

FAQ

Commercial Banking

Professional trustee

Trustee other than a professional trustee

[CDIC and deposit insurance](#)

[Calculating deposit insurance](#)

[Your obligations as a trustee](#)

[Closed and foreign currency accounts](#)

[Beneficiaries of deposits held in trust](#)

[Letter and form to be completed](#)

Professional trustee

Am I considered a professional trustee?

A professional trustee is one of the following individuals (other than a broker-trustee):

- The public trustee of a province or a similar public official whose duties involve holding monies in trust for others
- A federal, provincial or municipal government, or a department or agency thereof
- A solicitor or partnership of solicitors, a law corporation, or a notary or partnership of notaries in the province of Quebec, when they act in that capacity as a trustee of monies for others
- A person who is acting as a trustee of monies for others in the course of business and is required by or under a statute to hold the deposit in trust
- A person who is acting as a trustee of monies for others in the course of business and is required to hold the deposit in trust by the rules of a securities commission, stock exchange or other regulatory or self-regulating organization that audits compliance with those rules
- A regulated federal or provincial trust company acting on behalf of the depositor

To determine if you qualify as a professional trustee under the CDIC Act, please refer to the decision tree on the CDIC website.

CDIC ref.: cdic.ca > Financial community and trustees > For trustees > For professional trustees > Interactive decision tree

What will happen if I don't declare my status as a professional trustee?	<p>Your trust accounts are considered regular trust accounts (not professional trust accounts), which means you must confirm to us the information about the beneficiaries of your accounts before the April 30 deadline. If you do not give us your confirmation, your deposit protection insurance could be reduced or withdrawn effective April 30, 2022.</p>
Can you help me determine if I should declare my status as a professional trustee?	<p>Please contact your professional association or CDIC. Either one can help you make this determination.</p>
Why are the new rules applicable to trustees important?	<p>They are important because they affect the deposit insurance coverage on deposits held by professional trustees as well as CDIC's treatment of these deposits in the event of the failure of a CDIC-member institution.</p>
How have the existing rules been changed by the new rules for 2022?	<p>Under the new 2022 rules, eligible professional trustees can designate some of their accounts as professional trustee accounts (PTAs). Doing so will relieve them of the obligation to regularly report to CDIC-member institutions the information normally required concerning the beneficiaries of such accounts. They will only have to do so at CDIC's request.</p>
How do I designate myself as a professional trustee?	<p>You have to sign the <i>Professional Trustee Account Attestation</i> and mail it back to us in the postage-paid return envelope included with the letter. By signing this attestation, you will no longer be required to provide the information normally required about beneficiaries.</p>
Will the new rules affect the protection of my deposits?	<p>No. CDIC will continue to protect insurable deposits held in trust, up to \$100,000 per beneficiary.</p> <p>If you do not provide the required information about the beneficiaries of the regular trust accounts (not professional trust accounts) before the April 30 deadline, the deposit insurance protection could be reduced or withdrawn effective April 30, 2022.</p>
Will I be able to obtain the designation of professional trustee accounts later?	<p>This letter is mailed out annually. If you do not designate yourself as a professional trustee before April 30 of this year using the attestation form provided, you will be able to do so when we send it to you next year.</p>

