



Federation of  
Law Societies  
of Canada

Fédération des ordres  
professionnels de juristes  
du Canada

Background Document of the  
Federation of Law Societies of Canada

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## **Response to the Financial Action Task Force (FATF) 5<sup>th</sup> Round Mutual Evaluation of Canada's Technical Compliance with the FATF Recommendations on Anti- Money Laundering and Counter Terrorist Financing**

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Ottawa, March 14 2025



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## List of Abbreviations

Abbreviation	Description
<b>AML/CTF</b>	Anti-Money Laundering and Counter Terrorist Financing
<b>AMLTF</b>	Anti-Money Laundering and Terrorist Financing
<b>CIV</b>	Client Identification and Verification
<b>Code, Model Code, Code of Professional Conduct</b>	Model Code of Professional Conduct
<b>DNFBPs</b>	Designated non-financial businesses and professionals
<b>FATF</b>	Financial Action Task Force
<b>Federation or FLSC</b>	Federation of Law Societies of Canada
<b>FINTRAC</b>	Financial Transactions and Reports Analysis Centre of Canada
<b>ML/TF</b>	Money Laundering/Terrorist Financing
<b>Model CIV Rule</b>	Model Client Identification and Verification Rule
<b>PEP</b>	Politically Exposed Person(s)
<b>RCMP</b>	Royal Canadian Mounted Police
<b>SCC</b>	Supreme Court of Canada
<b>TAG</b>	Trust Assurance Group



## Executive Summary/Introduction

The Federation of Law Societies of Canada (the Federation) 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, share information on trends and issues affecting the legal profession, and engage in collective action and decision-making. Collectively, the Federation and its member law societies have been actively engaged in the fight against money laundering and the financing of terrorist activities for more than 20 years. Ensuring effective anti-money laundering and terrorist financing rules and regulations for the legal profession that address existing and emerging risks continues to be a strategic priority of the Federation and its member law societies.<sup>1</sup>

This document provides a detailed overview of how law society regulation responds to FATF Recommendations R1, R2, R10, R11, R12, R15, R17, R18, R19, R20, R22, R23, R28, R34, and R35, as applicable to the legal profession in Canada. Each section addresses a specific Recommendation, structured in alignment with the FATF Assessment Methodology.<sup>2</sup>

### a) Law Society Mandate

Provincial and territorial law societies, which are created by provincial or territorial statute and derive their powers from these statutes, are the **self-regulatory bodies**<sup>3</sup> responsible for anti-money laundering and counter terrorist financing (AML/CTF) regulation of the legal profession. They are the exclusive regulators of the legal profession in Canada. In addition, law societies should be considered the **competent authorities** with AML/CTF supervisory and monitoring responsibilities for legal professionals as described in the FATF methodology.<sup>4</sup>

Importantly, law societies in Canada are **not** the representative bodies of the profession and therefore are not to be confused with an industry association. This is an important distinction from many other jurisdictions. As the regulators of the legal profession, the mandate of all Canadian law societies is to protect the public interest, including by ensuring the public is served by competent and ethical legal professionals. The law societies determine the requirements for admission to the profession, set the standards of professional conduct that legal professionals must comply with, educate and provide

<sup>1</sup> See <https://flsc.ca/what-we-do/fighting-money-laundering-and-terrorist-financing/>

<sup>2</sup> FATF (2024), *Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT/CPF Systems*, FATF, Paris. [www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-Methodology-2022.html](http://www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-Methodology-2022.html)

<sup>3</sup> FATF (2024), *Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT/CPF Systems*, FATF, Paris, at p.184: "An SRB is a body that represents a profession (e.g. lawyers, notaries, other independent legal professionals or accountants) and which is made up of members from the profession, has a role in regulating the persons that are qualified to enter and who practise in the profession and also performs certain supervisory or monitoring type functions. Such bodies should enforce rules to ensure that high ethical and moral standards are maintained by those practising the profession."  
[www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-Methodology-2022.html](http://www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-Methodology-2022.html)

<sup>4</sup> FATF (2024), *Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT/CPF Systems*, FATF, Paris, at p.171.  
[www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-Methodology-2022.html](http://www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-Methodology-2022.html)



guidance to promote compliance, proactively audit legal professionals to monitor compliance (including their trust accounts and compliance with AML/CTF related obligations), and conduct robust investigations with effective disciplinary outcomes that may include a variety of sanctions. In fulfilling their public interest mandate, the law societies in Canada establish high standards of professional conduct for their legal professionals and have extensive powers to investigate and sanction legal professionals' misconduct, including non-compliance with AML/CTF related obligations.

### b) Regulation and the Federation's Role

In the final report of the *Cullen Commission Inquiry into Money Laundering in British Columbia*,<sup>5</sup> Commissioner Cullen stated: "...**Lawyers are subject to extensive anti-money laundering regulation by the Law Society**, and that regulation has gone a long way to addressing many of the money laundering risks in this sector."<sup>6</sup> Commissioner Cullen's comments, while speaking about legal regulation in British Columbia, could be applied to all law societies in Canada as all law societies have implemented extensive anti-money laundering regulations based on the Federation's [Model Rules](#) and the [Model Code of Professional Conduct](#).

Through the Federation, the law societies have developed [National Discipline Standards](#) that address how law societies handle complaints and discipline matters to assist with enforcing comprehensive rules and regulations that legal professionals must follow. The standards help ensure members of the public are treated promptly, fairly and openly when they make a complaint against a legal professional.

Consistent with their public interest mandate, the law societies, acting through the Federation, have developed comprehensive AML/CTF rules that respect fundamental constitutional principles, including the independence of legal regulation. The Model Rules<sup>7</sup> together with the Model Code of Professional Conduct<sup>8</sup> set a standard for AML/CTF regulation of the legal profession across Canada. [Appendix B](#) to this document provides a detailed description of the Model Rules and their application, as well as how they reflect the provisions under the federal *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*<sup>9</sup> ("PCMLTFA").

In large part, the Federation's Model Rules reflect FATF's requirements as detailed in the *PCMLTFA*, and as applied by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). However, the Federation's Model Rules are not an identical regime. Instead, they, along with law society regulation more generally, form a parallel regime, tailored to the realities of legal practice in Canada, while respecting constitutional rights and requirements as interpreted by the Supreme Court of Canada.<sup>10</sup> The Federation's Model Rules as well as the Model Code of Professional Conduct have been transposed into law/regulation and into the Code of Professional Conduct in each law society in Canada, ensuring that any breach of their requirements or ethical obligations are enforceable in law via law society disciplinary processes.

<sup>5</sup> [Commission of Inquiry into Money Laundering in British Columbia](#) (2022), Final report / Austin F. Cullen, Commissioner. ("Cullen Report")

<sup>6</sup> Cullen Report, p. 23

<sup>7</sup> Available at <https://flsc.ca/what-we-do/fighting-money-laundering-and-terrorist-financing/#model-rules>

<sup>8</sup> Federation of Law Societies of Canada (2024), [Model Code of Professional Conduct](#).

<sup>9</sup> [Proceeds of Crime \(Money Laundering\) and Terrorist Financing Act](#) (S.C. 2000, c. 17)

<sup>10</sup> [Canada \(Attorney General\) v. Federation of Law Societies of Canada](#), 2015 SCC 7, [2015] 1 S.C.R. 401.



### c) Code of Professional Conduct

Central to the regulatory framework is the overarching principle that lawyers are officers of the court and must be on guard against assisting or encouraging any dishonesty, fraud, crime, or illegal conduct.<sup>11</sup> This principle mandates that legal professionals must exercise due diligence in identifying and mitigating risks of involvement in illegal activities. Legal professionals have a duty to make reasonable inquiries in the face of suspicious circumstances to objectively satisfy themselves that they are not facilitating any dishonest or illegal conduct, including money laundering. When not objectively satisfied of the legitimacy of the matter, the legal professional does not file a suspicious transaction report but instead must decline to act, or if already acting, withdraw from the client's matter, cutting off that avenue for potential illegal activity.

The duty to make inquiries is specifically set out in commentary 3 to section 3.2-7 of the [Model Code of Professional Conduct](#):

**[3]** If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of the client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.

Law societies have the authority to take disciplinary action and impose sanctions when legal professionals fail to make appropriate inquiries. For example, in *Law Society of British Columbia v. Guo*, 2023 LSBC 28, the hearing panel stated, in part, at para. 170:

The Respondent had a duty to investigate the circumstances of a retainer where there were objective circumstances to suspect the purpose of the retainer was not completely legitimate. As stated in *Huculak*, at para. 107 and 108:

As established in *Elias v. Law Society of British Columbia*, 1996 BCCA 1359 and confirmed in *Law Society of BC v. Gurney*, 2017 LSBC 15, a lawyer's duty to investigate the circumstances of their retainer arises when there is objective reason to suspect that the purposes of the retainer are not completely legitimate. The duty to make reasonable inquiries into objectively suspicious circumstances has been mandated by the Rules — and therefore known to BC lawyers — for more than a quarter century.

The [Model Code of Professional Conduct](#) (as adopted by the law societies) ensures ethical duties and standards of the legal profession are in place in each jurisdiction in Canada. The Model Code sets out the expected standards of conduct for legal professionals. A breach of the Code and/or Rules adopted by law societies may result in a law society imposing sanctions on a legal professional. Sections 3.2-7 and 3.2-8 specifically speak to the principle that legal professionals serve the public interest and must not knowingly assist in or encourage dishonesty, fraud, crime or illegal conduct. This applies whether the legal professional has actual knowledge or is willfully blind or reckless. Fulfilling this duty requires legal

<sup>11</sup> Section 3.2-7 of the [Model Code of Professional Conduct](#).



professionals to exercise due diligence and make the necessary inquiries about the client and their legal matter.

Of particular importance is section 3.7-7(b) of the Model Code requiring legal professionals to withdraw if a client persists in instructing them to act contrary to professional ethics:

**3.7-7 A lawyer must withdraw if:**

***b) a client persists in instructing the lawyer to act contrary to professional ethics.***

Together with the duty to make inquiries noted above, the duty to withdraw ensures that legal professionals cannot act or continue to act if a client requires the lawyer to breach professional ethics requirements. While this captures more than just AML/CTF, it also ensures an enforceable measure available to law societies should a legal professional engage in an AML/CTF related breach.

[Table 1A](#) provides further details of these obligations contained in the both the Model Code and Model CIV Rule. These provisions of the Model Code have been adopted and implemented in every law society across Canada. [Appendix A](#) to this document outlines the provisions that mirror section 3.2-7 of the Federation's Model Code in each law society. While the provisions are not identical, they are consistent and very closely reflect the language set out in the Model Code.

#### d) Model Rules

In addition to the standards of conduct set out in the Model Code, the Federation has developed [Model Rules](#) that further address the risks of money laundering and terrorist financing in the practice of law. Three Model Rules are particularly important for AML/CTF:

- Model Rule on [Client Identification and Verification](#) that obliges lawyers to conduct robust customer due diligence and maintain records of clients and their files.
- Model Rule on [Cash Transactions](#) that restricts the amount of cash a lawyer can receive to \$7,500 CAD in respect of any one client matter.
- Model [Trust Accounting Rule](#) that restricts the use of a lawyer's trust accounts.

Each law society has incorporated these AML/CTF Model Rules into its rules/by-laws that govern the conduct of legal professionals in their respective jurisdiction. These rules/by-laws have the power of regulation under each law society's enabling statutes (i.e., the legislation that establishes the law societies and legislates the powers to regulate). [Table 3](#) outlines the enabling legislation granting law societies the authority to make rules and confirming their enforceability in law.

The Model Trust Accounting Rule reflects the long-standing obligations of legal professionals and the recognition by the Federation and the law societies of the unique vulnerabilities associated with trust accounts. In *Law Society of BC v. Gurney*, [2017 LSBC 15](#), the hearing panel stated, in part, as follows regarding a legal professional's duties with regard to their use of a trust account (at para. 79):

...A lawyer's trust accounts are to be used for legitimate commercial purposes for which they are established, the completion of a transaction, where the lawyer plays the role of legal advisor *and* facilitator. They are not to be used as a convenient conduit.... a lawyer's trust account cannot be used only for the purpose of facilitating the completion of a transaction, but the lawyer must also play a role as a legal advisor with regard to the transaction. This is the requirement to provide legal services.





While lawyers in Canada are excluded from the federal PCMLTFA regime, the robustness of law society regulation and supervision of the profession, grounded in law, establishes a regulatory framework that reflects that of the federal framework and the FATF standards.

[Table 1](#) provides details about the implementation of each of the Model Rules across the various jurisdictions in Canada, as well as their status in law.

