



# Securities Transfer Association of Canada

**William J. Speirs**  
President

To: Tax and Revenue Administration, Alberta Treasury Board and Finance ("TFB")  
via: TBF.UPComments@gov.ab.ca

From: Securities Transfer Association of Canada ("STAC")

**Re: Alberta Unclaimed Personal Property and Vested Property Act (the "UPVPA" or the "Act")**

This is in response to your letter of November 14, 2014, addressed to William Speirs, in his capacity as President of STAC. Thank you for the new information and for the opportunity to provide additional comments on the proposed legislative amendments regarding securities.

Before dealing with the specific proposals described in your November 14<sup>th</sup> letter, we again urge you to consider the issues and cautions identified in our submission of August 22, 2014, (a copy of which we attach for reference). These included central and very practical issues that we think you will need to address, including that, in cases where the unclaimed property is a security that is actually registered in the name of the apparent owner but held by someone else (the 'holder'), a sale of such unclaimed property by a holder will not be able to completed (i.e., to the extent of an actual transfer of the ownership in the issuer's records) unless and until the issues of legal authority of the holder/vendor and the related practicalities are dealt with.

Returning to the specific proposals described in your November 14<sup>th</sup> letter, we have two main concerns:

1. The obligation to identify and notify your office that certain electronic and/or physical securities have become unclaimed, within four months of the date they become unclaimed, would seem to be an ongoing duty. (Consequent obligations relating to selling such securities ten years later also depend on the same date.) Our concern is that a holder could have securities becoming 'unclaimed' virtually any or every day of the year. Unclaimed property compliance is not a small or simple exercise for our members. Currently, the Act requires compliance only on an annual cycle, where reasonably workable time periods are allowed for completing due diligence and sending notifications to owners, and all remittances for a year can be done at one time. However, your proposal for securities, as described, could result in new sets of obligations potentially being triggered hundreds of times a year. While we are not suggesting that the tests for when securities become unclaimed need to be amended, the obligations for compliance should be made annual as is the case for other types of unclaimed property - at least as an option to the holder. (Presumably, this might make your own office's administration easier, as

you would potentially receiving as few as only one notification per year from a particular holder (covering many different owners' securities) and then be issuing potentially only a single annual notice ten years later, as the relevant claim period expires.)

2. Your proposals regarding liquidation of unclaimed securities seem to be based on a simple breakdown as between securities "with obvious value" and "with no obvious value". This determination might not present undue challenge for securities that are traded on a major stock market or an active over-the-counter market. However, please consider that a holder might be holding securities of a foreign issuer, a private company, an alternative type of entity (not a corporation), etc. These securities may or may not have significant value - and the holder may have no reasonable way of determining this. Even if the holder has a reasonable basis to believe that the securities have 'value', you should not assume that there will be any reasonable means for a holder to figure this out, much less to determine how to actually accomplish such a liquidation. Again, we encourage you to consider our more detailed comments in item 2 of our August 22<sup>nd</sup> submission.

We will be pleased to discuss any of the above issues with you.