Trustee other than a professional trustee

CDIC and deposit insurance

<p>What does CDIC do?</p>	<p>CDIC insures the deposits of Canadians in the event of the failure of a CDIC-member institution.</p> <p>In the event of failure, CDIC will refund depositors the amount of their insured savings, depending on the deposit category, up to a maximum of \$100,000 per member institution.</p> <p>CDIC ref.: cdic.ca > About CDIC</p>
<p>How does deposit insurance work?</p>	<p>CDIC insures deposits up to a maximum of \$100,000 (principal and interest) per depositor (or group of co-owners in the case of group deposits), per CDIC-member institution.</p> <p>This rule applies to each of the following types of deposits:</p> <ul style="list-style-type: none"> • Savings in the name of a single person • Group savings (in the name of several people) • Savings held in trust for another person <p>To be insurable, a deposit must be payable in Canada, in Canadian or other currency (e.g. American or other currency). As a general rule, deposits are payable in Canada if they are entrusted to one of the branches or to another business place of a CDIC-member institution in Canada.</p> <p>The following deposits are insurable:</p> <ul style="list-style-type: none"> • Chequing accounts • Savings accounts • Guaranteed Investment Certificates (GICs) or other term deposits • Money orders, certified cheques and bank drafts issued by CDIC-member institutions • Debentures issued by CDIC-member lending companies
<p>What would happen if National Bank failed? Has a financial institution ever failed in Canada?</p>	<p>Although it is highly unlikely:</p> <ul style="list-style-type: none"> • If your information has been disclosed, National Bank will send you a notice within 20 days of the failure in order to update your information. • CDIC will contact you to inform you how and when you will receive your refund. • You will be refunded as quickly as possible. • To prevent registered accounts from being cancelled, CDIC will transfer the insured funds to another CDIC-member institution. <p>CDIC ref.:</p> <ul style="list-style-type: none"> • cdic.ca > Newsroom > Industry news and events > CDIC: Resolution authority for our members

	<ul style="list-style-type: none"> • cdic.ca > About CDIC > Our history > History of failures
What isn't covered by CDIC?	<p>CDIC does not insure:</p> <ul style="list-style-type: none"> • Mutual funds • Stocks • Bonds • Exchange-Traded Funds (ETFs) • Cryptocurrencies • Any deposit invested with an institution that is not a CDIC-member <p>CDIC ref.: cdic.ca > Your coverage > Protecting your deposits</p>
Do I have to pay a premium to CDIC to be insured?	<p>No. No premiums are payable. Premiums are paid to CDIC by CDIC-member institutions to cover the cost of insuring their deposits.</p> <p>CDIC ref.: cdic.ca > Deposit insurance calculator</p>
Why am I insured by CDIC? I never asked for this service.	<p>You don't have to ask for deposit insurance. CDIC automatically insures eligible deposits, up to \$100,000.</p> <p>CDIC ref.: cdic.ca > Deposit insurance calculator</p>

Calculating deposit insurance

How is deposit insurance calculated for deposits held in trust?	<p>CDIC protects insurable deposits held in trust for another person separately from other deposits that a trustee or beneficiary could hold in their name at the same member institution.</p> <p>Each beneficiary's portion is insurable up to \$100,000 (principal and interest).</p> <p>All insurable deposits held in trust by one trustee for one beneficiary at one financial institution are combined, and the total is insured:</p> <ul style="list-style-type: none"> • up to \$100,000 if there is only one beneficiary • up to \$100,000 multiplied by the number of beneficiaries if there are several beneficiaries <p>CDIC ref.: cdic.ca > Deposit insurance calculator</p>
I have more than \$100,000 in my account. Am I still insured by CDIC?	<p>Yes. The coverage cap applies by deposit category and by CDIC-member institution. This means that insurable deposits in your chequing and savings accounts as well as insurable non-registered term deposits in your name are insured separately from deposits in your TFSA and RRSP or RRIF.</p> <p>CDIC ref.: cdic.ca > Deposit insurance calculator</p>

<p>I have \$75,000 at National Bank and \$75,000 at another financial institution. Does that mean that only \$100,000 is covered by CDIC?</p>	<p>No. CDIC insurance applies to each member institution. That means that for deposit insurance purposes, your deposits at National Bank (which is a member institution) are not added to amounts you hold at other financial institutions.</p> <p>Visit the CDIC website to find out if a financial institution is a CDIC member or if your deposits qualify for deposit insurance.</p> <p>CDIC ref.:</p> <ul style="list-style-type: none"> • cdic.ca > Your coverage > Protecting your deposits • cdic.ca > Deposit insurance calculator
<p>Will my personal deposits and those of my business be counted together for deposit insurance?</p>	<p>No, if your business is a partnership or incorporated. In such cases, insurable deposits made in business accounts are insured separately from insurable deposits made in personal accounts or accounts in the name of one or more business owners.</p>