### e) Law Society Collaboration

The law societies collaborate in a myriad of ways, including through the Federation's Standing Committee on AMLTF to ensure a robust, consistent, effective and proportionate regulatory regime to address money laundering and related risks arising in the practice of law. Pursuant to its terms of reference, in carrying out its mandate, the Standing Committee must:

- (a) Periodically review the existing anti-money laundering and terrorist financing model rules to determine whether amendments or new rules are required taking into consideration any significant national or international developments, including amendments to the federal anti-money laundering and terrorist financing regime.*
- (b) Develop guidance and educational materials to support compliance with the obligations under the rules.*
- (c) Identify best practices for effective enforcement of the rules.*
- (d) In collaboration with the Standing Committee on National Discipline Standards, develop standards for monitoring enforcement of the Model Rules, including tracking and reporting of breaches and regulatory outcomes.*

One of the aims of the Federation's Standing Committee on AMLTF is to ensure harmonization in the approach to AMLTF regulation across the 14 regulators. The standing committee also includes sub-groups on education and rules to ensure AMLTF regulation remains up to date and the profession understands the money-laundering and terrorist financing risks they face and the AML/CTF related rules and obligations they must comply with.

Measures taken to address AML/CTF risks by law societies extend beyond FATF's high risk activities to include, for example, litigation matters and any matter where there are suspicious circumstances.

### f) Risk-based approach

The law societies in Canada recognize that the nature of legal practice makes legal professionals vulnerable to being targeted by criminals seeking to commit offences and launder the proceeds of crime. The clear standards of conduct set by the law societies, enshrined in Codes of Professional Conduct, supplemented by robust AML/CTF rules, mitigate against these risks.

Law societies ensure that legal professionals maintain the highest standards of integrity and ethical conduct, thereby reinforcing public trust in the legal system and protecting the public from harm. This regulatory vigilance not only protects the public but also safeguards the profession's reputation, ensuring that legal practitioners contribute positively to the administration of justice and uphold the rule of law. Through continuous education, rigorous monitoring and enforcement of professional standards, including through disciplinary actions and proactive guidance, law societies in Canada



regulate the legal profession to effectively mitigate against the risk of the misuse of legal services for illicit purposes, including money laundering and terrorist financing.

The Honourable Austin F. Cullen, Commissioner, who led the [Commission of Inquiry into Money Laundering in British Columbia](#) commented in his final report on the risks of money-laundering faced by the legal profession:

While the foregoing risks are significant, the **Law Society has mitigated many of them through robust regulation**. Even though lawyers do not fall under the federal PCMLTFA regime, they do face **extensive regulation for money laundering by the Law Society**. This regulation goes a long way to addressing the exclusion of lawyers from the PCMLTFA regime[...]. The Law Society regulates all aspects of lawyers' practice, and **it has strong powers to investigate misconduct. It can overcome legal privilege, compel answers and documents**, and use search and seizure-type powers. When misconduct is found, the Law Society can impose sanctions ranging from reprimands or fines to suspension and disbarment.<sup>12</sup> *[emphasis added]*

Indeed, the conclusions made by the Cullen Commission demonstrate the strength of the anti-money laundering regulatory environment under which legal professionals operate in Canada.

#### g) FATF Recommendations and legal regulation compliance

Under FATF's 5<sup>th</sup> Round methodology, *"all requirements for financial institutions, DNFBPs or VASPs should be introduced either (a) in law...or (b) for all other cases, in law or enforceable means (the country has discretion)."*<sup>13</sup>

Law societies are created by legislation with authority to set professional standards and rules that have the force of regulation and are binding and enforceable on the legal profession. The regulation of legal professionals by law societies assists Canada in meeting the technical compliance requirements set by FATF.

The table below provides a summary of the FATF Recommendations applicable to legal professionals and comments on what laws/regulations/rules and other actions are being taken by Canada's 14 law societies to implement the requirements of the Recommendations.<sup>14</sup>

FATF Recommendation	Federation and law societies measures in place to implement requirements
<b>R1</b> Assessing risks and applying risk-based approach	
<b>R1</b> Countries should require legal professionals to identify, assess and	<ul style="list-style-type: none"> <li>Law societies have effective mitigation measures in place that require lawyers to be aware of risks associated with their law practices and to make</li> </ul>

<sup>12</sup> [Cullen Report](#), June 2022. At p.44.

<sup>13</sup> FATF Methodology, p.180.

<sup>14</sup> Note that this table should not be construed as either FATF's or the Government of Canada's assessment of the legal profession.



<p>take effective action to mitigate their money laundering, terrorist financing and proliferation financing risks</p>	<p>reasonable inquiries to objectively satisfy themselves that the client, the subject matter and objectives of the retainer and the source of funds were legitimate. If not satisfied then the lawyer must decline to accept the retainer, or if already acting, the lawyer must withdraw. These requirements are set out in the Code of Professional Conduct, including rule 3.2-7, and in the Model Rules (Client identification and verification requirements, including duty to monitor the transaction and make inquiries about the source of funds, and duty to withdraw).</p> <ul style="list-style-type: none"> <li>• The above requirements are enforceable in law and breaches may be subject to law society disciplinary processes and the imposition of sanctions.</li> </ul>
<p><b>R22</b> (DNFBPs required to comply with R 10, 11, 12, 15, and 17)</p>	
<p><b>R10-customer due diligence</b></p> <ul style="list-style-type: none"> <li>• Identify and verify identity of client</li> <li>• Identify beneficial ownership</li> <li>• Understanding/obtaining information on the purpose and intended nature of the business relationship.</li> <li>• Conducting ongoing due diligence on the business relationship and scrutiny of transactions throughout to ensure that the transactions being conducted are consistent with the lawyer's knowledge of the client, their business and risk profile, including, where necessary, the source of funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Legal professionals are <u>required</u> to comply with CDD as imposed by the law societies under their Rules. These are mandatory requirements.</li> <li>• Model CIV Rules require (with limited exceptions):             <ul style="list-style-type: none"> <li>○ Identification of clients and verification of their identity for financial transactions.</li> <li>○ A requirement to identify the directors where the client is an organization.</li> <li>○ Identification of name and address of all direct/indirect individuals owning at least 25% shares; all trustees and known beneficiaries and settlors of trust; information on ownership, control and structure of organization.</li> <li>○ Source of funds inquiries, including economic activities that generated the funds.</li> <li>○ Ongoing monitoring of the transaction.</li> </ul> </li> <li>• Additionally, there are professional obligations set out in the Code. Legal professionals are required to comply with these obligations including duty to make inquiries set out in rule 3.2-7 of the Code and duty to withdraw if client persists in instructing lawyer to act contrary to professional obligations.</li> <li>• Cullen report, p. 23 "...it is inaccurate to say that lawyers in British Columbia are not regulated for anti-money laundering purposes. <b>Lawyers are</b></li> </ul>



<p><b>R11-Record-keeping</b> Maintain, for at least five years, all necessary records on transactions. Such records must be sufficient to permit reconstruction of individual transactions (including the amounts and types of currency involved, if any) so as to provide, if necessary, evidence for prosecution of criminal activity.</p> <p><b>R12-Politically Exposed Persons (PEPs)</b> Identify beneficial owner, source of wealth inquiries, enhanced monitoring.</p> <p><b>R15-New technologies</b> Identify new technologies and manage risks of those. (e.g. virtual assets)</p>	<p><b>subject to extensive anti–money laundering regulation by the Law Society</b>, and that regulation has gone a long way to addressing many of the money laundering risks in this sector.” [emphasis added]</p> <p><b>R11:</b></p> <ul style="list-style-type: none"> <li>• Section 7 of the <a href="#">Model CIV Rule</a> requires CIV records be kept for at least 6 years after work completed.</li> <li>• Law Society accounting rules require further records to be kept to maintain an audit trail of financial transactions.</li> </ul> <p><b>R12:</b></p> <ul style="list-style-type: none"> <li>• If a client is identified by a legal professional as a PEP, professional obligations set out in section 3.2-7 of the Code require inquiries to be made before acting or continuing to act in the matter to mitigate against the risk of facilitating ML/TF or other illegal conduct.</li> <li>• See Federation Guidance on PEP/HIO: <a href="#">Guidance-on-PEPs-v2.pdf</a></li> <li>• Though no specific rule pertaining to PEPs currently exists, Canada’s law societies are open to implementing PEP requirements and have drafted requirements that are ready for implementation. However, an impediment to implementation remains the absence of a federal PEP directory. Until such time as a federal directory is adopted and available to legal professionals, any implementation efforts by law societies would be largely performative and ineffective.</li> </ul> <p><b>R15:</b></p> <ul style="list-style-type: none"> <li>• Law societies, both individually and collectively through the Federation’s AMLTF Standing Committee review the sufficiency and effectiveness of the AML-related obligations, including any new or emerging technologies such as virtual assets. Reviews of the Model Rules and Model Code are</li> </ul>
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<p><b>R17-Reliance on third parties for CDD</b> permitted if obtain necessary information from third party etc.,</p>	<p>done regularly with a view to whether revisions are required to meet new risks.</p> <ul style="list-style-type: none"> <li>• The Model Code requires lawyers to have appropriate technological competence consistent with the nature and area of their practice (see commentary 4A and 4B to section 3.1-2).</li> <li>• Law societies, including through the Federation-Government of Canada Joint Working Group, collaborate with the Government and review information on new and emerging risks.</li> <li>• The Cullen Report recognized that the broad rules imposed on the legal profession “...enable the Law Society to quickly respond to evolving risks”.<sup>15</sup></li> </ul> <p><b>R17:</b></p> <ul style="list-style-type: none"> <li>• Model Rules allow reliance on agents if lawyer obtains necessary information and records used by agent to verify the client’s identity.</li> </ul>
<p><b>R23</b> (DNFBPs required to comply with R 18 to 21)</p>	
<p><b>R18-Internal controls</b> Implement programs for AML.</p>	<p><b>R18:</b></p> <ul style="list-style-type: none"> <li>• Guidance from law societies is for law firms to determine the compliance protocols, policies, and procedures suitable for their practice with regard to the level of risk. See Federation Risk Assessment and Compliance Guidance at: <a href="#">Compliance-Guidance-Dec-2023.pdf</a>.</li> <li>• Guidance includes: <ul style="list-style-type: none"> <li>○ Assessing and documenting risks (see the <a href="#">Federation’s Red Flags Quick Reference Guide</a>);</li> <li>○ Establishing processes and procedures for compliance and risk management;</li> <li>○ Consideration of whether to designate a responsible person depending on size and nature of the law practice;</li> </ul> </li> </ul>

<sup>15</sup> Cullen Report, p. 23: “In addition to these anti–money laundering rules, lawyers must comply with general ethical obligations. These include a prohibition on assisting crime, fraud, or dishonesty, and a requirement to withdraw if a client persists in instructing a lawyer to act contrary to professional ethics. These broad rules enable the Law Society to quickly respond to evolving risks; they are an important part of its anti–money laundering regulation...”



