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July 28, 2006 4:01 PM

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### 1) How do I open an RRSP account with E\*TRADE Canada?

The easiest way to open an RRSP account is to do it online at [our website](#). Alternately, you can request us to mail an account kit to you, via the Request a kit link on that page.

Another option is to download both Form A and Form C from our website, fill them in and mail them back. You'll need to fill out [Form A](#) and [Form C](#).

Our mailing address for completed applications is

#### E\*TRADE Canada

c/o 30 Adelaide Street East, Suite 1  
PO Box 19387 Stn BRM B  
Toronto, ON  
M5C 3G9

Or, you can visit us in person and fill in an application form. Our office is located at

E\*TRADE Canada  
60 Yonge Street, Suite 1200  
Toronto, Ontario  
M5E 1H5

Normally, our reception is open until 5pm Eastern time. But during February we'll be open later- until 8pm Eastern time- to help you with your RRSP needs.

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## **2) I would like to open an RRSP account. Are there administration fees or minimum deposits?**

We are pleased to announce the industry leading "No Annual Fee, No Minimum RRSP" this year. Now, you can open an RRSP with no annual administration fee and not have to make a minimum deposit.

**And**, if you open and choose to fund a new E\*TRADE Canada RRSP account before March 31, 2006 and we will deposit directly into your new E\*TRADE Canada RRSP account \$5 cash per \$1000 for the first \$100,000 transferred in asset value in the currency of the account activated (value held for 6 months with E\*TRADE Canada), up to \$500.

This offer is valid for the first E\*TRADE Canada RRSP account opened by new OR existing E\*TRADE Canada customers. Please [click here](#) for more details on this exciting offer.

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## **3) I have made a deposit to my RRSP; however I have not purchased any securities. What happens to my money?**

Until you invest it, money you contribute to your RRSP account will remain in cash and will earn interest. Details on our credit interest policy are available by [clicking here](#).

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## **4) I have a spousal RRSP account. Who is entitled to the contribution receipt- me or my spouse?**

The contributing spouse is the one who receives the contribution receipt. The account holder is entitled to the funds and has authority on the account. The Canada Revenue Agency puts limits on how much can be contributed to a spousal RRSP and determines who has the tax liability if money is withdrawn from a spousal RRSP. More details are available at the [CRA website](#).

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## **5) When is the deadline to do an RRSP contribution for the current tax year?**

March 1<sup>st</sup> is RRSP contribution deadline. During the first 60 days of the year, contributors have the option of claiming the contribution receipt for the previous year or for the current year.

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## **6) How can I make a contribution to my RRSP?**

There are several ways that a contribution can be made to an RRSP:

- cheque deposit
- bill payment
- Electronic Funds Transfer (if we have your void cheque on file)
  
- Transfer of cash from your existing non-registered account
  
- You can also do a contribution in-kind, which is a transfer of securities from your existing non-registered account.

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## 7) Can I have EFT set up for my RRSP?

Electronic Funds Transfer service is available for RRSP accounts, but is one way only: it works for contributions but cannot be used to deregister funds from your plan.

In order to have the EFT set-up we require an original void cheque at a Canadian Financial institution, the cheque needs to be embossed with your name. We also require the [EFT authorization form](#).

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## 8) I heard that the Canada Revenue Agency has removed the foreign content rules for RRSP accounts. Is this true?

Yes, it is. The Canada Revenue Agency has removed the foreign content limits, so there are no longer any restrictions on the amount of foreign content you can hold in your RRSP.

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## 9) I noticed on your website that you offer 100 free trades for clients that open new accounts. Does this offer apply to new clients who wish to open an RRSP?

Yes. This offer applies to all new clients who open any kind of account with a minimum of \$25,000 worth of equity. Full details of the offer are available by [clicking here](#).

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## 10) When will I receive my tax receipts from E\*TRADE Canada?

Please [CLICK HERE](#) for a list of important dates associated with the tax and RRSP season.

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## 11) When must I convert my RRSP to a RRIF? How do I go about doing this?

An RRSP can be converted to a RRIF at any time; however CRA requires that this must be done no later than December 31 of the year in which you turn 69 years of age. Full details regarding your options can be found at the [Canada Revenue Agency](#) website.

In order to convert an RRSP to a RRIF you must complete a [RRIF application form](#). This form needs to be completed and mailed into our office.

## 12) How do I transfer in my RRSP from another financial institution to E\*TRADE Canada?

If you would like to transfer an RRSP that you hold at another financial institution, please complete the [T2033 transfer form](#) and have it mailed back to us with a current copy of your statement.

If you are not an existing E\*TRADE Canada client, please also complete and return our [New Client Application](#) form (Form A). We will then initiate the transfer for you.

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## 13) I was charged a Canada Revenue Agency fee on my RRSP statement because I held a non-qualifying investment. What is this?

