



Practice Guidance

Holds on Trust Account Cheques

September 2026

The Law Society of Yukon has received inquiries regarding financial institutions placing holds on cheques issued from lawyers' trust accounts. These holds can create practical difficulties, particularly where funds are expected to be available promptly following a transaction.

Members should be aware that trust account cheques are subject to the same processes as other cheques. Financial institutions may place holds on cheques while verifying that sufficient funds are available, that a stop payment has not been issued, that the details of the cheque have not been altered, and that the originating account remains open.

Law Societies across Canada are finding that verification can take three to five business days, or longer, and that holds on lawyer's cheques have become increasingly common in real estate transactions.

Members are reminded that funds deposited into a trust account are not necessarily available for immediate disbursement. Before disbursing trust funds, lawyers should ensure that sufficient funds are held for the particular client or matter and that those funds are available for withdrawal.

Members should understand their financial institution's hold and clearing policies and have appropriate internal procedures for confirming that funds are available before making a trust disbursement.

Lawyers receiving a trust cheque from another lawyer should also be aware that their financial institution may place a hold on the cheque. Members should account for this possibility when planning transactions and managing client expectations.

The Law Society of British Columbia has issued a Practice Resource, including tips to reduce the risk of a hold on trust cheques, certified cheques and bank drafts.