<p><b>R19-Higher Risk Countries</b> must apply enhanced due diligence measures effective and proportionate to risks.</p> <p><b>R20-Duty to Report</b> If a lawyer suspects or has reasonable grounds to suspect that funds are the proceeds of a criminal activity, or are related to terrorist financing, they should be required, by law, to report promptly its suspicions to the financial intelligence unit. Lawyers should be required to report suspicious transactions if engaged in financial transaction in High Risk Activities. (unless the relevant information was obtained in circumstances where they are subject to professional secrecy or legal professional privilege). STR may be sent to regulating body provided there are appropriate forms of cooperation between these organisations and Financial Intelligence Units (FINTRAC).</p>	<ul style="list-style-type: none"> <li>○ Appropriate education and training;</li> <li>○ Performing regular reviews of the policies and procedures, including assessment and management, and education/training resources to identify gaps.</li> </ul> <p><b>R19:</b></p> <ul style="list-style-type: none"> <li>• The duty to make inquiries set out in rule 3.2-7 of the Code requires that reasonable inquiries be made in the face of suspicious circumstances, which would include the involvement of higher risk countries, in a client matter. Those inquiries must be sufficient to objectively satisfy a legal professional that the transaction is legitimate and not in furtherance of ML/TF or any other illegal or dishonest conduct.</li> <li>• Law societies have provided cautions to the profession on geographic risks including LSBC's Discipline Advisory: <a href="#">Country/Geographic Risk-Feb 2021</a>.</li> <li>• Specific guidance has been provided to the legal profession re <a href="#">Canadian Sanctions Against Russia and Belarus and the Implications for the Legal Profession</a>.</li> </ul> <p><b>R20:</b></p> <ul style="list-style-type: none"> <li>• Professional conduct obligations in the Code require a lawyer to withdraw if they know, ought to know, or suspect they are furthering ML/TF. They are not permitted to continue with the transaction. The duty to withdraw, rather than requiring reporting, effectively cuts off the avenue for the suspicious activity to occur.</li> <li>• Law societies require mandatory reporting of some AML/CTF breaches such as acceptance of cash over \$7500 unless a limited exemption applies.</li> <li>• Model Code rule 7.1-3(c) requires a report for participation in criminal activity related to a lawyer's practice and 7.1-3(d) requires a report for conduct that raises a substantial question as to another lawyer's honesty, trustworthiness, or competency as a lawyer.</li> <li>• A lawyer has a duty to decline the retainer where they believe they may be furthering criminal activity, cutting off the possibility of money-laundering.</li> <li>• R20 provides an exception to reporting in circumstances where the information is subject to</li> </ul>
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	<p>professional secrecy or solicitor-client privilege. The Supreme Court of Canada<sup>16</sup> and the Model Code<sup>17</sup> provide clarity on what constitutes information that may be subject to professional secrecy, confidentiality, or solicitor-client privilege.</p>
<b>R28-Regulation and Supervision of Lawyers (risk-based approach)</b>	
<p><b>R28</b> Ensure there are effective systems for monitoring and ensuring compliance with AML/CFT requirements. This should be performed on a risk-sensitive basis. This may be performed by (a) a supervisor or (b) by an appropriate self-regulatory body (SRB), provided that such a body can ensure that its members comply with their obligations to combat money laundering and terrorist financing.</p> <p>The SRB should also (a) take the necessary measures to prevent criminals or their associates from being professionally accredited, or holding or being the beneficial owner of a significant or controlling interest or holding a management function, e.g. through evaluating persons on the basis of a “fit and proper” test; and (b) have effective, proportionate, and dissuasive sanctions in line with Recommendation 35 available to deal with failure to comply with AML/CFT requirements.</p> <p>SRB need to understand ML/TF risks, have necessary powers to supervise, monitor and sanction, and be sufficiently resourced (staff, technology, experience/skills).</p>	<p><b>R28</b> <b>A self-regulatory body</b> is defined as: “... a body that represents a profession (e.g. lawyers, notaries, other independent legal professionals or accountants), and which is made up of members from the profession, has a role in regulating the persons that are qualified to enter and who practise in the profession, and also performs certain supervisory or monitoring type functions. Such bodies should enforce rules to ensure that high ethical and moral standards are maintained by those practising the profession.”</p> <ul style="list-style-type: none"> <li>• Law Societies are the only entities regulating the legal profession in Canada. They have a broad mandate to regulate in the public interest, which includes in relation to AML/CTF.</li> <li>• Lawyers practising in Canada (with limited exceptions) must be licensed by a Canadian law society, meeting the fitness and good character test and other licensing standards set by the law societies for admission.</li> <li>• Most law societies limit ownership and control of legal practices to licensed legal professionals, effectively preventing criminals or their associates from holding an interest in a legal practice.</li> <li>• Signatories of a legal professional’s trust account must be licensed legal professionals, or in some law societies at least one licensed legal professional must be a signatory of any trust account employed by lawyers. In Québec other signatories may be licensed professionals under the <i>Professional Code</i>.</li> <li>• Law societies set standards, education on those standards, and regulate the profession to ensure legal professionals practice competently and</li> </ul>

<sup>16</sup> [Canada \(Attorney General\) v. Federation of Law Societies of Canada](#), 2015 SCC 7, [2015] 1 S.C.R. 401.

<sup>17</sup> Section 3.3 of the [Model Code of Professional Conduct](#).





	<p>ethically. Robust audits and investigations are conducted to monitor and assess compliance with those standards.</p> <ul style="list-style-type: none"> <li>• Law societies take a risk-based approach to allocation of resources and monitoring of AMLTF related obligations.</li> <li>• Law societies have policies and processes to evaluate risk and set frequency and intensity of mandatory audits.</li> <li>• Law societies have a clear understanding of risks and emerging risks related to ML/TF.</li> <li>• Law societies have extensive powers to perform supervisory functions (training of staff, ensuring adequate resources, and broad regulatory powers to conduct audits and investigations, compel records, and impose sanctions for misconduct including for AML/CTF related breaches).</li> <li>• Law societies have powers to impose a wide range of sanctions up to and including suspension or revocation of a licensee's license for breaches of AMLTF related obligations, with sanctions that are effective and proportionate, serving as a strong deterrent.</li> </ul>
<b>R34</b> <b>Guidance and Feedback</b>	
<b>R34</b> SRBs should establish guidelines and provide feedback, which will assist lawyers in applying national measures to combat MLTF, and in particular in detecting and reporting suspicious transactions.	<b>R34</b> <ul style="list-style-type: none"> <li>• Law societies provide extensive guidance to the legal profession on AMLTF related obligations. <a href="#">Table 6</a> provides an extensive overview of the educational and guidance initiatives undertaken by the Federation and law societies.</li> </ul>
<b>R35</b>	
<b>R35 - Sanctions</b> Countries should ensure that there is a range of effective, proportionate and dissuasive sanctions, whether criminal, civil or administrative for failure to comply with AMLTF requirements. Sanctions should be applicable not only to financial institutions and DNFBPs, but also to their directors and senior management.	<b>R35</b> <ul style="list-style-type: none"> <li>• Law societies have authority set out in their enabling statutes and Rules to order effective, proportionate disciplinary sanctions for breaches of AMLTF related professional obligations. Available sanctions include conditions on practice, reprimands, fines, suspensions, and disbarment, with some imposing administrative penalties. <a href="#">Table 7</a> provides details on the authority for sanctions in each jurisdiction.</li> </ul>





## R1 - Assessing Risks and Applying a Risk-Based Approach

FATF Recommendation 1 states: “...Countries should require financial institutions and designated non-financial businesses and professions (DNFBPs) to identify, assess and take effective action to mitigate their money laundering, terrorist financing and proliferation financing risks.”

The legal profession in Canada, a DNFBP under the FATF terms, is regulated at the sub-national level (provincial/territorial). Provincial and territorial law societies, which are created by provincial or territorial statute and derive their powers from legislation, are the **self-regulatory bodies**<sup>18</sup> responsible for all regulation of the legal profession, including anti-money laundering and terrorist financing (“AML/CTF”). They are the exclusive regulators of the legal profession in Canada. They are not the representative bodies of the profession and therefore are not to be confused with an industry association or a private sector entity. Their mandate is to regulate in the public interest.

Canada has 14 such self-regulatory bodies – one for each province and territory, and two in the province of Quebec (the *Barreau du Québec*, which oversees lawyers, and the *Chambre des notaires du Québec*, which oversees Quebec notaries). In 2015, the Supreme Court of Canada held that the federal PCMLTFA was unconstitutional in its application to legal professionals as it violated their duty of commitment to their clients’ causes. In that decision, the court recognized the Federation of Law Societies’ leadership in developing model rules on money laundering and terrorist financing, which have been adopted by all law societies in Canada.<sup>19</sup> Every law society in Canada requires legal professionals to identify, assess, and take effective actions to mitigate their money laundering and terrorist financing risks.

Included in those requirements are effective mitigation measures that law societies impose that require lawyers to be aware of risks associated with their law practices and to make reasonable inquiries to objectively satisfy themselves of the legitimacy of the transactions before acting or continuing to act for a client. If not satisfied then the lawyer must withdraw from representing that client. These requirements are set out in the Model [Code of Professional Conduct](#), including rule 3.2-7, and in the Model Rules that impose client identification and verification (CIV) requirements, including the duty to monitor the transaction and make inquiries related to the source of funds.

[Table 1A](#) provides the text of the aforementioned provisions of the Model Code and Model CIV Rule that are intended to ensure that legal professionals identify and address the inherent risks they face.

In addition to the [Model Code of Professional Conduct](#) and the Model CIV Rule, the Federation has developed comprehensive [Risk Assessment and Compliance Guidance](#) which aims to assist the legal profession in taking a risk-based approach to complying with their AMLTF requirements.

<sup>18</sup> FATF (2024), *Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT/CPF Systems*, FATF, Paris, at p.184: “An SRB is a body that represents a profession (e.g. lawyers, notaries, other independent legal professionals or accountants) and which is made up of members from the profession, has a role in regulating the persons that are qualified to enter and who practise in the profession and also performs certain supervisory or monitoring type functions. Such bodies should enforce rules to ensure that high ethical and moral standards are maintained by those practising the profession.”

[www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-Methodology-2022.html](http://www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-Methodology-2022.html)

<sup>19</sup> [Canada \(Attorney General\) v. Federation of Law Societies of Canada](#), 2015 SCC 7, [2015] 1 S.C.R. 401.



In summary, measures to address Recommendation 1 include:

- Law Societies require legal professionals to take appropriate measures to address their AMLTF risks, including by requiring them to maintain records of the measures taken and the information obtained with respect to clients.
- Legal professionals are required to monitor on a periodic basis the professional business relationship with the client for the purposes ensuring ongoing due diligence of the retainer and to mitigate against the risk that the lawyer may be assisting in or encouraging fraud or other illegal conduct.
- Legal professionals are required to uphold principles of integrity and must never assist in the commission of any dishonest, fraud or illegal conduct. Where a legal professional makes inquiries and is not objectively satisfied of the legitimacy of the matter, they must withdraw.
- Law societies, as the regulator of the legal profession, have developed guidance to assist the profession in managing and addressing the risks they face related to AMLTF.

## R2 – National cooperation and coordination

Recommendation 2 reads:

*“Countries should have national AML/CFT/CPF policies, informed by the risks identified, which should be regularly reviewed, and should designate an authority or have a coordination or other mechanism that is responsible for such policies.*

*Countries should ensure that policy-makers, the financial intelligence unit (FIU), law enforcement authorities, supervisors and other relevant competent authorities, at the policymaking and operational levels, have effective mechanisms in place which enable them to cooperate, and, where appropriate, coordinate and exchange information domestically with each other concerning the development and implementation of policies and activities to combat money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. This should include cooperation and coordination between relevant authorities to ensure the compatibility of AML/CFT/CPF requirements with Data Protection and Privacy rules and other similar provisions (e.g. data security/localisation).”*

All 14 self-regulatory bodies are members of the Federation of Law Societies of Canada (the Federation) – the national association of the law societies. It is the body through which Canada’s law societies collaborate at the national level. Through the Federation, the law societies have developed [National Discipline Standards](#) that address how law societies handle complaints and discipline matters to assist with enforcing comprehensive rules and regulations that legal professionals must follow. The standards help ensure members of the public are treated promptly, fairly and openly when they make a complaint against a legal professional.



Consistent with their public interest mandate, the law societies, acting through the Federation, have developed robust AML/CTF rules that respect fundamental constitutional principles, including the independence of legal regulation. The Model Rules, together with the Model Code of Professional Conduct, set a standard for AML/CTF regulation of the legal profession across Canada. They are described in detail in [Appendix B](#).

An area that could be improved to assist the law societies' efforts is information and resource sharing between government agencies and the law societies. Despite the significant and crucial role that Canada's law societies play in the fight against money laundering and terrorist financing, there remains a shortage of information and resources that are exchanged or provided that could assist law societies in their investigations, and ultimately the imposition of sanctions against their members for AML/CTF breaches. Better information and resource sharing could also assist with the prevention of further money laundering activity.

#### a) Law Society Coordination Mechanism

The Federation's Standing Committee on AMLTF is comprised of law society CEOs and senior staff and is the primary mechanism responsible for setting national AMLTF policies, and for ensuring co-operation and coordination amongst the regulators of the legal profession. The Federation Standing Committee on AMLTF ensures a robust, consistent, and compatible regulatory regime to address money laundering and related risks arising in the practice of law. Pursuant to its terms of reference, in carrying out its mandate, the Standing Committee must:

- (a) Periodically review the existing anti-money laundering and terrorist financing model rules to determine whether amendments or new rules are required taking into consideration any significant national or international developments, including amendments to the federal anti-money laundering and terrorist financing regime.
- (b) Develop guidance and educational materials to support compliance with the obligations under the rules.
- (c) Identify best practices for effective enforcement of the rules.
- (d) In collaboration with the Standing Committee on National Discipline Standards, develop standards for monitoring enforcement of the Model Rules, including tracking and reporting of breaches and regulatory outcomes.

One of the aims of the Federation's Standing Committee on AMLTF is to ensure harmonization in the approach to AMLTF regulation across the 14 regulators. The standing committee also includes sub-groups on education and rules to ensure AMLTF regulation remains up to date and the profession understands the money-laundering and terrorist financing risks they face and the rules they are subject to.

#### b) Coordination and Cooperation with other Authorities

The law societies' commitment to regulating to address AML/CTF risks is further reinforced through collaborative efforts with provincial/territorial, national and international stakeholders. The Federation and the law societies actively engage with regulatory bodies, law enforcement agencies, and other professional organizations to develop a cohesive and coordinated response to money laundering and



terrorist financing. This collaborative approach enhances the effectiveness of AML measures and promotes a unified stance against financial crimes.