Even though the CRA has removed the foreign content limit there are still some securities that are not eligible for purchase in registered accounts. Most often, this is as a result of the security not trading on one of the 'prescribed exchanges'. Please see the Canada Revenue Agency's information regarding qualified investments for further

details on [prescribed exchanges and RRSP non-qualifying investments](#)

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**14) Canada Revenue Agency has indicated that put options are now eligible as a qualified investment for RRSPs. Can I buy them in my E\*TRADE Canada account?**

The purchase of put options is considered eligible by Canada Revenue Agency, as a result of very recent rule changes. At the moment, however, E\*TRADE Canada's systems do not support put options in RRSP accounts.

There is a concern regarding accounts which are long a put but not long the underlying security. If the put options in such an account were automatically exercised by virtue of being in the money at expiry, the account would become short the stock. Since plan accounts are not able to short stock, we are not currently able to support the purchase of puts in these accounts. We are actively working on a solution for this.

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**15) Can I trade options in my RRSP?**

Yes, there are some types of option trades which can be transacted in plan accounts: the purchase of Calls as an opening transaction, the selling of Calls as a closing transaction and the selling of covered calls. Various levels of options approval is necessary in order to be able to trade options in plan accounts, as it is in margin accounts. Please [click here](#) for more information on the approval process.

Option spreads, straddles, and uncovered/naked writing are not an eligible investments for RRSP and, as referred to above, E\*TRADE does not currently support the purchase of Put options in plan accounts.

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**16) I recently transferred my RRSP from another Financial Institution; the securities in my account now have incorrect book values? How do I have this corrected?**

Sometimes when we receive a transfer-in, the relinquishing institution does not provide the book values of the securities that are transferred in.

If you believe that your book value is not being reflected properly, please provide us with copies of your most recent statement from the transferring firm, or trade confirmations of your purchase(s). Once we have that information, we'll be pleased to amend the book value for you.

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**17) Can I have a USD dollar RRSP to purchase US securities?**

Unfortunately, at this time Canada Revenue Agency does not allow RRSP accounts to be held in a foreign currency.

You are able to purchase securities denominated in US dollars in your RRSP account, however the cost of the trade will be converted into Canadian funds at the end of the business day rate. Similarly, when you sell a US dollar denominated security in your RRSP account, the proceeds will be converted back to Canadian dollars so that they can settle in your account.

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**18) I would like to withdrawal funds from my RRSP. How can this be done? Are there any fees involved?**

Funds can be taken out of your RRSP by deregistering them from the plan. To deregister funds you will need to complete the [RRSP deregistration form](#). Please ensure that the funds are available as cash, before submitting the deregistration request. If you do not have cash available, we will not be able to process your request. You will need to decide which security to sell in order for the cash to be available for deregistration.

As you no doubt know, there are tax consequences involved when you deregister funds from an RRSP. The

current withholding rates are listed below, but please consult your tax specialist regarding your personal tax consequences.

Withholding Tax Rates: (for all Provinces other than Quebec)

\$5,000 or less	10%
\$5,000.01 - \$15,000	20%
Over \$15,000	30%

Withholding Tax Rates: (Quebec Only)

\$5,000 or less	21%
\$5,000.01 - \$15,000	30%
Over \$15,000	35%

Withholding Tax Rates: (US Residents)

25%

The fee for a full deregistration is \$100 + GST. Alternately, you may request up to 4 partial deregistration per year for a fee of \$25 + GST each. For partial deregistrations in excess of 4 in a given year, the fee is \$50 + GST.

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### **19) I was told that I could borrow money from my RRSP via the Home Buyers' Plan tax free to purchase a house. How does this work?**

The Home Buyers' Plan is a program that allows you to withdraw up to \$20,000 from your registered retirement savings plans (RRSPs) to buy or build a qualifying home. For details on what constitutes a 'qualifying home', please visit the Canada Revenue Agency's [Home Buyers' Plan information page](#).

If you qualify, you'll need to complete form [T1036](#) and have it mailed to our office, along with a letter of direction telling us what you'd like to do.

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### **20) What is the life long learning plan, and how do I participate?**

The Lifelong Learning Plan (LLP) allows you to withdraw up to \$10,000 in a calendar year from your registered retirement savings plans (RRSPs) to finance full-time training or education for you, or your spouse, or common-law partner.

In order to participate in this program you will need to complete [form RC96](#) and have it mailed to our office, along with a letter of direction. For more information, please visit the Canada Revenue Agency's [Lifelong Learning Plan](#) page.

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### **21) I still have questions. How do I get in touch with you?**

Please call us, at 1-888-TRADE88 (1-888-872-3388), or (416) 214-6457 in Toronto.

Or, email your question to [etca-service@etrade.com](mailto:etca-service@etrade.com).

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