

### SHOULD I BE CONCERNED IF A FINANCIAL INSTITUTION IS NOT A MEMBER OF THE CDIC OR OTHER PROTECTION PROGRAM?

Yes. Membership in CDIC or another deposit protection program should be a consideration when choosing to place your deposit investments. Special attention should be paid to the maximum insurable amount. Deposit insurance is your best long term protection, and it was for this reason that CDIC and other deposit protection programs were originally introduced.

FOR THE INVESTOR WHO WOULD LIKE MORE INFORMATION ABOUT THE RDBA, TAKE THIS OPPORTUNITY TO DISCOVER MORE ABOUT US. WE ENCOURAGE YOU TO EXPLORE OUR SITE. [RDBA.CA](http://RDBA.CA)

### ARE MEMBERS OF THE CDIC AND ASSURIS REGULATED? WHO REGULATES DEPOSIT BROKERS?

Federally and provincially incorporated financial institutions are examined and regulated by the Office of the Superintendent of Financial Institutions (OSFI). Credit Unions are all provincially regulated.

As members of the RDBA, deposit brokers must comply with RDBA by-laws and rules, standards of best practices and business conduct. Deposit brokers are also subject to the applicable federal and provincial regulations.

### CAN A DEPOSIT BROKER MANAGE MY INVESTMENT PORTFOLIO?

Some investments like RRSP's, RRIF's and other investment plans can be very complex, depending on the individual situation, so proper planning is essential. Members of the RDBA have qualifications and experience to

explain your investment options; will help you determine your investment needs; and provide the management systems to help look after your individual maturities and renewals. As an investor you have the right to transfer your investment from one financial institution to another to obtain a better interest rate, stay within deposit insurance limits or to avoid or remove service fees. Our member Deposit Brokers will take the time to coordinate this for you, maximizing your returns through a diversified deposit portfolio approach while protecting your investments within the security of CDIC or other deposit protection program limits.

### RDBA AND YOU?

Founded in 1987, the Registered Deposit Broker Association (RDBA) has positioned itself as the professional standards Self-Regulating Organization (SRO) for the Canadian deposit broker industry. Membership in the organization includes financial institutions, deposit brokers and their representatives who sell deposit products to investors.

Our primary goal is to protect the interests of investors served by the deposit industry. The RDBA sets a high standard of regulatory and industry best practices and business conduct for its members and provides training and education. The organization is a strong supporter of a regulated industry and strives to work closely with federal and provincial governments and other regulators to insure investor safety and compliance with regulatory mandates.

RDBA financial institution and deposit broker members provide you with access to a broad range of deposit products with the best terms available from a majority of Canadian financial institutions. Member deposit brokers distribute guaranteed investment products

such as GICs, term deposits, TFSA's and a variety of investments that that qualify for registered plans such as RRSPs, RRIFs and LIFs for Canadian bank, trust and credit union members.

To help you understand our business as a deposit broker, we have compiled some of the most commonly asked questions and answers in this brochure. If you would like further information please visit [www.rdba.ca](http://www.rdba.ca) for more information or contact one of our members or the RDBA directly.

### HOW DO I FIND A DEPOSIT BROKER WHO IS A MEMBER OF THE RDBA?

Visit the RDBA website at [www.rdba.ca](http://www.rdba.ca) to find a national listing of members complete with contact information.

You may also call or email at **1-866-261-6263** or [headoffice@rdba.ca](mailto:headoffice@rdba.ca)

#### REGISTERED DEPOSIT BROKERS ASSOCIATION

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# WHAT IS A DEPOSIT BROKER?





## WHAT IS A DEPOSIT BROKER?

Deposit brokers are financial professionals who help investors select guaranteed investment products such as GICs, term deposits, TFSAs, RRSPs, RRIFs, LIFs and RESPs from different Canadian financial institutions.

Deposit brokers offer a wide selection of deposit products, strive to secure the best possible interest rates for their clients, and offer a high level of personal service. They are a one-stop solution for your guaranteed investment needs.

When booking your term deposit with deposit brokers who are registered members of the Registered Deposit Brokers Association (RDBA), you can take comfort knowing that registered firms and their representatives are committed to best practices and policies which protect the consumer.