### *Joint Working Group with the Government of Canada*

The Federation and the Government of Canada created a joint working group in 2019 to collaborate on AML/CTF matters. This collaboration provides the government of Canada and the law societies with a forum to work together on cross cutting issues. This has the benefit of facilitating consistency between the federal [\*Proceeds of Crime \(Money Laundering\) and Terrorist Financing Act\*](#) (PCMLTFA) regime and the regulatory approach taken by the law societies across Canada.

The following objectives for engagement are identified in the terms of reference of the joint working group:

- Strengthen lines of communication between the federal government and the law societies to provide regular opportunities to discuss issues and challenges and information sharing related to ML/TF, tax evasion and other serious crimes and the legal profession.
- Share information such as data, trends and typologies, indicators and case examples related to ML/TF.
- Discuss how existing systems, e.g., Federation model rules can be leveraged to improve education, awareness and due diligence in the legal profession to deter and prevent ML/TF.
- Assist the Federation in preparing and enhancing their guidance to the legal profession related to ML/TF.
- Discuss compliance and enforcement issues in the legal profession by law societies.
- Discuss on an exploratory basis appropriate practice on referrals of cases/information to inform law societies and/or law enforcement.
- Discuss and understand Canada's linkages to the international community and the Financial Action Task Force concerning Canada's commitment to AML/ATF.
- Discuss on an exploratory basis appropriate collaboration on efforts to deter and prevent ML/TF in the legal profession.
- Support joint public-facing communications where there is effective collaboration between the Government and the law societies.

Representative bodies from the government of Canada include the Department of Finance, FINTRAC (the financial intelligence unit), and the Royal Canadian Mounted Police (RCMP). The joint working group thus provides the opportunity for a channel to discuss such matters as the gathering of financial intelligence, cooperation and information sharing with law enforcement, and insights into policy directions to address risks in the AMLTF framework. The Federation is committed to an open dialogue via the joint working group where it and the law societies can address identified risks and threats in the AMLTF framework as they relate to the regulation of legal professionals. The Joint Working Group benefits most when all parties view each other as full partners engaged to combat money-laundering in Canada.



### *Information Sharing*

One of the top priorities in recent discussions within the Joint Working Group has been in regard to the sharing of information. Currently, the Law Society of British Columbia (as of 2000) and the Law Society of Ontario (as of 2023) have information sharing Memorandums of Understanding (MOUs) with the RCMP. Another ten law societies are currently negotiating such MOUs with the RCMP.<sup>20</sup> These MOUs strive to ensure that the RCMP would be able to share important information with law societies pertaining to the potential misconduct of a legal professional regulated by the law society. This information can be essential for a law society to commence or further an investigation which may lead to disciplinary action, and the information may also be relevant to assessing risks pertinent to conducting a compliance audit of the law practice.

In addition, the Federation Standing Committee on AMLTF has met with FINTRAC to advance discussions on similar information sharing agreements. It is crucial that law societies, as the exclusive regulators of the legal profession, and as the bodies who can initiate investigations and impose sanctions on their members, be able to obtain information about suspected misconduct in order to carry out their public interest mandate and reduce the risk of possible money laundering occurring via the legal profession. As such, the law societies are hopeful that information sharing agreements can be negotiated with FINTRAC to allow for this flow of information and thereby enhance the overall strength of the AML/CTF regime in Canada.

The Federation and the law societies would support an amendment to the PCMLTFA and/or information sharing agreements to facilitate FINTRAC's, and other reporting entities, ability to share information with law societies that would strengthen the law societies' ability to detect and investigate allegations of money laundering in the legal profession. A cooperative and coordinated approach that allows for the flow of information pertinent to potentially disrupting money laundering is in the public's best interest. Such amendments to the PCMLTFA or information sharing agreements would encourage a coordinated response where each party carries out its respective mandate, all in the interest of contributing to combatting ML/TF.

The importance of law enforcement and regulatory bodies sharing information with law societies was highlighted in the Cullen Commission's final report:

*"It is also essential that law enforcement bodies and regulators bring concerns about the involvement (or potential involvement) of lawyers in money laundering activity to the attention of the Law Society for investigation."*<sup>21</sup>

The Federation is hopeful that arrangements with the RCMP and FINTRAC can continue to be negotiated with law societies and result in enhancing the overall approach to AMLTF.

Legal professionals are also bound by a duty to report criminal activity in a lawyer's practice, including suspicions of money laundering. The Model [Code of Professional Conduct](#) states:

### **Duty to Report**

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<sup>20</sup> As at March 2025.

<sup>21</sup> [Cullen Report](#), at p.24



**7.1-3** Unless to do so would be unlawful or would involve a breach of solicitor-client privilege, a lawyer must report to the Society:

- (a) the misappropriation or misapplication of trust monies;
- (b) the abandonment of a law practice;
- (c) participation in criminal activity related to a lawyer's practice;
- (d) conduct that raises a substantial question as to another lawyer's honesty, trustworthiness, or competency as a lawyer;
- (e) conduct that raises a substantial question about the lawyer's capacity to provide professional services; and
- (f) any situation in which a lawyer's clients are likely to be materially prejudiced.

This obligation ensures that a law society can receive information to commence an investigation for any of the reasons set out in the rule.

### c) Other information sharing mechanisms

The Counter Illicit Finance Alliance of British Columbia (CIFA-BC) is a financial information sharing partnership between 35 public and private organizations working together to combat money laundering and other financial crime in the province. The Law Society of British Columbia is one of the principal partners. CIFA-BC's mission is to collaborate with public and private industry to lawfully share information in the interest of protecting the economic integrity of British Columbia through prevention, detection, and disruption of illicit financial activity. Hosted by the RCMP, this model is being reviewed for possible expansion to other provinces in Canada.

### d) Referral to Law Enforcement

In addition to the power to conduct audits and investigations, most law societies in Canada have the express authority to refer a legal professional's conduct to law enforcement, generally where there are reasonable grounds to believe a criminal offence may have been committed. The law societies have varying rules in this regard.

[Table 2](#) indicates the powers each law society has to share information with law enforcement, as well as the status of any information sharing agreements that would allow law enforcement to share information with the law societies.

## R10 – Customer Due Diligence

Legal professionals are required to comply with customer due diligence requirements imposed by the law societies. These are mandatory requirements and are found in the various law society rules and by-laws. The rules and by-laws in force in each law society have the force of regulation and are enacted via the authority conferred upon the law societies by their respective enabling legislation.



[Table 3](#) identifies the relevant legislation in each province or territory relating to the authority of each law society to make rules for the conduct of its legal professionals practising within the jurisdiction of the relevant law society.

### a) Client Identification and Verification Requirements

The Model CIV Rule which has been adopted and implemented in each law society, applies:

*4. ... where a lawyer who has been retained by a client to provide legal services engages in or gives instructions in respect of the receiving, paying or transferring of funds.*

This is a much broader obligation than the FATF recommendation as it is not limited to financial transactions above a threshold of USD 15,000, but rather to anytime a legal professional is engaged where the matter contains a financial transaction.

The Model CIV Rule was originally drafted to substantially track the due diligence measures and requirements found under the PCMLTFA and its regulations. Over time, it has evolved and sometimes surpasses the requirements now found in the PCMLTFA and its regulations. A detailed clause-by-clause analysis of the regulations under the PCMLTFA compared with the Model Rule is provided in [Appendix B](#).

The CDD measures required by the Model CIV Rule includes:

- Paragraph 6(6): Identifying the client and verifying that client's identity using reliable, independent source documents, data or information.
- Paragraph 6(7): when a lawyer acts for an organization they must:
  - Obtain and record, with the applicable date, the names of all directors of the organization;
  - Make reasonable efforts to obtain the names and addresses of all persons who own, director or indirectly, 25 per cent or more of the organization or of the shares of the organization;
  - Make reasonable efforts to obtain the names and addresses of all trustees and all known beneficiaries and settlors of the trust, and
  - Make reasonable efforts to obtain information establishing the ownership, control and structure of the organization.
- Paragraph 6(1)(a): a lawyer must obtain from the client and record, with the applicable date, information about the source of funds.
- Section 10: imposes an ongoing monitoring requirement where a lawyer must:
  - (1) monitor on a periodic basis the professional business relationship with the client for the purposes of:*
    - (a) determining whether*
      - (i) the client's information in respect of their activities,*
      - (ii) the client's information in respect of the source of the funds described in section 4, and*
      - (iii) the client's instructions in respect of transactions are consistent with the purpose of the retainer and the information obtained about the client as required by this Rule, and*





- (b) assessing whether there is a risk that the lawyer may be assisting in or encouraging fraud or other illegal conduct; and*
- (2) keep a record, with the applicable date, of the measures taken and the information obtained with respect to the requirements of paragraph (1)(a) above.*

In addition to the positive identification and verification requirements which meet the CDD requirements, under Section 11 a lawyer also has a duty to withdraw if the suspect they might be assisting a client in fraud or other illegal conduct.

### ***Duty to withdraw***

*11. (1) If while retained by a client, including when taking the steps required in section 10, a lawyer knows or ought to know that he or she is or would be assisting the client in fraud or other illegal conduct, the lawyer must withdraw from representation of the client.*

## **b) Additional professional obligations**

Legal professionals are required to comply with a variety of due diligence and ethical requirements found in the Model [Code of Professional Conduct](#). These include:

- Duty to make inquiries: commentary 3 to paragraph 3.2-7 states:

*If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of the client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.*

- Duty to withdraw: a lawyer must withdraw from representing a client if a client persists in instructing the lawyer to act contrary to professional ethics.

**3.7-7** A lawyer must withdraw if:

- (a) discharged by a client;*
- (b) a client persists in instructing the lawyer to act **contrary to professional ethics**; or*
- (c) the lawyer is not competent to continue to handle a matter*





### c) Other CDD Requirements

R10 requires that DNFBPs identify the *“beneficial owner and taking reasonable measures to verify the identity of the beneficial owner, such that the financial institution is satisfied that it knows who the beneficial owner is.”*

The Federation has long been in favour of creating a pan-Canadian beneficial ownership registry. While it would assist in combatting financial crime generally, it would also facilitate the CDD requirements of the legal profession as it could serve as a database for which lawyers could conduct their verification of beneficial ownership data. While Canada has implemented a federal beneficial ownership registry, and the provinces of Quebec and British Columbia have implemented provincial registries, the absence of a pan-Canadian registry makes it impractical to force legal professionals to positively ascertain the beneficial owners. The CIV rules currently in force require legal professionals to make reasonable efforts to identify the beneficial owners. Once a pan-Canadian registry is in force, the law societies will amend their rules to make this a positive requirement beyond best efforts.

## R11 – Record Keeping

*“Financial institutions should be required to maintain, for at least five years, all necessary records on transactions, both domestic and international, to enable them to comply swiftly with information requests from the competent authorities. Such records must be sufficient to permit reconstruction of individual transactions (including the amounts and types of currency involved, if any) so as to provide, if necessary, evidence for prosecution of criminal activity.*

*Financial institutions should be required to keep all records obtained through CDD measures (e.g. copies or records of official identification documents like passports, identity cards, driving licences or similar documents), account files and business correspondence, including the results of any analysis undertaken (e.g. inquiries to establish the background and purpose of complex, unusual large transactions), for at least five years after the business relationship is ended, or after the date of the occasional transaction.*

*Financial institutions should be required by law to maintain records on transactions and information obtained through the CDD measures.*

*The CDD information and the transaction records should be available to domestic competent authorities upon appropriate authority.”*

The Model CIV Rule section 7 (Record Keeping and Retention) exceeds the requirements of FATF Recommendation 11. It requires that all client identification and verification records be kept for at least 6 years after work on a client matter is completed.<sup>22</sup> In addition, most law societies require all records relating to trust accounts be kept for a period in excess of the FATF requirements. Some require a minimum of 10 years from the final accounting transaction or disposition of valuables.<sup>23</sup>

Section 7 of the Model CIV Rule states:

<sup>22</sup> Federation of Law Societies of Canada, [Model Rule on Client Identification and Verification](#) (updated 2023).

<sup>23</sup> For example, [Law Society of British Columbia Rules](#), s.3-75.



7. (1) *A lawyer must obtain and retain a copy of every document used to verify the identity of any individual or organization for the purposes of subsection 6(1).*
- (2) *The documents referred to in subsection (1) may be kept in a machine- readable or electronic form, if a paper copy can be readily produced from it.*
- (3) *A lawyer must retain a record of the information, with the applicable date, and any documents obtained for the purposes of section 3, subsection 6(7) and subsection 10(2) and copies of all documents received for the purposes of subsection 6(1) for the longer of*
- (a) the duration of the lawyer and client relationship and for as long as is necessary for the purpose of providing service to the client, and*
  - (b) a period of at least six years following completion of the work for which the lawyer was retained.*

All law societies have similar record keeping requirements.

