Canada (BDC) and is targeted to assist financial institutions (including credit unions) that seek to maintain or increase an existing line of credit to their client by providing the lender with a partially guarantee for the line of credit. The program

targets existing lines of credit between \$400,000 and \$4 million.

Currently, Canadian Central is in discussions with the BDC to determine how best the credit unions system can participate in the new program.

Further details about the Program can be found at: http://www.bdc.ca/en/no_navigation/olcg.htm

Department of Finance Leasing Consultation

Robert Martin, Director, Research, CUCC

In early May the federal Department of Finance released a public consultation paper seeking input on whether the Federal Government should allow banks and other federally regulated financial institutions to offer financial leasing for vehicles and household property. This consultation is targeted a federally regulated institutions, however, the creation of such powers for the banks may have competitive implications for credit unions engaged in leasing.

Canadian Central's National Lender's Committee met with Finance Canada officials to provide input into the consultation emphasizing that the Federal Government should keep in close contact provincial governments as it develops policy in this area. This would give provincial governments the opportunity to develop similar leasing legislation for credit unions in those jurisdictions without developed leasing powers.

A copy of the consultation document can be obtained at <http://www.fin.gc.ca/activty/consult/leasing-eng.asp>.

FIMCLA Legislation Introduced

Robert Martin, Director, Research, CUCC

In early May the Federal Government introduced legislation (Bill C-29) intended to help farmers by guaranteeing up to an estimated \$1 billion in loans over the next five years to Canadian farm families and cooperatives. Among other things the package of

legislative amendments includes changes to the Farm Improvement and Marketing Cooperative Loans Act. The changes will modify current legislation so that:

1. Farmers would be eligible for new loan guarantee limits of up to \$500,000, which doubles the current limit of \$250,000.
2. New farmers would be eligible for loans under the Canadian Agricultural Loans Act (CALA). Currently they are not eligible under the FIMCLA.
3. Agricultural co-operatives with a majority farmer membership (50% + 1 farmer members) would be eligible for loans of up to \$3 million for the processing, marketing or distribution of farm products. Loans are currently limited to co-operatives owned 100% by farm members.
4. Loans of up to \$500,000 would be available to help inter-generational farmers taking over their family farm. These loans are currently not available under the FIMCLA.
5. The name of FIMCLA would be changed to CALA to reflect its new focus.

To ensure the new program remains responsive to producers' needs, a full review of the program will be done in five years.

The proposed changes appear to reflect many recommendations for amending FIMCLA made by Canadian Central's Agricultural Sub-Committee of the Legislative Affairs Committee to the Government in 2005 and 2006. See CUCC's submission at: http://www.cucentral.ca/2005Agric_nov07.

The Bill has passed Second Reading in the House of Commons and has been referred to the House of Commons Agriculture and Agri-food Committee for review. On the advice of Canadian Central's Agriculture Sub-Committee, Canadian Central provided the House of Commons Committee with a letter expressing support for the legislation.

Further updates will be provided as the Bill makes its way through Parliament.

A copy of the Bill can be found here: http://www2.parl.gc.ca/content/hoc/Bills/402/Government/C-29/C-29_1/C-29_1.PDF

Tips to Help

Protecting Your Most Valuable Asset – Your Trade-mark!

Sandy Bayley, Manager, Trademarks & Intellectual Property, CUCC

Often one of the most valuable assets of a business, a trade-mark is akin to a lighthouse, acting as a guide to consumers of a product or service, by offering the promise of a safe harbour of source and quality.

A trade-mark can consist of any word, design, slogan or combination thereof. It is the symbol that distinguishes the goods and services apart from one party or organization from that of another in the marketplace, sending a “buy me” message, acting as a commercial calling card for products and services.

The key benefit of a registered trade-mark is the owner's statutory right to its exclusive use throughout Canada in association with the registered wares and services, and the right to prevent others from using the same or a confusingly similar trade-mark or trade-name.

Another benefit is that a trade-mark registration gives its owner the right to prevent a third party from adopting an identical or confusingly similar trade-mark or trade-name even in geographic areas of Canada where the registered owner's trade-mark has not been used or acquired goodwill or actually distinguishes.

Best Practices Approach

1. Monitor the Marketplace

It is important to vigorously monitor the marketplace

and police your marks for uses of similar trade-marks or trade-names, as well as to pursue legal remedies against anyone infringing on your marks. Also, monitoring the state of the trade-marks register is crucial. Trade-mark owners should monitor the use of their trade-marks within the company and by licensees, to ensure that trade-marks are properly and uniformly used, and to ensure that any new uses are protected through new applications or amendments of existing registrations.

2. Use a Trade-mark Properly

The fundamental rules for correct trade-mark usage are fairly simple and may be universally applied to any mark:

- **Always Differentiate but be Consistent**

A trade-mark should be emphasized in such a way that it can be distinguished from surrounding text or design subject matter but should also be used consistently.

- **Use the Trade-mark as Registered**

A trade-mark should never be abbreviated, misspelled, converted from singular to plural or vice-versa, or otherwise altered in appearance from the form in which it was registered.

