

Authority to Debit and Pre-Authorized Debit (PAD) Agreement



Authority to Debit Account and Pre-Authorized Debit (PAD) Account

When this Agreement refers to “you” and “your”, it means any person in whose name the Savings Deposit Account (the “Deposit Account”) is held.

When this Agreement refers to “we”, “our” and “us”, it means Royal Bank of Canada (the “Bank”).

This Authority to Debit and Pre-Authorized Debit Agreement (the “Agreement”) sets out the terms under which you authorize us to debit an external bank account in your name (the “PAD Account”) at the financial institution holding such account (the “Deposit Bank”) as specified in the Confirmation of Your Activities document, or if applicable, your completed instructions provided through the RBC® Advice Center, RBC® Online Banking, MyAdvisor® or a branch advisor.

Pre-Authorized Transactions

You may authorize us to set up pre-authorized transactions for deposits to your Deposit Account. Pre-authorized transactions include Pre-Authorized Debits from your PAD Account to fund your Deposit Account for investment purposes. You understand and agree that for Pre-Authorized Debits established as a funding source in respect of registered accounts, you are solely responsible for ensuring that your deposits to, or purchases in, your Deposit Account fall within your allowable annual contribution limits for your registered accounts. The Canada Revenue Agency may apply tax penalties for over-contributions. RBC is not responsible for any such penalties.

Pre-Authorized Debits

Unless otherwise defined, all capitalized terms used in this section have the meanings given to them in Rule H1 of the Canadian Payments Association (“CPA”) doing business as Payments Canada (“Rule H1”).

- a) **Authority to Debit Your External Account:** Pursuant to the Confirmation of Your Activities document or, if applicable, your completed instructions provided through the RBC Advice Center, Online Banking or MyAdvisor, you authorize RBC to debit your PAD Account at a Deposit Bank with certain Pre-Authorized Debits for the purpose of funding your Deposit Account for funds transfer purposes, specifically, **making regular pre-authorized contributions to your Deposit Account in the amount of each regular payment on or shortly after the payment date.** For greater certainty, those instructions, along with this Agreement, constitute your “Payor’s Authorization for Pre-Authorized Debits” in accordance with the requirements of CPA Rule H1, or your “Payor’s PAD Agreement.”
- b) **Change of Account Information:** You may authorize RBC to debit another account held in your name with another financial institution by providing at least thirty (30) days’ prior written notice of such change to the PAD Account information. Upon designating such other account, the terms of this PAD Agreement and the authority provided to RBC and any other financial institution shall apply to that account and all debits made pursuant to this Payor’s Authorization for Pre-Authorized Debits.
- c) **Waiver/Modification of Pre-Notification/Confirmation Periods:** We may change the amount or frequency of your Pre-Authorized Debits from your PAD Account upon your instruction requesting the change that is provided in writing, verbally or by other remote means.

You agree to waive any pre-notification requirements under Payments Canada’s rules that apply to any Pre-Authorized Debit under this Agreement. This means you accept that no advance notice will be provided before the due date of any Pre-Authorized Debit that is issued after the first Pre-Authorized Debit. Where applicable, you agree to waive the requirement to receive confirmation prior to the due date of the first Pre-Authorized Debit under this Payor’s Authorization for Pre-Authorized Debits, and you agree that such confirmation may be provided to you within five (5) calendar days following the date of the first Pre-Authorized Debit. You agree that no advance notice will be provided to you in the event of a change in the amount or timing of a Pre-Authorized Debit.

