

TITLE 4: ECONOMIC RESOURCES
DIVISION 6: BANKING AND FINANCIAL INSTITUTIONS

§ 6533. Identification and Segregation of Fiduciary Assets; Investment and Deposit of Cash; Nominee for Securities.

(a) A bank holding any asset as a fiduciary shall:

(1) Segregate all such assets from any other assets of the bank and from the assets of other trusts, except as may be expressly provided otherwise by law or by the writing creating the trust;

(2) Record such assets in a separate set of books maintained for fiduciary activities.

(b) Cash held by a bank as fiduciary may be deposited to the credit of the bank as such fiduciary, and the funds may be invested as provided for in 4 CMC § 6534. The director may pursuant to regulation provide what investments cash held by the bank as a fiduciary may be invested in.

(c) A bank, when acting in the Commonwealth as a fiduciary or a co-fiduciary with others, or as an agent for other fiduciaries, may with the consent of its co-fiduciary or co-fiduciaries, if any (who are hereby authorized to give such consent), or the fiduciaries, for whom it is acting, cause any investment held in any such capacity, to be registered and held in the name of a nominee or nominees of such bank. Such bank shall be liable for the acts of any such nominee with respect to any investment so registered. The records of the bank shall at all times show the trust for which any such investment is held and the securities shall be in the possession and control of the bank and be kept separate and apart from the assets of the bank.

Source: PL 3-104, § 632.

Commission Comment: With respect to the reference to the “director” of the Department of Commerce and Labor, see Executive Order 94-3 (effective August 23, 1994), reorganizing the executive branch, changing agency names and official titles, and effecting other changes, set forth in the Commission comment to 1 CMC § 2001.