#### a) Powers to compel records, audit accounts, and share information

Beyond record keeping, law societies across Canada have the ability to compel records from legal professionals for the purposes of investigations, audits, and otherwise. The ability to compel the production of information and records from legal professionals applies even if that information is protected by solicitor-client privilege. They are the only bodies with such authority, marking a notable difference from the powers of governmental authorities.

Law societies' broad powers to conduct audits and investigations of legal professionals include the right to examine their practice records, including client files, and compel them to respond to inquiries from the law society.

During the course of an investigation, law societies also have the authority to apply interim measures such as restrictions on practice or suspensions when necessary to protect the public. In some circumstances, a provisional custodian may be appointed over the records, files or trust accounting documents when a legal professional is under investigation.<sup>24</sup>

[Table 4](#) illustrates these broad powers to compel records, investigative, audit accounts.

#### b) Compliance Audits and Accounting Records

All law societies in Canada have the authority to conduct audits of the legal professionals they regulate, whether periodically, at random, or based on risk. It is important to stress that audits are not confined to compliance with the trust accounting rules. During the course of a law society audit, client files will also be reviewed. These audits consist of in-depth reviews that look for compliance with rules and

<sup>24</sup> See section 79(8) of the [Notaries Act](#), Chapter N-3.



ethical obligations of the legal professional. It is the context of a retainer that is important when auditing a legal professional.

To foster alignment and consistency of audit programs across the various law societies, the Federation coordinates a Trust Assurance Group (TAG) comprised of law society trust assurance staff. TAG's mandate is to increase opportunities for collaboration, information sharing, and the adoption of best practices related to trust accounting.

Consistent across law societies are requirements to maintain accounting records. Both the Model CIV Rule and the [Model Trust Accounting Rule](#), which have been implemented in every law society, require that legal professionals keep records. In guidance provided to the legal profession, these obligations are made clear:

*Where the retainer with the client involves the receipt, payment or transfer of funds, you must also keep records that contain;*

- *Information that identifies the source of funds;*
- *Copies in either paper or electronic format of every document used to verify the identity of the client and any third party;*
- *Information and any related documents on the directors, owners, beneficial owners and trustees, as the case may be, of an organizational client;*
- *Information and any related documents on the ownership, control and structure of an organizational client;*
- *Information and any related documents that confirm the accuracy of the information on directors, owners, beneficial owners and trustees and the ownership, control and structure of an organizational client; and,*
- *Measures taken and information obtained respecting the legal professional's monitoring of the professional business relationship with the client.*

*Client identification and verification of identity records, as well as records of having taken reasonable measures to obtain beneficial ownership of an organizational client and of monitoring responsibilities, must be kept for the duration of the client relationship, or for a **period of at least six years following the completion of the work** for which the legal professional was retained, whichever is longer.<sup>25</sup>*

As an example, [Section 23 of By-law 9](#) of the Law Society of Ontario, requires that a variety of financial records be kept for at least 6 or 10 years depending on the record. [Table 5](#) provides the records that must be kept along with the minimum period for which they must be maintained under Law Society of Ontario rules.

On a national scale, the TAG working group engages all law societies to work on best practices, but there are variations in the law societies' compliance and practice audit programs and the number of trust accounts that are overseen by each regulator. These differences reflect the vastly different profiles of each law society, including the number of legal professionals licensed in each jurisdiction which ranges

<sup>25</sup> Guidance to the Legal Profession, "[Your Professional Responsibility to Avoid Facilitating or Participating in Money Laundering and Terrorist Financing](#)", February 2024. P.22.



from fewer than 200 to more than 60,000. In particular, the total number of audits performed by each law society annually is reflective of the number of legal professionals that fall under a jurisdiction's regulatory authority. It is important to note that audits are conducted on a firm-wide basis. Therefore, a single audit of a firm may include several legal professionals, unless the audit conducted is for a sole practitioner.

The sheer number of legal professional audits conducted annually across the country is itself indicative of the seriousness with which law societies treat their obligation to regulate in the AML space.

For comparison, in its [2023-2024 Annual Report](#), FINTRAC assessed the compliance of more than 600 businesses through one or more types of assessment activity. Though the scope of these assessments differ, Canadian law societies conducted over 2,000 trust account and practice audits collectively across Canada in 2023.

## R12 – Politically Exposed Persons

Legal professionals have obligations to make reasonable inquiries if a client is identified or is suspected to be a PEP before acting or continuing to act in order to mitigate against the risk of facilitating money laundering or terrorist financing. Commentary 3 under Section 3.2-7 of the [Code of Professional Conduct](#) states:

*[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of the client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.*

The Federation has also developed [guidance for the legal profession](#) specifically to assist them in managing their risks vis-à-vis politically exposed persons. The guidance specifically defines PEPs, references the definitions found under the federal PCMLTFA, and provides guidance on how to identify a PEP. Determining whether a client is a PEP may include:

- Asking the person for information that could indicate PEP status, such as existing or previous connections to the relationships set out in the definitions;
- Accessing public domain information, such as parliament and government websites, reliable news sources and work by reputable pressure groups focused on corruption risk such as Transparency International or Global Witness;
- Searching reliable public registers, such as business corporation registries;
- Screening the person's name and other personal information against a commercial database that contains lists of PEPs, family members and known close associates or publicly available databases to gather more information about the person; using a database would require an understanding of how such databases are populated and



being satisfied that those flagged by the system fall within the definition of a PEP, family member or close associate.<sup>26</sup>

The guidance also provides a number of best practices for legal professionals to follow including attempting to determine the source of funds or wealth, conducting enhanced monitoring of the professional business relationship, and supplement the record keeping requirements with additional details about the measures taken for enhanced due diligence.

The Federation's AMLTF Standing Committee is discussing possible draft amendments to the Model Client Identification and Verification Rule that would bring in mandatory due diligence provisions related to PEPs. However, without a reliable PEP registry in Canada, obliging legal professionals to determine the PEP nature of a client is not realistic. Legal professionals require reliable sources to search for the information. Once a PEP registry is in place, law societies will be in a better position to move forward with rule amendments related to PEPs. As with beneficial ownership transparency, the Federation has been supportive of increased PEP transparency and the establishment of a nationally accessible registry.

## R15 – New Technologies

*Recommendation 15: “Countries and financial institutions should identify and assess the money laundering or terrorist financing risks that may arise in relation to (a) the development of new products and new business practices, including new delivery mechanisms, and (b) the use of new or developing technologies for both new and pre-existing products. In the case of financial institutions, such a risk assessment should take place prior to the launch of the new products, business practices or the use of new or developing technologies. They should take appropriate measures to manage and mitigate those risks.*

*To manage and mitigate the risks emerging from virtual assets, countries should ensure that virtual asset service providers are regulated for AML/CFT purposes, and licensed or registered and subject to effective systems for monitoring and ensuring compliance with the relevant measures called for in the FATF Recommendations.”*

Law societies, including through the Federation AMLTF Standing Committee, review the sufficiency and effectiveness of the AML/CTF-related obligations, including any new or emerging technologies such as virtual assets on an ongoing basis. Review of the Model Rules and Model Code of Professional Conduct are done regularly with a view to whether revisions required to meet new risks.

Law societies, collectively and independently, assess the adoption of new technologies by the legal profession and the impact they have on the handling of funds in a legal practice. Rules can be implemented to restrict use of certain technologies where there is a risk.

Important restrictions are currently in place that assist in mitigating the risks new technologies pose to illicit financial flows. Payments into trust accounts can only be accepted by specific methods.

<sup>26</sup> [Guidance on Politically Exposed Persons/ Heads of International Organizations](#), Federation of Law Societies of Canada, December 2023. P.6.



Cryptocurrency, for example, is not an accepted form of payment that can pass through a legal professional's trust account.

Law societies, including through the Joint Working Group of the Federation and Government of Canada, collaborate and review information on new and emerging risks. Discussions are frequently held to determine if any amendments are required to the regulatory framework to take into account new technologies.

The Cullen Commission's final report recognized that the broad rules imposed on the legal profession enable law societies to quickly respond to emerging risks. Specifically, the report stated:

*"In addition to these anti-money laundering rules, lawyers must comply with general ethical obligations. These include a prohibition on assisting crime, fraud, or dishonesty, and a requirement to withdraw if a client persists in instructing a lawyer to act contrary to professional ethics. These broad rules enable the Law Society to quickly respond to evolving risks; they are an important part of its anti-money laundering regulation".<sup>27</sup>*

## R17 – Reliance on third parties

Law Societies impose specific requirements where legal professionals wish to use an agent to identify and verify the client. In order to satisfy their CDD requirements, legal professionals must abide by the rules outlined in the [Model Client Identification and Verification](#) rule:

### Use of Agent

*(2) A lawyer may rely on an agent to obtain the information described in subsection (6) to verify the identity of an individual client, third party or individual described in paragraph 3(2)(d) provided the lawyer and the agent have an agreement or arrangement in writing for this purpose as described in subsection (4).*

### Agreement for use of Agent

*(4) A lawyer who enters into an agreement or arrangement referred to in subsection (2) must:*

*(a) obtain from the agent the information obtained by the agent under that agreement or arrangement; and*

*(b) satisfy themselves that the information is valid and current and that the agent verified identity in accordance with subsection (6).*

*(5) A lawyer may rely on the agent's previous verification of an individual client, third party or an individual described in paragraph 3(2)(d) if the agent was, at the time they verified the identity,*

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<sup>27</sup> [Commission of Inquiry into Money Laundering in British Columbia](#): final report / Austin F. Cullen, Commissioner, 2022. at p. 23.



*(a) acting in their own capacity, whether or not they were required to verify identity under this Rule, or*

*(b) acting as an agent under an agreement or arrangement in writing, entered into with another lawyer who is required to verify identity under this Rule, for the purpose of verifying identity under subsection (6).*

As discussed earlier, this Model Rule has been adopted and implemented by every law society in Canada. The above rules address the obligations set out in Recommendation 17, and specifically 17.1 of the FATF methodology<sup>28</sup> which states the requirements to:

*(a) obtain immediately the necessary information concerning elements (a)-(c) of the CDD measures set out in Recommendation 10;*

*(b) take steps to satisfy itself that copies of identification data and other relevant documentation relating to CDD requirements will be made available from the third party upon request without delay;*

*(c) satisfy itself that the third party is regulated, and supervised or monitored for, and has measures in place for compliance with, CDD and record-keeping requirements in line with Recommendations 10 and 11.*

## R18 – Internal Controls

Law Societies impose a host of AMLTF regulatory requirements on legal professionals under their supervision as detailed throughout this document. However, given the nature of legal practice in Canada, a tailored approach to establishing internal controls, compliance, and risk management processes is required. A ‘one size fits all’ approach would be illogical and less effective than current control measures in the context of legal practice.

For example, many legal professionals in Canada operate as sole practitioners. They are unaffiliated with a larger firm and do not have the business infrastructure that firms may have. Further, every legal professional is responsible for AML/CTF compliance on their client matters, which may have a very different risk profile than client matters of others at their firm. The regulatory scheme provides that legal professionals cannot abdicate their personal responsibility to others. Compliance with AML/CTF rules therefore applies to all licensed legal professionals. They are each responsible for ensuring compliance with the rules. All legal professionals can perform the task of compliance officer as outlined in criteria 18.1 of the FATF methodology for their own practice.<sup>29</sup>

Law Societies and the Federation have developed guidance to assist legal professionals in determining the appropriate level of compliance protocols, policies, and procedures that are suitable to their practice, commensurate with the risk environment in which they operate. The Risk Assessment and Compliance

<sup>28</sup> FATF (2024), *Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT/CPF Systems*, FATF, Paris, at p.70

[www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-Methodology-2022.html](http://www.fatf-gafi.org/en/publications/Mutualevaluations/Assessment-Methodology-2022.html)

<sup>29</sup> FATF Methodology, p.71.





Guidance<sup>30</sup> provides an outline of an approach to establishing AMLTF compliance and risk management processes:

- **assessing and documenting risks** of money laundering or terrorist financing activity relevant to the firm or practice. To assist with this step, the Federation has also provided guidance on red flags<sup>31</sup> to ensure legal professionals can evaluate their risks;
- **establishing processes and procedures for compliance and risk management** appropriate to the nature of and geared to the legal professional's practice;
- **designating a person** within the practice who is responsible for establishing and implementing risk and compliance procedures;
- **instituting measures for education or training** for legal professionals and those supporting the practice, as applicable, such as employees or agents;
- **establishing a periodic review** of the policies and procedures to ensure effectiveness and currency, with results reported to the managing partner or the firm's executive committee, as applicable.

## R19 – Higher-risk countries

Law Societies recognize the importance of conducting enhanced due diligence proportionate to the risks present, including where business relationships and transactions may involve a country classified as high risk by FATF.