- d) Cancellation/Revocation:** Your Payor's Authorization for Pre-Authorized Debits is to remain in effect until RBC has received written notification from you of its change or termination. This notification must be received at least thirty (30) days in advance at the address designated in the notice provisions of this Agreement. You may obtain a sample cancellation form or more information on your right to cancel your Payor's Authorization for Pre-Authorized Debits by contacting your RBC advisor at 1-800-463-3863 or by visiting payments.ca. The Payor's Authorization for Pre-Authorized Debits provided in this PAD Agreement applies only to the method of payment between you and RBC. Neither this PAD Agreement nor the termination of the PAD Agreement will affect any obligations or arrangements between you and RBC, including any payment obligations or contracts for goods or services. RBC may terminate your entitlement to pay by Pre-Authorized Debit (1) immediately, without notice, if any Pre-Authorized Debt is not honoured by the PAD Account as a result of there being insufficient funds, or for any other reason whatsoever which prevents the transfer of funds; or (2) on thirty (30) days' written notice provided to the address we have on record for you.
- e) Recourse/Reimbursement Statement:** You have certain recourse rights if any debit does not comply with your Payor's Authorization for Pre-Authorized Debits. For example, you have the right to receive a reimbursement for any debit that is not authorized or is not consistent with your Payor's Authorization for Pre-Authorized Debits. You may dispute a Pre-Authorized Debit under the following conditions: (i) if the Pre-Authorized Debit was not drawn in accordance with your Payor's Authorization for Pre-Authorized Debits; (ii) if your Payor's Authorization for Pre-Authorized Debits was revoked; or (iii) if pre-notification or confirmation was not received by you as required in accordance with Payments Canada's Rules. In order to be reimbursed, you acknowledge that a declaration to the effect that either (i), (ii) or (iii) took place must be completed and presented to the branch of the financial institution holding the PAD Account no later than either ninety (90) calendar days in the case of a Personal Funds Transfer Pre-Authorized Debit or ten (10) business days in the case of a Business Pre-Authorized Debit; after the date on which the Pre-Authorized Debit in dispute was posted to the PAD Account (the "Claim Period"). You acknowledge that after the Claim Period, you will be required to resolve any claim or dispute that you may have regarding a Pre-Authorized Debit with RBC. You may obtain more information on your recourse rights by contacting your RBC advisor at 1-800-463-3863 or visiting www.payments.ca. Exception: where a Funds Transfer PAD is coded "650" or "83", the foregoing provisions relating to recourse and reimbursement do not apply and you will not have recourse under Payments Canada's Rules. Unless you have expressly advised us otherwise, this Payor's PAD Agreement will be considered to be for your personal use, not for the use of a business. If it is in fact intended for the use of a business, please advise us accordingly, including in your instructions that will reference Business PAD as the appropriate category.
- f) No Validation by Deposit Bank:** The Deposit Bank is not responsible for validating the terms of your Payor's Authorization for Pre-Authorized Debits in respect of any Pre-Authorized Debit issued and drawn on your PAD Account. Until cancelled or revoked by you in writing to us in accordance with these terms, RBC is authorized to withdraw the amounts you have specified from your PAD Account and credit those amounts to your Account in accordance with your instructions.
- g) Authority:** You confirm your Payor's Authorization for Pre-Authorized Debits is duly authorized by the valid authority for your PAD Account in accordance with applicable agreements with the Deposit Bank, and all persons whose signatures are required to authorize withdrawals have signed this Payor's PAD Agreement. Furthermore, you agree that any PAD instructions you provide may only be made in respect of a PAD Account that is held in your name.
- h) Disclosure of Information:** You consent to the collection, use and disclosure to third parties of your information to the extent necessary to process any Pre-Authorized Debits.
- i) Contact Information:** Any notice, inquiry, request or other communication required or permitted in connection with your Payor's Authorization for Pre-Authorized Debits must be in writing and delivered in accordance with the notice provisions in this Agreement and the contact information we have on record for you. Any such communication will be deemed to have been given in accordance with the notice provisions in this Agreement. You agree to provide us with prior written notice of any necessary changes in your contact information.
- j) Pre-Authorized Registered Account Contributions:** In the event that you have instructed us to establish a pre-authorized contribution to your applicable registered account using funds held in an account in your name or, in the case of a spousal contributor to your registered account, in the name of such spousal contributor, at a PAD Account, you, and if applicable your spouse, acknowledge your Payor's PAD Agreement is for the benefit of RBC in consideration of RBC agreeing to process one or more Payor's Authorization for Pre-Authorized Debits against the PAD Account in accordance with CPA Rule H1. Any Pre-Authorized Debit instructions in your Payor's PAD Agreement can only be made for a PAD Account held solely or jointly in your name or in the name of a spousal contributor, and you warrant and guarantee that all persons whose signatures are required to provide written instructions to us have done so.

- k) **Assignment and Enurement:** This Agreement may be assigned by us provided that you are given prior written notice of such assignment, which shall include the identity and contact information of the assignee, at least 10 calendar days in advance of any PAD being issued in the assignee's name.

You may not assign this Agreement without our prior written consent.

This Agreement binds and enures to the benefit of the Payor and RBC and their respective successors and assigns.

- l) **Governing Law:** This Agreement is exclusively governed by the laws of the Province or Territory in which the Account is located, or, if the Account is not located in Canada or is located in multiple jurisdictions, this Agreement will be exclusively governed by the laws of the Province of Ontario. The parties irrevocably submit to the exclusive jurisdiction of the courts of such Province or Territory with respect to all matters pertaining to this Agreement.

