

CPABC Trust Account Oversight Program

FAQs

Why was the Trust Account Oversight Program created?

Trust accounts present an elevated risk for money laundering, as they have the potential for criminals to store and move dirty money. Trust accounts were a key concern identified by the Cullen Commission, and the Commission specifically recommended that CPABC address this issue.

The CPABC trust account oversight program enables CPABC to effectively regulate members and registered firms who hold trust accounts in their professional capacity.

What is the CPABC trust account oversight program?

Through CPABC's trust account oversight program, CPABC will monitor and inspect trust accounts and their use by members and registered firms in their professional capacity.

What rules and guidelines apply to trust accounts?

[Rule 212 – Handling property of others](#) and the accompanying guidance in the *CPABC Code of Professional Conduct* apply to trust accounts. Members and registered firms are encouraged to review and familiarize themselves with both the rule and guidance.

How will CPABC's trust account oversight program be informed?

CPABC will seek additional information from members and registered firms regarding trust accounts held for professional services.

When will the CPABC trust account oversight program start?

CPABC will begin collecting additional information as part of the firm billing process in 2025.

Which trust accounts are subject to the trust account oversight program?

Trust accounts subject to the trust account oversight program include, but are not limited to, accounts used to handle clients' funds:

- To hold others' property or money to pay taxes, royalties, or other invoices;
- To act as a receiver or trustee; and
- For the sale of or administration property.

CPABC's trust account oversight program intentionally excludes:

- Trusts for the purpose of bankruptcy or insolvency;
- Estates that are subject to court review and approval; and
- Trusts that are subject to regulatory oversight by another governing body under the *Legal Professions Act*, *The Real Estate Services Act*, or another similar enactment.

What about retainers from clients?

The engagement letter with your client should specify how retainers are held.

If retainers are held in trust, those trust accounts are subject to the trust account oversight program.

What about bookkeeping services where I have access to a client's accounts to pay bills?

The trust account oversight program is focused on members or registered firms who receive funds to hold or disburse on the instructions of the person from whom or on whose behalf the amounts are received.

If the member has access to a client's account, but does not receive the funds, such services would not be covered by the trust account oversight program. However, the member is handling property of others, and as such, other obligations/rules may apply.

CPABC Bylaws

- Trust Funds 1300.1
- (1) The board may make regulations establishing standards and requirements applicable to the administration of trust funds by members and registered firms.
 - (2) Every member or registered firm that administers trust funds must comply with
 - (a) any applicable trust agreement, and
 - (b) any standards and requirements established under subsection (1)

CPABC Bylaw Regulations

- Trust Funds 1300.1/1
- (1) The standards and requirements set out in this section are established for the purpose of Bylaw 1300.1(1).
 - (2) Members or registered firms that administer trust funds must provide information about their trust funds to CPABC by completing and delivering any form required by the Registrar for that purpose.
 - (3) A member or registered firm must make their records respecting trust funds available for inspection by CPABC or by another person appointed by the Registrar for the purpose of monitoring compliance with standards and requirements for the administration of trust funds, except for records respecting
 - (a) a bankruptcy or insolvency trust or other trust or estate that is subject to court review and approval, or
 - (b) a trust that is subject to regulatory oversight by another governing body under the *Legal Profession Act*, the *Real Estate Services Act* or another similar enactment.