

Term Deposit

What is a term deposit?

A term deposit account is an account into which money is paid in for a particular period of time, which is determined in advance. Once this term has ended, the saver regains access to the funds and receives any interest earned on them.

How does it work?

A term deposit account is opened for a particular period of time. During that time, the money is blocked on the bank account. At the end of the term, savers receive the interest earned over that term. The interest is constant during the entire term and generally depends on the account's term: the longer the term, the higher the interest.

What rules apply to term deposit accounts?

Certain rules apply to the distribution of term deposit accounts as regards the information that must be provided to the client. Advertising for these products has to meet certain legal requirements.

The money on the term deposit account comes under the deposit protection scheme. This means that the Deposit and Financial Instrument Protection Fund intervenes if a bank is no longer able to meet its obligations.

What is the FSMA's role?

The FSMA supervises the legislation regarding the provision of information and advertising for term deposit accounts. Before information is provided to the client or a term deposit account is advertised, the FSMA examines whether this information and these advertisements comply with the legal requirements.

Where can you get more information?

You can find more information on term deposit accounts on Wikifin.be ([French](#) - [Dutch](#)).

You can find more information on the deposit protection scheme on the website of the Deposit and Financial Instrument Protection Fund ([french](#) - [Dutch](#)).

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