



Indemnities and Guarantees – Guidance Document

This guidance document describes best practices for managing indemnities and guarantees given by or on behalf of government, supplementary to Chapter 9 on indemnities and guarantees.

1. Ministry Processes

A ministry's processes for the management and monitoring of indemnities and guarantees in its portfolio should include, as applicable:

1. seeking the advice of legal counsel for proposed wording of indemnities and guarantees;
2. seeking the advice of Risk Management Branch (RMB) for assessment of risk;
3. submitting requests to RMB for review and prior written approval of proposed indemnities and guarantees, except when approval is not required;
4. recordkeeping of approvals obtained;
5. recordkeeping of indemnities and guarantees given by the ministry;
6. recordkeeping of payments made to satisfy indemnities and guarantees;
7. review, monitoring and annual assessment of risk for portfolio of indemnities and guarantees given by the ministry; and
8. immediate reporting to RMB of all indemnities and guarantees approved by the Minister of Finance, the Deputy Minister of Finance, and approved by any other person authorized to approve an indemnity or guarantee under an enactment other than the [*Financial Administration Act*](#).

2. Submitting requests to RMB

- A. When submitting an indemnity or guarantee proposal to the Executive Director of RMB for review and prior written approval, submissions should include:
 1. an electronic copy of the complete and final document containing an indemnity or guarantee. Links to online terms are not acceptable; for online terms ministries must download or copy and paste all the relevant text into a dated document for their own records and for inclusion in the submission;
 2. if requested, evidence of legal review of the proposed wording of indemnities and guarantees;
 3. rationale for granting the indemnity or guarantee;
 4. the analysis of risk; and
 5. any other information the Executive Director requires to determine whether approval can be granted for the indemnity or guarantee.



- B. If, while an approved indemnity or guarantee is in force,
- a. there is a desire to alter the wording of an indemnity or guarantee, or
 - b. there is a desire to alter the wording of other terms and conditions of the instrument that includes the indemnity or guarantee, or
 - c. if the context under which the indemnity or guarantee was given has changed,
- a ministry should seek additional legal review, and if required, additional approval by providing a revised submission to the Executive Director of RMB.