Your obligations as a trustee

<p>Do I have to complete the form you sent if the total deposits held in trust is not more than \$100,000?</p>	<p>Yes. National Bank's records must contain the name and address of all the beneficiaries as well as their percentage interest as at April 30 of each year so that each deposit made on behalf of a beneficiary in one account is insured separately.</p> <p>If you do not provide the information and the deposit amount maintained for each beneficiary were to change, the beneficiaries would only be entitled to share the maximum \$100,000 deposit insurance refund.</p>
<p>I've already provided this information. Why do I have to provide it again?</p>	<p>Updating this information annually guarantees that deposits are protected up to \$100,000 for each beneficiary separately from any other deposit made in your name.</p> <p>If the trust account is maintained for more than one beneficiary, each beneficiary's portion, as at April 30 (as a percentage) must be entered into our records no later than May 30 of each year.</p> <p>If we do not hear from you, we will consider the information in our records to be up-to-date.</p>
<p>The deadline for returning the form was April 30. The deadline has passed. Is it too late to send it?</p>	<p>Yes. However, the notice is sent out annually. You'll be able to provide this information when it's mailed out next year. In the highly unlikely event that your financial institution fails, you'll receive a notice, and you'll have the chance to update your information within 20 days of the failure.</p>
<p>When will the new CDIC rules take effect?</p>	<p>They will take effect on April 30, 2022.</p>

Closed and foreign currency accounts

I have a U.S. dollar account. Is it insured?	<p>Yes. CDIC insures deposits in American or other currency.</p> <p>CDIC ref.: cdic.ca > Your coverage > Protecting your deposits</p>
You've sent me a letter for a closed account. Why?	<p>You may have taken steps to close your account between the time we extracted the list of clients to contact and the time you received the letter.</p> <p>Please ignore the notice if your account is closed.</p>

Beneficiaries of deposits held in trust

I don't have the full address for one of my beneficiaries.	<p>All the information to be provided on the form is required by CDIC so that the deposits held in trust can be insured separately up to \$100,000 per beneficiary.</p>
What happens to beneficiaries' percentage of interest if beneficiaries are removed or new ones are added during the year?	<p>Information concerning deposit insurance coverage is updated annually on April 30. Any changes made after that day will be compiled at the next update, i.e. on April 30 of the following year.</p> <p>In addition, if we receive no instructions from you, the deposits will be shared equally among the beneficiaries whose names appear in our records.</p>

Letter and form to be completed

Why have I received this letter?	<p>Our records show that you have a bank account or a trust or in-trust investment. As a CDIC-member institution, we must ask you to provide us with certain information required by CDIC. This information and updates to it will provide beneficiaries with deposit insurance of up to \$100,000 separately from other deposits held in your name.</p> <p>In addition, with the changes to CDIC coverage you can now declare yourself as a professional trustee, which means you won't have to provide on a regular basis the information normally required about beneficiaries to CDIC-member institutions.</p>
This is the first time I've been contacted about this. Is National Bank in financial difficulty?	<p>You can rest assured, National Bank is not in financial difficulty. Since 2011, CDIC has been asking its member institutions to send a notice to their clients to update certain information. But the disclosure rules have changed for 2022, which is why you received this notice.</p>
I lost my form. Can I get another one?	<p>Of course. Visit nbc.ca/cdic before April 30. You can also ask us to send you a copy by email.</p>



To what address should I send you the form?	You must return the form in the postage-paid return envelope included with the letter. If you no longer have this envelope, you can return it to us in another envelope to the address indicated at the top of the form.
I forgot to return the form. Am I still covered?	<p>If we do not hear from you, we will consider the information in our records to be up-to-date, and your coverage will be based on that information.</p> <p>We will also presume that the deposit amount is to be shared equally among the beneficiaries if each one's percentage is not indicated in our records.</p>
I have to meet with my advisor at my branch. Can I give the information directly to them?	No. The form must be signed and returned by mail in the postage-paid return envelope included with the letter because the information about the beneficiaries will be recorded by a specialized department.
Will I receive a confirmation once the information has been updated?	No. No confirmation notice will be sent.
If more than one signature is required for the account, will all the trustees be required to sign the form?	Since no transaction or account modification is involved, not all signatures are required. One signature will suffice.
I asked not to be solicited by mail. Why have I received this letter?	This letter is not a promotional offer. Rather, it's a notice containing important information for all our trust depositors.