All legal professionals have a duty to make inquiries set out in section 3.2-7 of the Model Code of Professional Conduct which requires that reasonable inquiries be made in the face of suspicious circumstances, which would include the involvement of higher risk countries, in a client matter. Those inquiries must be sufficient to objectively satisfy a legal professional that the transaction is legitimate and not in furtherance of ML/TF or any other illegal or dishonest conduct.

Commentary 3 to [section 3.2-7 of the Code of Professional Conduct](#) states:

*[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of the client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.*

In addition, various law societies have provided cautions to the profession on geographic risks. This includes the [Law Society of British Columbia's Discipline Advisory covering country/geographic risk](#) which describes geographic risk as:

<sup>30</sup> Federation of Law Societies of Canada, "[Risk Assessment and Compliance Guidance](#)", 2023. At p. 3.

<sup>31</sup> Federation of Law Societies of Canada, "[Red Flags Quick Reference guide](#)", December 2023.





*[...] geographic risk, may arise in a number of ways on a matter, including any of the following:*

- *The clients, including the instructing individuals, or other parties to the transaction reside in or have a material connection to a high risk country (e.g. the jurisdiction in which a corporate entity was created or in which it purports to operate).*
- *The transaction associated with the legal services being sought is in a high-risk country.*
- *The funds received by the lawyer for the retainer or the transaction arise from or are to be distributed to a high risk country.*

The Nova Scotia Barristers Society also provides additional guidance where geographic risk is present.<sup>32</sup> Under the client identification rules in the province, legal professionals may have additional due diligence requirements where there are geographic risks present.

## R20 – Reporting of suspicious transactions

In 2015 the Supreme Court of Canada (SCC) held that certain provisions in the federal *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) obliging legal professionals to collect and retain information not required for client representation, granting expansive powers to search law offices, and providing inadequate protection for solicitor-client privilege, violated provisions of the Canadian Charter of Rights and Freedoms (the Charter) and undermined the ability of legal professionals to comply with their duty of commitment to the client's cause, a principle of fundamental justice. The Charter is a part of Canada's *Constitution Act, 1982*.

The legal proceedings that led to the SCC decision began in 2001 following the coming into force of federal regulations purporting to require legal professionals to secretly report suspicious transactions to FINTRAC. That early phase of the Federation's constitutional challenge to the federal legislation resulted in an interim injunction in 2002 exempting legal professionals and law firms from the application of the federal legislation and regulations. In 2006 the Government of Canada amended the PCMLTFA to exempt members of the legal profession from the suspicious and prescribed transactions reporting requirements.

The Federation resumed its constitutional challenge in 2011 in response to government attempts to apply the federal AML/CTF regime, in particular client identification and verification regulations, to members of the legal profession. In a decision released in September 2011, the British Columbia Supreme Court upheld the Federation's argument that the PCMLTFA and regulations violated the Charter, and were therefore unconstitutional insofar as the legislation, and in particular its client identification and record-keeping requirements, apply to legal counsel and law firms. The Court's finding that the Act and Regulations unduly infringed upon the solicitor-client relationship was upheld by the British Columbia Court of Appeal in 2012, and by the SCC in 2015.

<sup>32</sup> Nova Scotia Barristers Society, [Geographic Risk Information](#).



While legal professionals in Canada are not reporting entities under the federal [Proceeds of Crime \(Money Laundering\) and Terrorist Financing Act](#), the robustness of law society regulation and supervision of the profession, grounded in law, establishes a regulatory framework that reflects that of the federal framework under the PCMLTFA, but tailored to the realities of the legal profession in Canada and the constitutional principles and fundamental importance of solicitor-client privilege as well as independence of the legal profession.

Legal professionals have duties established under section 3.2-7 of the Code of Professional Conduct not to assist in or encourage dishonesty, fraud or illegal conduct, which included ML/TF. In fact, where a lawyer has suspicions or doubts, they must make reasonable inquiries and should make a record of the results. The legal professional must provide those records to the law society when requested, whether during a compliance audit or investigation, irrespective of any claim to solicitor-client privilege. They are the only bodies in Canada that can require a legal professional to disclose privileged communications between the legal professional and their client while respecting the constitution of Canada.

The final report of the Cullen Commission is instructive in describing the efficacy of law society regulation in Canada. It states<sup>33</sup>:

*It is true that the exclusion of lawyers from the PCMLTFA regime means that FINTRAC does not receive reports from lawyers; it therefore lacks the same lens into lawyers' (and their clients') activities as it has for other professions. [...] However, it is inaccurate to say that lawyers in British Columbia are not regulated for anti-money laundering purposes. Lawyers are subject to extensive anti-money laundering regulation by the Law Society, and that regulation has gone a long way to addressing many of the money laundering risks in this sector. [emphasis added]*

*The regulation [of lawyers] simply takes a different form than other sectors, in order to accommodate the constitutional rules that apply to lawyers. Instead of a reporting regime for lawyers, a better approach to anti-money laundering efforts in the legal sector should focus on:*

- *continuing to revisit and expand anti-money laundering regulation by the Law Society, including limiting the circumstances in which a client's funds can enter a trust account;*
- *strengthening and making better use of information-sharing arrangements between the Law Society and other stakeholders;*
- *increasing the Law Society's use of its ability to refer matters to law enforcement where there is evidence of a potential offence;*
- *encouraging law enforcement to make better use of existing mechanisms by which it can access the information it needs from lawyers during investigations; and*
- *increasing public awareness about these measures to counter any perception that transactions conducted through a lawyer in furtherance of an unlawful aim are immune from detection.*

Law Societies also have certain reporting requirements, notably where a lawyer accepts cash in excess of \$7,500, which is only permitted in limited circumstances. For example, Rule 3-59(6) of the Law Society of British Columbia states:

<sup>33</sup> Cullen Commission, Final Report, pp.22-23.



- A lawyer or law firm that receives cash, unless permitted under this rule to accept it, must*
- (a) make no use of the cash,*
  - (b) return the cash, or if that is not possible, the same amount in cash, to the payer immediately,*
  - (c) make a written report of the details of the transaction to the Executive Director within 7 days of receipt of the cash, and*
  - (d) comply with all other rules pertaining to the receipt of trust funds*

The Model Code of Professional Conduct also requires a lawyer to withdraw from representation if they suspect they are furthering ML/TF. They may not continue with the transaction. [Table 1A](#) provides further details on the duty to make inquiries and the duty to withdraw.

While the Federation and the law societies acknowledge that legal professionals in Canada are not required to report suspicious transactions to FINTRAC as per the FATF Recommendations, the rules targeting potential money laundering suspicions are designed to cut off the avenue for suspicious transactions to occur before the transaction is even made. In light of the constitutional principles reaffirmed by the SCC in 2015, these rules have provided an effective alternative to suspicious transaction reporting when it comes to the legal profession.

## R22 – DNFBPs: customer due diligence

Criteria 22.1(d) of the FATF methodology states:

*22.1 DNFBPs should be required to comply with the CDD requirements set out in Recommendation 10 in the following situations:*

- (d) Lawyers, notaries, other independent legal professionals and accountants when they prepare for, or carry out, transactions for their client concerning the following activities:*
  - (i) buying and selling of real estate;*
  - (ii) managing of client money, securities or other assets;*
  - (iii) management of bank, savings or securities accounts;*
  - (iv) organisation of contributions for the creation, operation or management of companies;*
  - (v) creating, operating or management of legal persons or arrangements and buying and selling of business entities.*

Under the Model CIV Rule as adopted by all law societies, CDD requirements apply to a lawyer who is retained to provide legal services.<sup>34</sup>

In addition, under the [Model Trust Accounting Rule](#), a lawyer must only accept or withdraw money from a trust account that is directly related to legal services that they are providing. Legal professionals in

<sup>34</sup> Section 2(1) and [Section 4](#), Model Client Identification and Verification Rule.



Canada are not permitted to manage or move client funds through a trust account when those funds are not directly related to the legitimate legal services being provided.

Importantly, unlike in some other jurisdictions, the provision of legal services in respect to the activities above may all still be subject to the law of solicitor-client privilege.

### *Solicitor-Client Privilege in Canada*

Solicitor-client privilege in Canada is more than a rule of evidence. It is a principle of fundamental justice that the Supreme Court has stated “must remain as close to absolute as possible” with “a stringent norm to ensure its protection, such that any legislative provisions that interfere with the privilege more than “absolutely necessary” will be found to be unreasonable.”<sup>35</sup>

As the Federation stated in its submissions to the Cullen Commission, it is imperative to note that “Solicitor-client privilege belongs to the client. From a client’s perspective, any disclosure to a third party without the consent of the client pierces the privilege. This is true whether the third party is a government entity or a non-governmental body such as the Federation. The courts have held, and in many jurisdictions governing legislation provides, that law societies’ access to certain privileged information in carrying out their regulatory functions does not constitute a waiver of privilege (on the basis that law societies are within the envelope of privilege).”<sup>36</sup>

Solicitor-client privilege protects confidential communications between lawyers and their clients. This includes all communications, whether oral or written and includes advice given by the lawyer as well as information provided by the client. The privilege belongs to the client and can only be waived by the client receiving legal services, with few limited exceptions. Solicitor-client privilege is essential for the administration of justice, ensuring clients can seek legal advice without fear of disclosure.

It is important to note that solicitor-client privilege in Canada is different, and likely stronger, than in many other jurisdictions. The Federation encourages the FATF to take this into account when evaluating the rules applying to legal professionals.

## R23 – DNFBPs: Other Measures

The interpretive note to Recommendation 23 reads:

- 1. Lawyers, notaries, other independent legal professionals, and accountants acting as independent legal professionals, are not required to report suspicious transactions if the relevant information was obtained in circumstances where they are subject to professional secrecy or legal professional privilege.*
- 2. It is for each country to determine the matters that would fall under legal professional privilege or professional secrecy. This would normally cover information lawyers, notaries or other independent legal professionals receive from or obtain through one of their clients: (a) in*

<sup>35</sup> Canada (Attorney General) v. Federation of Law Societies of Canada, 2015 SCC 7 (CanLII), [2015] 1 SCR 401, at para 44, <https://canlii.ca/t/gg977#par44>. See also *Lavallee, Rackel & Heintz v. Canada (Attorney General)*, 2002 SCC 61, [2002] 3 S.C.R. 209, at para.36.

<sup>36</sup> [Submission of the Federation of Law Societies of Canada to the Commission of Inquiry into Money Laundering in British Columbia](#) (2020). At para.28.



*the course of ascertaining the legal position of their client, or (b) in performing their task of defending or representing that client in, or concerning judicial, administrative, arbitration or mediation proceedings.*

*3. Countries may allow lawyers, notaries, other independent legal professionals and accountants to send their STR to their appropriate self-regulatory organisations, provided that there are appropriate forms of cooperation between these organisations and the FIU.*

As discussed previously, solicitor-client privilege is a principle of fundamental justice in Canada. As such, the courts have determined that it would be unconstitutional for lawyers to report information about their clients to a government entity.

That said, legal professionals do have obligations to make inquiries and a duty to withdraw from representation if they suspect they may be assisting their client in committing a crime, including ML/TF. See [Table 1A](#) for more information.

## R28 – Regulation and supervision of DNFBPs

Law Societies in Canada meet the definition of a self-regulatory body, defined in the FATF methodology as:

*“An SRB is a body that represents a profession (e.g. lawyers, notaries, other independent legal professionals or accountants) and which is made up of members from the profession, has a role in regulating the persons that are qualified to enter and who practise in the profession and also performs certain supervisory or monitoring type functions. Such bodies should enforce rules to ensure that high ethical and moral standards are maintained by those practising the profession.”<sup>37</sup>*

Law societies derive their power to regulate legal professionals directly from their respective enabling legislation. Law societies are governed by a Board made up of members of the legal professions as well as non-lawyers who are appointed by the provincial government. Law Societies determine the requirements for entry into the profession, establish rules and codes of conduct of legal practice, have supervisory oversight and impose disciplinary measures for breaches of the rules and for professional misconduct, and monitor the use of trust accounts via detailed audit programs.

### a) Law Societies and their enabling legislation

All law societies in Canada are created by provincial/territorial statute. This legislation provides law societies with the authority to make rules governing the legal profession, including with respect to AMLTF obligations. The rules enacted in each jurisdiction have the force of regulation (legislation) in that they are binding on the legal professional. [Table 3](#) details the enabling legislation in each jurisdiction in Canada.

<sup>37</sup> FATF Methodology, p.184.



## b) Admission and Licensing Requirements

The mandate of all Canadian law societies is to protect the public interest, including by ensuring the public is served by competent and ethical legal professionals. As such, the law societies determine the requirements for admission to the legal profession and are responsible for all elements of licensing. This includes the required educational components, licensing examinations, and requirements related to good character.

