



CHEQUE HOLD POLICY

1. APPLICATION

This Policy applies only to paper-based cheques or other instruments deposited in Canada that meet the following conditions:

- i. Cheques issued in Canadian dollars and drawn on an institution's branch located in Canada;
- ii. Encoded with magnetic ink to allow for character recognition; and
- iii. Not damaged or mutilated such that they are unreadable by cheque clearing systems.

2. MAXIMUM CHEQUE HOLD PERIOD

The customers will be able to withdraw funds deposited by cheque or other instrument, to a retail deposit account or to a deposit account held by an Eligible Enterprise¹, in the following manner:

1. Cheque or other instrument not exceeding \$1,500

- a) No more than four business days after the day of the deposit, if it is deposited in person with an employee of the Bank at one of the branches or point of service of the Bank; or
- b) No more than five business days after the day of the deposit, if it is not deposited in person, i.e., deposited in any other manner.

2. Cheque or other instrument exceeding \$1,500

- a) No more than seven business days after the day of the deposit, if it is deposited in person with an employee of the Bank at one of the branches or point of service of the Bank; or
- b) No more than eight business days after the day of the deposit if it is not deposited in person, i.e., deposited in any other manner.

3. AVAILABILITY OF FIRST \$100

The customer can withdraw first \$100 of all funds deposited to a retail deposit account by a cheque or other instrument in the following manner:

- a) Immediately, if the cheque is deposited in person with an employee at one of branches or point of service of the Bank; or

¹ "Eligible Enterprises" means a business with authorized credit of less than \$1 million, fewer than 500 employees, and annual revenue of less than \$50 million.

- b) On the business day following the day of the deposit, if it is not deposited in person, i.e., deposited in any other manner.

4. EXCEPTIONS

- a) The cheque hold period defined in this Policy does not apply in respect of a deposit that is made by an eligible enterprise in the following situations:
- i. There is an escalating overdraft balance that is not being reduced by deposits received;
 - ii. There is a negative change in the credit score or other behavior scores that may impact the credit risk of the enterprise;
 - iii. There is an unexplained change in the history of cheques or other instruments deposited to the account;
 - iv. There are high numbers of cheques or other instruments deposited that are returned as dishonored items from other institutions that may impact the available balance in the account; and/or
 - v. There is a notice of bankruptcy or of creditor action against the enterprise.
- b) The cheque hold period and the access to first \$100 as defined in this Policy does not apply to the following:
- i. Deposits that the Bank has reasonable grounds to believe are being made for illegal or fraudulent purposes in relation to the depositor's account;
 - ii. Accounts that has been open for less than 90 days;
 - iii. Cheque or other instrument that has been endorsed more than once;
 - iv. Cheque or other instrument that is deposited at least six months after the date of the cheque (stale cheque).

Cheques issued in foreign currencies and or payable in other countries:

Items	Existing hold period	Revised hold period (wef June 01, 2014)
Cheques issued in US dollars and drawn on an institution's branch located in Canada:	14 business days after the day of deposit	14 business days ² after the day of deposit ³
Cheques issued in US dollars and drawn on an institution's branch located in USA:	19 business days after the day of deposit	40 business days ² after the day of deposit ³
Cheques issued in other currencies and payable in countries other than Canada	Subject to clearing	Subject to clearing

² 'Business day' does not include a Saturday or a holiday.

³ The hold periods are estimates and apply where we have credited the funds to your account. We may extend such hold periods if payment for the cheques or other instruments has not been received by us from the US or foreign financial institution within that initial maximum hold period.