- **Avoid Generic Usage - Always an adjective, never a noun**

A trade-mark should never be used as a noun or a verb, nor should it be used in the possessive sense. It should always be used as an adjective modifying a noun, e.g. KELLOGGS cornflakes, KLEENEX facial tissue. When a trade-mark is used as the generic (or common) name of the product, the trade-mark may lose its distinctiveness and pass into general use, e.g. ESCALATOR, LINOLEUM, ASPIRIN. If a trade-mark becomes generic the exclusive right to use the mark is lost.

- **Indicate Status of the Trade-mark by using either the ™ or ® Symbol**

If the trade-mark is registered, the ® symbol can be used. If the trade-mark is not registered, the ™ symbol may be used whether or not a trade-mark application has been filed.

- **Don't Differentiate When Using a Trade-mark as a Corporate Name**

When a trade-mark is being used as a corporate name and it is not being used as a mark to distinguish wares or services, do not differentiate the word mark and do not use the ® symbol, e.g. Visa Canada is the company name.

- **Indicate Ownership and Authorization**

Ownership/authorization lines identify the owner of the mark and authorization if the mark is used under license. This line should be included whenever practicable and should appear on the same surface, at the back of the document or on a separate link if used on a website.

- **Always Keep Your Distance and Maintain a Clear Space**

A design or logo must always be clearly separate and distinct from other logos.

- **Don't guess!**

This is probably one of the easiest rules to follow – if you are unsure please call your provincial Central's trade-mark representative or Sandy Bayley at Canadian Central at (416) 232-3443 or email bayleys@cucentral.com

How Canadian Central Manages National Trade-marks

Canadian Central owns a portfolio of 119 trade-mark applications. This portfolio includes a family of 48 "CU" marks and a family of 22 "MEMBER" marks. In order that the credit union system can claim a monopoly of rights in the use of trade-marks containing the letters "CU" or "MEMBER", all such marks must be owned by the same party. This provides a means for the credit union system to register and use confusingly similar trade-marks; something that is not otherwise accepted for Registration by the Trade-marks Office.

An individual credit union may request that such a mark be registered at the credit union's expense. Canadian Central will manage the registration process and will issue an exclusive license back. In the process, the licensee obtains the right to use the trade-mark as they would if registered in their own name, but,

gains the strength for the mark afforded by Canadian Central's management of the family of marks.

All such trade-marks presently in use, and not currently licensed by Canadian Central, should be assigned to Canadian Central, which will grant licenses to those who are using them.

For a complete copy of Sandy Bayley's article please refer to the Policy papers section of Canadian Central's internet site.

Government of Canada Partners with Affinity Credit Union and Assiniboine Credit Union to Improve Financing for First Nation Businesses in Saskatchewan and Manitoba

Brigitte Goulard, Vice President, Policy, CUCC

On April 24, 2009, The Honourable Chuck Strahl, Minister of Indian Affairs and Northern Development and Federal Interlocutor for Metis and Non-Status Indians announced an innovative partnership with Affinity Credit Union in Saskatchewan and Assiniboine Credit Union in Manitoba to provide debt financing to First Nation businesses with assets on a reserve. "The Government of Canada is working with financial institutions across the country to address some of the long-standing barriers to the growth and competitiveness of First Nation businesses," said Minister Strahl. Minister Strahl commended both credit unions for their participation in this unique initiative and for their commitment to Aboriginal economic development.

Want to read more about it? <http://www.ainc-inac.gc.ca/ai/mr/nr/j-a2009/nr000000307-eng.asp> and <http://www.ainc-inac.gc.ca/ai/mr/nr/j-a2009/nr000000308-eng.asp>

Celebrating a Century of Co-operation: Honouring the Past, Building the Future

Quinton Fox, Director, Consultancy and Training and Manager, Member Services, Canadian Co-operative Association

Come to Ottawa this June to celebrate the Canadian Co-operative Association's (CCA) 100th anniversary and participate at the 2009 CCA National Congress.

Congress highlights of particular relevance to credit unions include:

- **A Fair Country – Telling Truths about [Co-operatives]** – keynote address by award-winning writer John Ralston Saul on rethinking and re-launching the co-operative movement in Canada.
- **Dangerous Opportunities: Moving beyond the Economic Crisis** – a panel discussion on what needs to be rethought, reformed, or restructured in the economy of the future. Panelists include Kathy Bardswick, CEO, The Co-operators; Glen Hodgson, Chief Economist, Conference Board of Canada; and Jim Stanford, Economist, CAW.
- **16 workshops** covering issues such as member engagement; leadership in governance; social media; gender and marketing our co-op identity.

The closing session on Friday, June 19 will feature a keynote address by **Monique Leroux, CEO, Desjardins Group**.

For more information and registration details, please visit www.coopscanada.coop/100th/congress.htm.

The Policy and Advocacy Report is published by Credit Union Central of Canada. For editorial or general inquiries please contact:

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