



News Release

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Federation of Law Societies of Canada Releases Landmark Report on AML Regulation Ahead of FATF Review

As Canada undergoes a critical review of its Anti-Money Laundering (AML) Framework by the Financial Action Task Force (FATF), the Federation of Law Societies of Canada is proud to release a [landmark document](#) that highlights how law society regulation aligns with the FATF's technical compliance requirements.

The [FATF's 40 Recommendations](#) serve as the global benchmark for combating money laundering and terrorist financing. These international standards require countries to implement robust measures, some of which are applicable to legal professionals and their regulatory bodies.

This newly released document is the first of its kind to provide a comprehensive analysis of how Canada's law societies meet these standards. Developed by the Federation's Standing Committee on Anti-Money Laundering and Terrorist Financing, with input from all 14 Canadian law societies, it offers an in-depth look at the critical role law societies play in safeguarding the legal profession against money laundering.

Highlights

The document provides a detailed explanation of:

1. **The mandate of Canadian law societies** to regulate the legal profession and oversee compliance with AML standards.
2. **The Model Rules** (Client Identification and Verification, Trust Accounting, and No-Cash Rules) designed to mitigate the potential risks of money laundering occurring in or through legal practice.

3. **The Model Code of Professional Conduct**, which reinforces the ethical responsibility of legal professionals to avoid facilitating dishonesty, fraud, or illegal activities, including money laundering.
4. **Educational initiatives** undertaken by law societies to equip legal professionals with the knowledge and tools needed to prevent money laundering.
5. **The extensive powers of law societies** to compel records, conduct compliance audits, investigate breaches, and impose disciplinary measures on legal professionals who fail to meet AML requirements.

The document also walks through each FATF recommendation relevant to legal professionals, demonstrating how Canadian law societies are integral to the country's broader efforts to combat money laundering.

A Milestone in the FATF Review Process

This technical compliance evaluation marks the first of three steps in the FATF's review of Canada's AML framework. The Federation is committed to continuing its leadership in this area and will release a follow-up document focusing on the effectiveness of law society regulation in summer 2025. Additionally, the Federation looks forward to participating in the FATF's on-site review, scheduled for late 2025.

By showcasing the strength of Canada's legal regulatory framework, this document underscores the vital role law societies play in protecting the integrity of the legal profession and supporting Canada's fight against financial crime.

The Federation of Law Societies of Canada is the national association of the 14 law societies mandated by the provinces and territories to regulate Canada's legal profession in the public interest. It is the body through which Canada's law societies collaborate at the national level and share information on trends and issues affecting the legal profession. It is also the national and international voice of the law societies on matters related to the regulation and core values of the legal profession.

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