To be licensed as a lawyer or a paralegal in Ontario, for example, the [Law Society Act](#) requires that an applicant be of “good character.” The good character requirement is ongoing and applies to applicants throughout their licensing term.

The good character requirement is intended to protect the public and maintain high ethical standards in the profession by ensuring that persons who are licensed as lawyers and paralegals show respect for the rule of law and the administration of justice and conduct themselves with honesty, integrity and candour. Applicants must fill out a Good Character Questionnaire and must self-report any conduct or circumstance that may raise issues about their character. This includes whether they have previously been convicted of a criminal offense in Canada or elsewhere. An affirmative answer does not automatically disqualify an applicant from licensing, but the law society will investigate the circumstances and determine whether the individual is fit to practice law.

Should any concerns arise in an application, the law society will investigate and if not satisfied that the test is met, could order a hearing. The onus would be on the applicant to meet the fitness and good character test.

All other law societies have similar requirements. For example, the [Legal Profession Act](#) in British Columbia imposes a statutory obligation requiring each applicant for enrolment to be of good character and is fit to become a barrister and solicitor of the Supreme Court.<sup>38</sup> The onus is on the applicant to establish that they have met the fitness and good character test.

Law Society staff screen all prospective applicants to ensure they are of good character and repute and are fit to become a barrister and a solicitor of the Supreme Court. This could include investigation of criminal charges, financial difficulties, and any other factors that may affect an applicant's character or fitness for practice.

If Law Society staff have concerns about the character or fitness of a candidate for enrolment, call and admission, transfer or reinstatement, the application is referred to the Credentials Committee. The Credentials Committee can:

- approve the application;
- approve the application with conditions;
- defer consideration pending further information or the completion of an investigation; or
- order a credentials hearing. At a hearing, the onus remains with the applicant to prove that they have met the fitness and good character test.

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<sup>38</sup> <https://www.lawsociety.bc.ca/licensing/good-character-assessment-for-applicants/>



The practice of law in any jurisdiction in Canada is limited to only individuals with a valid license from one of the 14 Canadian law societies.

### c) Standards of the Legal Profession

Law societies set standards, education on those standards, and regulate the profession to ensure legal professionals practice competently and ethically. The standards of accepted conduct arise from different instruments: the Code of Professional Conduct, the Model Rules as adopted by each law society, and the admissibility standards established by each law society. The standards applicable to the legal profession can be found in the [Model Code of Professional Conduct](#). Specifically, the code states:

**2.1-1** *A lawyer has a duty to carry on the practice of law and discharge all responsibilities to clients, tribunals, the public and other members of the profession honourably and with integrity.*

**2.1-2** *A lawyer has a duty to uphold the standards and reputation of the legal profession and to assist in the advancement of its goals, organizations and institutions.*

In addition, the commentary to the above provisions are instructive in terms of the applicable standards that members of the legal profession must uphold:

**[1]** *Integrity is the fundamental quality of any person who seeks to practise as a member of the legal profession. If a client has any doubt about his or her lawyer's trustworthiness, the essential element in the true lawyer-client relationship will be missing. If integrity is lacking, the lawyer's usefulness to the client and reputation within the profession will be destroyed, regardless of how competent the lawyer may be.*

**[2]** *Public confidence in the administration of justice and in the legal profession may be eroded by a lawyer's irresponsible conduct. Accordingly, a lawyer's conduct should reflect favourably on the legal profession, inspire the confidence, respect and trust of clients and of the community, and avoid even the appearance of impropriety.*

**[3]** *Dishonourable or questionable conduct on the part of a lawyer in either private life or professional practice will reflect adversely upon the integrity of the profession and the administration of justice. Whether within or outside the professional sphere, if the conduct is such that knowledge of it would be likely to impair a client's trust in the lawyer, the Society may be justified in taking disciplinary action.*

### d) Ownership of legal practices

All jurisdictions in Canada place limits on who can own a legal practice or hold shares in a legal practice.

As an illustrative example, in Ontario, under the *Law Society Act*, law firms must be owned and controlled by licensed lawyers or paralegals, with strict rules prohibiting non-lawyer ownership or control. Multi-disciplinary practices are allowed under specific conditions, but lawyers must maintain





control to ensure compliance with professional and ethical standards. These rules are designed to protect the independence of the legal profession and maintain public trust in the legal system.

Certain key principles related to law firm ownership in Ontario are:

### **Lawyers Must Control Law Firms**

- Law firms in Ontario must be owned and controlled by **licensed lawyers** or **paralegals** (if the firm provides paralegal services). This ensures that the firm is managed by individuals who are subject to the professional and ethical obligations of the legal profession.
- Non-lawyers are not permitted to own or control law firms, as this could compromise the independence of legal professionals and create conflicts of interest.

### **Multi-Disciplinary Practices (MDPs)**

- Ontario allows **multi-disciplinary practices (MDPs)**, where lawyers can partner with non-lawyers to provide a mix of legal and non-legal services. However, strict rules apply:
  - Lawyers must maintain **control of the firm** to ensure compliance with legal and ethical obligations.
  - Non-lawyer partners must agree to abide by the rules of professional conduct and the Law Society's regulations.
  - The legal services provided by the firm must not be compromised by the non-legal services.

### **Professional Corporations**

- Lawyers in Ontario can operate their law firms as **professional corporations**. However, the ownership of these corporations is restricted:
  - Only licensed lawyers (or paralegals, for paralegal firms) can own shares in the corporation.
  - Shareholders must be actively involved in the practice of law or the provision of legal services.
  - Non-lawyers cannot own shares in a professional corporation that provides legal services.

### **Prohibition on Fee-Sharing with Non-Lawyers**

- Lawyers and law firms are prohibited from sharing fees with non-lawyers. This rule is in place to prevent external influence on the lawyer's professional judgment and to protect the independence of the legal profession.

### **No Publicly Traded Law Firms**

- Ontario does not allow law firms to be publicly traded or owned by non-lawyers.

### **Ethical and Professional Obligations**





- Regardless of the ownership structure, all persons who are licensed to practise law or provide legal services, regardless of their professional business structure, must comply with the **Rules of Professional Conduct** set by the Law Society of Ontario. This includes obligations related to client confidentiality, conflicts of interest, and the duty to act in the best interests of clients.

While there are some minor variations of how these principles are applied in other jurisdictions, the limitation on ownership and control of law firms exists in all jurisdictions in Canada.

### e) Risk-Based Approach

In line with FATF criteria 28.4 and 28.5,<sup>39</sup> as well as the interpretive note to Recommendation 28, law societies take a risk-based approach to supervision and monitoring and determine the frequency and intensity of their supervisory and monitoring actions, including with respect to auditing.

While recognizing the importance of strong AML/CTF regulation across Canada, the profile of each law society in Canada is very different. While in Ontario, the law society monitors compliance with the AMLTF rules for their approximately 10,500 trust accounts, the Law Society of Prince Edward Island monitors compliance for the 36 trust accounts operating in their jurisdiction. The dollar value of transactions in each province/territory, as well as the economic sectors at risk for ML/TF are also quite different.

Robust audits can sometimes lead to deeper investigations. Investigations may also lead to disciplinary outcomes where law societies maintain a range of effective, proportionate and dissuasive sanctions for misconduct (discussed in more detail under Recommendation 35).

Law societies take a risk-based approach to the allocation of resources and monitoring of AMLTF related obligations. They have a clear understanding of risks and emerging risks related to ML/TF, and working together through the Federation and the Joint Working Group with the Government of Canada, discuss trends and developments that they should be aware of.

Law societies have extensive powers to perform supervisory functions. These include training of staff in respect of ML/TF risks, ensuring adequate resources, and crucially having broad and robust regulatory powers to conduct audits and investigations including compelling records and imposing discipline. [Table 4](#) provides extensive details on these powers.

### f) Investigations

Conducting investigations into potential breaches is a core function and a statutory requirement of each of the law societies as the regulator of legal professional. All law societies across Canada have powers to investigate legal professionals for misconduct in response to a complaint or on their own initiative. If there is a basis for investigation, information and documents will be gathered as per the powers to compel production of information. The legal professional is required to substantively and fully respond to all requests made during an investigation by a law society, including producing complete client files and accounting records, providing written responses and attending interviews. The investigation could

<sup>39</sup> FATF Methodology, at pp.98-99.



also include a review of the legal professional's files, interviews with various parties and an examination of accounting records.

Across law societies, investigators have broad general authority to direct the legal professional concerned or any other legal professional subject to regulation by the law society to answer inquiries, produce any records, give up possession of any records, and attend before the investigator. Legal professionals cannot refuse a request for information or refuse to attend. Furthermore, law societies are able to gather all records including those that are subject to solicitor-client privilege which places law societies in a unique regulatory position vis-a-vis legal professionals as they are the only bodies that can do so while respecting the constitution of Canada.

Investigations may lead to several outcomes: closing the complaint without further action; remedial measures may be ordered against the legal professional; or discipline may be ordered. A variety of sanctions may be imposed as a result of discipline ranging from a reprimand, fine, restrictions on practice, suspension or disbarment.

## R34 – Guidance and feedback

Recommendation 34, and criteria 34.1 of the FATF Methodology, state:

*“Competent authorities, supervisors and SRBs should establish guidelines and provide feedback, which will assist financial institutions and DNFBPs in applying national AML/CFT measures, and in particular, in detecting and reporting suspicious transactions.”*

A robust regulatory framework must be complemented by ensuring legal professionals understand the risks of ML/TF and their obligations to mitigate against those risks, including those set out the Code of Professional Conduct and under the law society rules. The Federation and the law societies recognize the importance of this and have developed comprehensive guidance and educational products to assist legal professionals in complying with AMLTF requirements.

This commitment reflects the Federation's and the law societies recognition of the vulnerability of legal professionals to being used unwittingly to further criminality.

### a) Education

The Federation and the law societies have taken a multifaceted approach to AML/CTF education, providing a range of educational resources to ensure that legal professionals are equipped with the knowledge and tools necessary to detect and respond appropriately to money laundering and terrorism financing risks. Central to this strategy is the continuous development and dissemination of educational resources tailored to the evolving nature of financial crimes. These resources include detailed guidelines, practice directives, and specialized training programs designed to enhance the proficiency of legal practitioners in AML compliance.

Central to this is the Federation's online learning program, [“Anti-Money Laundering and Terrorist Financing in the Canadian Legal Profession”](#). The program is divided into 5 modules, as described below.



Some law societies have been discussing making the program, or at least certain modules, mandatory for some or all of their licensees. The Federation’s AMLTF Standing Committee is also considering recommending that the program be a mandatory requirement.

Title	Module Highlights
1 <b>Understanding the Problem of Money Laundering and Terrorist Financing</b>	This module provides an overview of the entire program and explains the threats of money laundering and terrorist financing, how they are regulated, and why legal professionals need to be aware of the problem. Approx. 35-40 minutes
2 <b>Assessing and Managing Money Laundering Risks</b>	This module describes specific money laundering vulnerabilities and risks in providing legal services, the duty to apply risk appropriate management measures, and how to identify, assess and respond to risks. Approx. 60-70 minutes
3 <b>Key Due Diligence Requirements</b>	This module describes the requirements under the Model Rule on Client Identification and Verification and how to comply. Approx. 55-60 minutes
4 <b>Proper Use of Trust Accounts</b>	This module describes the requirements under the Model Trust Accounting Rule, how to comply, and implementing proper trust account management. Approx. 25-30 minutes
5 <b>Cash Transactions</b>	This module describes the requirements under the Model Rule on Cash Transactions and how to comply. Approx. 20-25 minutes

The program was conceived in full recognition of how legal professionals are exposed to unique risks in relation to money laundering and terrorist financing. Although some practice areas present higher risks, all legal professionals need to be aware of the potential for being targeted by criminals seeking to launder money or finance terrorist activities.

To combat ML/TF threats, legal professionals must understand the risks that may arise in their legal practice and be aware of their legal and regulatory obligations. Without such risk-based awareness and knowledge of the rules, they may find themselves unwittingly facilitating or participating in criminal activity.

The online program uses interactive tools like scenarios, videos, and quizzes to provide guidance to legal professionals on how to recognize and mitigate money laundering and terrorist financing risks and comply with their legal and regulatory obligations. The program supplements the written anti-money laundering and terrorist financing resources the Federation has developed for the profession.

The Federation has also worked to provide other educational opportunities for legal professionals and regulatory staff about AML rules and requirements. In September 2024, audit staff from the Law Society of British Columbia conducted a training session for members of the Trust Assurance Group, a working group consisting of members of all Canadian law societies, and others involved in administering or conducting law society audits that focused on how to incorporate AML requirements into auditing procedures.

