



Information Notice for public office holders

Categories of assets

This document is intended to provide [general information about your obligations](#) under the Conflict of Interest Act. It must be read in conjunction with information notices on [complying with the Act](#) and on [blind trusts](#), as well as with the [Summary of Rules for Reporting Public Office Holders](#). Public office holders are encouraged to contact the Office for confidential advice about their individual situation. Please call 613-995-0721 or [send us an email](#).

Source: [Part 2](#) (sections 20-31) of the [Conflict of Interest Act](#)

1. What is required by the *Conflict of Interest Act*?

Under the Act, as a reporting public office holder, you are required to:

- [provide a description](#) of all your assets and an estimate of their value in your Confidential Report within 60 days of your appointment. For the purposes of the Act, assets include any trusts in respect of which you or a member of your family is a beneficiary;
- [publicly declare](#) all your assets that are neither controlled, nor exempt assets within the meaning of the Act, within 120 days of your appointment;
- [divest your controlled assets](#) either by selling them in an arm's-length transaction or by placing them in a blind trust and publicly declare all assets that have been divested within 120 days of your appointment; and
- refrain from acquiring controlled assets during your term of office.

This notice is intended to help you identify which assets fall into each of these categories. Your advisor can also provide you with information and confidential advice with respect to your individual situation. It is particularly important to contact your advisor if you are considering any kind of investment.

2. What is an exempt asset?

Exempt assets are assets and interests in assets for your private use or for that of members of your family, as well as assets that are not of a commercial character.

Examples include:

- household goods and personal effects; primary and secondary residences and other property used or intended for use by you or the members of your family; works of art, antiques or collectibles; cars and other personal means of transportation;
- cash and deposits, open-ended mutual funds, Canada Savings Bonds and other similar investments issued or guaranteed by any level of government in Canada;
- self-administered or self-directed registered accounts **composed exclusively of assets that would be considered exempt** if held outside the plan or fund;
- public sector debt financing not guaranteed by a level of government, such as a university and hospital debt financing;
- annuities and life insurance policies;
- money owed to you by a previous employer, client or partner, personal loans receivable from your relatives, money owed under a mortgage or hypothec of less than \$10,000 and personal loans of less than \$10,000 receivable from other persons if you have loaned the money;
- investments in limited partnerships that are not traded publicly and whose assets are exempt assets.

You are not required to publicly declare or divest yourself of exempt assets. In an ongoing manner, you must also notify our Office within 30 days after any material change affecting them.

3. What is a controlled asset?

Controlled assets are assets whose value could be directly or indirectly affected by government decisions or policy.

Examples include:

- publicly traded securities of corporations and governments, whether held individually or in an investment portfolio account, such as stocks, bonds, stock market indices, trust units, closed-end mutual funds, commercial papers and medium-term notes;
- self-administered registered accounts (*i.e.* RRSP, RESP, RRIF, TFSA, RDSP, [FHSA](#)) composed of a least one asset that would be considered controlled if held outside the account;
- exchange-traded funds;

- commodities, futures, cryptocurrencies and foreign currencies held or traded for speculative purposes;
- stock options, warrants, rights and similar instruments; and
- shares of a private company that, itself, holds controlled assets.

You are generally [prohibited](#) from holding controlled assets. As such, you are [required to divest](#) controlled assets either by selling them in an arm's-length transaction or by placing them in a blind trust. You must publicly declare those divested assets in the Summary Statement, which will provide information about the nature, source and method of divestment of these assets but not their value or number of units held.

4. What are the exceptions to the prohibition on holding controlled assets?

If you are a minister, minister of state or parliamentary secretary you must, without exception, divest all controlled assets.

You may otherwise benefit from two limited exceptions to the divestment rule. Subject to the Commissioner's approval, if the controlled assets held are given as security to a lending institution, these assets are exempted from divestment. Similarly, the controlled assets are exempted from divestment if, in the Commissioner's opinion, they are of such minimal value that they do not constitute any risk of conflict of interest in relation to your official duties and responsibilities.

This exception could apply if your total investments in controlled assets are of less than \$60,000. The value and content of your assets will be reviewed annually by the Commissioner as part of the mandatory annual review process. If the market value of the controlled assets covered by the minimal value exemption increases, you may be required to divest some of these assets either by selling them or placing them in a blind trust. Some associated costs may be eligible for reimbursement.

5. Which assets must be publicly declared?

Assets that are neither controlled, nor exempt must be publicly declared within 120 days of your appointment. This category typically includes assets used with a view to generate income or revenue. Moreover, you are [prohibited from engaging in certain activities](#) associated with these assets, such as managing or operating a business or commercial activity.

The Commissioner may also order divestment of certain declarable assets if the Commissioner is of the opinion that the assets may give rise to a conflict of interest.

Examples of declarable assets include:

- a residence that generates income through a long-term lease or rental agreement;
- any interest in a private corporation that does not hold controlled assets (even if the corporation is inactive); and
- money owed to you under a mortgage or hypothec greater than \$10,000.

Some exempt assets may become declarable assets during your term of office. For example, if you buy a new primary residence and rent out your former residence, your former residence would be considered a declarable asset under the Act.

You may be interested in reading our information notices on [complying with the Act, outside activities](#), [blind trusts](#) and the [administrative monetary penalties regime](#).