RDBA deposit brokers understand the special characteristics of deposit products in much the same way a stock broker specializes in the equity market. Your RDBA Deposit broker member monitors interest rates on available products from various financial institutions on a daily basis to ensure you get the best return on your guaranteed investment. Best of all, there is no fee for this service!

## HOW DO DEPOSIT BROKERS FIT INTO THE FINANCIAL INDUSTRY?

An increasing number of Canadian depositors are seeking financial advice from many sources including financial planners, mutual fund dealers, mortgage brokers, lawyers, chartered accountants, general insurance brokers and deposit brokers. Deposit brokers are one of the many investment professionals you can utilize to assist you in securing your financial future and they can help you find the best deposit products to meet your individual investment objectives.

## HOW CAN DEPOSIT BROKERS OFFER SERVICES FREE OF CHARGE?

You can get the best available rates and widest selection of investment products usually at no cost to you\* by using the services of a deposit broker. Financial Institutions use deposit brokers as an alternate channel to distribute their deposit products to investors in order to increase their market share and reduce operational costs. Typically, these products are offered to investors at top rates completely free of fees to the clients. Deposit brokers are paid a commission directly by the financial institution that issues the deposit.

\*A GIC purchased in a self-directed plan may have trustee fees or other fees attached

## WHY CAN YOUR DEPOSIT BROKER OFFER HIGHER INTEREST RATES THAN OTHER FINANCIAL INSTITUTIONS AND ADVISORS?

Deposit brokers receive up-to-the-minute information on current interest rates and current product availability from financial institutions all across Canada. The demand, volume and availability of the product vary daily. A deposit broker's constant monitoring of the deposit market allows them to secure the best possible returns for you on a wide range of investments. Typically, a deposit broker can find you rates that are up to 1% better than the retail bank-posted rates. This means that your investment can earn more interest income without increased risk.

## HOW IS MY MONEY DEPOSITED?

Most investments made with your deposit broker are made payable by cheque to the designated financial institution or in trust to your deposit broker. Deposits are made, on a daily basis, to an account established by the financial institution to receive your funds.

## WHAT ARE THE BENEFITS OF WORKING WITH A DEPOSIT BROKER?

- Specializes in guaranteed investment products
- No fees on guaranteed investments
- Finds the top rates by monitoring interest rates daily
- Saves you time and effort by shopping for the best interest rates on your behalf
- Trusted client relationships built on competence, ethics and attention to your needs
- Investment tracking and renewal reminders so you don't miss maturity dates

## DO I NEED A LOT OF MONEY TO INVEST THROUGH A DEPOSIT BROKER?

No. Minimum deposits may be as low as \$500 and can be invested in GICs or eligible registered products. Short term deposits between 30 and 364 days typically require a minimum investment of \$5,000 but may vary – ask your deposit broker. Regardless of your level of investment, you will receive the same personal and professional service.

## WHEN DOES MY INVESTMENT START?

Your investment usually starts the same day you complete an investment application and submit a cheque for the investment, providing your investment is made prior to the deposit broker's trading deadline, or the next banking day.\*

\*Remote locations occasionally are the rare exceptions

## HOW DO I RECEIVE INTEREST PAYMENTS?

You may choose to have your interest deposited directly to your bank or financial institution account or it can be mailed directly to you, payable annually, semi-annually, quarterly, or monthly. Alternatively it may be left to compound to maturity for a single payout. The direct deposit method of interest payment is the most assured source of timely payments.

## HOW DO I KNOW MY DEPOSIT IS SAFE?

Deposit insurance is available within certain limits for eligible GIC deposits. Banks, trust companies, and mortgage and loan companies who take retail deposits must be members of the Canada Deposit Insurance Corporation (CDIC) or a similar provincial deposit protection program. Provincial deposit protection programs will have different regulations, deposit insurance rules and limits from CDIC and will vary from province to province. Your RDBA member broker will be able to tell you specifically which guarantee plan might cover your investments.

For detailed information on CDIC, provincial deposit protection programs or changes in a financial institutions status, visit their websites or contact your RDBA member for brochures. For questions not covered by these brochures, toll-free numbers for CDIC and provincial deposit protection agencies are available through your broker or the RDBA.

Published listings of member institutions may change from time to time due to corporate name changes, buy-out or amalgamations. There are limits to insurance protection and not all deposits are insured. Certain terms and conditions may apply.