In addition, the Federation’s 2024 annual conference focused on the role of legal regulation in combating money laundering and terrorist financing. Participants included senior staff, trust accounting personnel, investigators, and AMLTF specialists from law societies across Canada as well as their leadership (CEO’s, Treasurers, Executive Directors) and Federation council members including the



President, Vice-President and Board (council) members. The conference explored the various tools law societies have at their disposal to promote education and awareness among their members, the compliance and disciplinary powers they can use in cases of misconduct, and the challenges and opportunities that the regulators face in ensuring a continued evolution in the AMLTF space.

The Federation's focus on education underscores its understanding of the unique risks faced by the legal profession. By fostering a deep understanding of AML principles and practices, the Federation ensures that legal professionals can effectively identify suspicious activities and contribute to the broader efforts to uphold the rule of law and financial integrity.

The Federation makes these educational resources available across the country, and many law societies complement them with additional AMLTF educational programs for their members.

[Table 6](#) summarizes the initiatives undertaken by the various law societies.

Education and guidance at the individual law society level goes beyond the provision of educational materials/guidance on websites and via training programs. Many law societies engage in very targeted hands-on guidance in these areas during the course of compliance audits or when assisting their members in starting their practice.

## b) Practice Advice

In addition to educational resources, law societies provide practice management support and guidance to legal professionals when they have specific questions on what steps they should take in particular circumstances. Many law societies have practice advisors who can advise legal professionals on law society rules regarding trust accounts, requirements to identify and verify client identity and ethical and professional responsibility obligations including when to withdraw from a file or when to refuse to represent a possible client. Practice advice is a crucial component of the law societies AMLTF arsenal as it focuses on the prevention side rather than on discipline for misconduct. Assisting legal professionals in navigating their responsibilities limits the risk that legal professionals will find themselves in a situation where they are being used to further criminal activity.

Some law societies, including the [Law Society of British Columbia](#), also maintain a Frequently Asked Questions page to assist members in answering questions prior to contacting a practice advisor.

Law societies are also engaged in practice reviews of those they regulate. Practice reviews further the goal of quality assurance whenever legal services are provided or legal advice is given to members of the public. Practice reviews are designed to proactively assess the practice management capabilities of legal professionals and to identify any deficiencies, which, if neglected, could have an adverse effect on the quality of legal services offered to the public.<sup>40</sup>

Practice review staff at certain law societies provide personalized guidance aimed at helping legal professionals correct deficiencies within their practice management systems in order to avoid serious

<sup>40</sup> See Law Society of Ontario, Practice Reviews, updated September 24, 2024. <https://lso.ca/lawyers/about-your-licence/practice-reviews#mission-and-objectives-5>



non-compliance, competence or misconduct issues. It is another tool in the law societies arsenal to assist legal professionals before any problems arise, furthering the goal of preventing legal professionals being caught up in any potential money laundering activity.

### c) Comprehensive Guidance

In addition to educational initiatives, the Federation provides extensive guidance to legal professionals on best practices for AML compliance. This guidance is encapsulated in a series of comprehensive directives and frameworks that address money laundering and terrorism financing risks and the responsibilities of legal practitioners in the context of the AMLTF regulatory regime. The Federation's AMLTF guidance covers critical areas such as client identification and verification procedures, record-keeping requirements, and the implementation of risk-based approaches to managing potential AML threats. Below is a list of guidance that is available on the Federation's website:

- a) [FAQs on the Client Identification and Verification Rules](#) (March 2023)
- b) [Guidance for the Legal Profession: Your Professional Responsibility to Avoid Facilitating or Participating in Money Laundering and Terrorist Financing](#) (March 2023)
- c) [Guidance on Politically Exposed Persons](#) (December 2023)
- d) [Source of Funds Guidance](#) (December 2023)
- e) [Guidance on Monitoring Obligations](#) (July 2020)
- f) [Guidance on Using an Agent](#) (July 2020)
- g) [Canadian Sanctions Related to Russia and Belarus: Implications for the Profession](#) (April 2022)
- h) [Risk Assessment and Compliance](#) (December 2023)
- i) [Quick Reference Guide on Potential Risks \(Red Flags\)](#) (December 2023)
- j) [Risk Assessment Case Studies for the Legal Profession](#) (February 2020)
- k) [Risk Advisories for the Legal Profession: Advisories to Address the Risks of Money Laundering and Terrorist Financing](#) (December 2019)

The above guidance is designed to be both practical and adaptable, allowing legal professionals to integrate AMLTF best practices into their daily operations seamlessly.

In addition to the Federation's guidance, several law societies provide their own tailored guidance to their members related to managing AML risks, as described in [Table 6](#).

The Federation's emphasis on anti-money laundering education and guidance is a testament to its member law societies' dedication to protecting the public by upholding the integrity of the legal profession and the financial system. Through comprehensive educational initiatives, practical guidance frameworks, and collaborative efforts, the Federation empowers legal professionals to play a pivotal role in the fight against money laundering and terrorist financing. This unwavering commitment not only enhances the capabilities of legal practitioners but also reinforces the broader societal goal of safeguarding financial stability and security.



## R35 – Sanctions

A failure to comply with AML/CTF requirements by legal professionals may amount to professional misconduct and/or a breach of the Rules. All law societies in Canada have the authority to impose a range of effective, proportionate and dissuasive sanctions for breaches of the Code of Professional Conduct or the Rules, including any failures to comply with AML/CTF requirements. Law Societies may impose sanctions on lawyers and any managers or directors of a law firm that are required to be licensed legal professionals and subject to the same AML/CTF obligations as all other licensed legal professionals. Any breach of AML/CTF obligations, as well as any breach of other ethical obligations, may be subject to sanctions.

Sanctions available to law societies for breaches of AML/CTF obligations generally fit into the following categories:

- Restrictions or conditions on practice
- Reprimand
- Order the completion of a remedial program
- Suspension from practice
- Revocation of license (disbarment)
- Fines
- Administrative Monetary Penalties

Commensurate with Recommendation 35, this ensures that law societies are equipped with a range of effective, proportionate and dissuasive sanctions that they can impose for AMLTF breaches. Sanctions are applicable to any licensed legal professional under the jurisdiction of a law society. With rare exceptions, disciplinary sanctions that are ordered following a hearing (or as a part of a consent agreement) are published by the law societies.

[Table 7](#) provides details on the authorities that each law society has to impose sanctions.

## Conclusion

Working through the Federation, the law societies across Canada have established a robust and effective AMLTF regime that is responsive to the FATF Recommendations applicable to legal professionals (R1, R2, R10, R11, R12, R15, R17, R18, R19, R20, R22, R23, R28, R34, R35). The powers derived from legislation, combined with the activities undertaken by the law societies (including audits, investigations, discipline, sanctions, education, guidance and collaboration) demonstrate an understanding of AMLTF risks and a commitment to addressing those risks.

Specifically, law society regulation responds to the FATF Recommendations in the following manner:

- Recommendation 22 (DNFBP compliance with R10, R11, R12, R15, R17)
  - All law society powers and authorities are set out in binding legislation.
  - Regulations and by-laws enacted by the law societies have the force of regulation under their respective enabling legislation and the requirements in those regulations and



- bylaws, including in the standards of conduct set out in the codes of conduct, are binding on legal professionals.
- Mandatory Client Identification and Verification, Cash Transaction, and Trust Accounting rules are in force in each jurisdiction in the country. Failure to comply with any of these rules may result in imposition of a suite of available sanctions.
    - These requirements include: knowing your client and maintaining appropriate records, making inquiries into the source of funds, duty to make inquiries regarding the identity of the client, duty to withdraw from representation, and regular trust account reporting.
  - Recommendation 23 (DNFBP compliance with R18, R19, R20)
    - Audit, investigation and enforcement powers are found in the enabling legislation and regulations of each law society.
    - The law societies have the power to compel responses and production of records (irrespective of solicitor-client privilege).
    - Risk-based auditing is conducted and AMLTF specific rules are included in audit/inspections/investigations.
    - The law societies have the legal authority to impose sanctions for professional misconduct and/or breach of the rules.
    - The law societies have the authority to refer a matter to law enforcement where appropriate.
  - Recommendation 28
    - The law societies are the Self-Regulatory Bodies responsible for monitoring and ensuring compliance of legal professionals with AMLTF requirements.
    - The law societies have adequate powers to perform their functions, including powers to monitor compliance and take necessary measures to protect the public from criminal infiltration.
    - The law societies regulate legal professionals in a proportionate, risk-based way, which may include considering higher-risk practice areas and the profiles of legal professionals.
  - Recommendation 34
    - The law societies and the Federation have developed extensive educational tools, resources, and guidance for the legal profession to assist them in meeting their AMLTF obligations.
  - Recommendation 35
    - Law societies have a range of effective, proportionate and dissuasive sanctions at their disposal to appropriately address a legal professional's failure to comply with AMLTF requirements.

The law societies across Canada take their role as regulators very seriously. AMLTF has been a priority of regulation for many years, evidenced by the suite of AMLTF-focused rules, the extensive guidance, education and training provided to legal professionals, and by the disciplinary actions and resulting sanctions imposed when appropriate in cases of misconduct.

As Commissioner Cullen remarked in his final report:

*"The Law Society is empowered to review all material possessed by lawyers, including privileged information. It is therefore uniquely placed to examine all aspects of a lawyer's practice, and it has*





*powerful sanctions at its disposal. In some ways, Law Society regulation is able to target lawyer misconduct more effectively than the criminal justice system".<sup>41</sup>*

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<sup>41</sup> Cullen Commission Final Report, June 2022. At p.1133-4.



## List of Tables

Table 1 – AMLTF Regulations in force in each law society

Regulator	Legal Instrument (Force of legislation or other)	Rule on Client Identification and Verification	Rule on Cash Transactions	Trust Accounting Rule	FATF Standards the rules respond to
Law Society of British Columbia	<a href="#">Law Society Rules</a> (Statutory Instrument made pursuant to the <i>Legal Profession Act</i> )	Rule 3-98 to 3-110	Rule 3-59	Rule 3-58.1	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1, c.23.2-4
Law Society of Alberta	<a href="#">The Rules of the Law Society of Alberta</a> (Statutory Instrument made pursuant to the <i>Legal Profession Act</i> )	Rule 119.45 to 119.55	Rule 119.56 to 119.58	Rule 119.19	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1
Law Society of Saskatchewan	<a href="#">Law Society of Saskatchewan Rules</a> (Statutory Instrument made pursuant to the <i>Legal Profession Act</i> )	Rule 1541 to 1546	Rule 1503	Rule 1511	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1
Law Society of Manitoba	<a href="#">Law Society of Manitoba Rules</a> (Statutory Instrument made pursuant to the <i>Legal Profession Act</i> )	Rule 5-116 to 5-131	Rule 5-45	Rule 5-44(1)(a)	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1
Law Society of Ontario	<a href="#">Law Society of Ontario Rules of Professional Conduct</a> (Statutory Instrument made pursuant to the <i>Law Society of Ontario Act</i> )  <a href="#">By-law 9</a> – Financial Transactions and Records (Statutory Instrument made pursuant to the <i>Law Society of Ontario Act</i> )	Rule 3.2-7.2 <a href="#">By-Law 7.1</a> <ul style="list-style-type: none"> <li>Part III - client identification and verification.</li> <li>Part IV – Duty to withdraw</li> </ul>	<a href="#">By-law 9, Part III, paragraph 4.</a>	Rule 3.2-7.3  <a href="#">By-law 9, Parts III and IV.</a>	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1
Barreau du Québec	<a href="#">Code of Professional</a>	Art. 20 to 27 - <a href="#">Règlement sur la</a>	Art.69 - <a href="#">Règlement sur la</a>	Art. 47, 50, 52, 56 and 58 -	c.1.10, c.22.1,



	<a href="#">Conduct of Lawyers</a> (regulation, force of legislation)	<a href="#">comptabilité et les normes d'exercice professionnel des avocats</a>	<a href="#">comptabilité et les normes d'exercice professionnel des avocats</a>	<a href="#">Règlement sur la comptabilité et les normes d'exercice professionnel des avocats</a>	c.22.2, c.22.4, c.22.5, c.23.1
<b>Chambre des notaires du Québec</b>	<a href="#">Code de déontologie des notaires (r.2)</a> (adopté en vertu de la Loi sur le notariat (N-3) et du Code des professions (C-26))	Art. 11 et 43 - <a href="#">Loi sur le notariat (N-3)</a>  Art. 4-9 - <a href="#">Règlement sur la tenue des dossiers et des études des notaires (r.17)</a> (adopté en vertu de la Loi sur le notariat (N-3) et du Code des professions (C-26))  Art. 18 - <a href="#">Règlement sur la comptabilité en fidéicomis des notaires (r.5.2)</a> (adopté en vertu de la Loi sur le notariat (N-3) et du Code des professions (C-26))	Art. 20 - <a href="#">Règlement sur la comptabilité en fidéicomis des notaires (r.5.2)</a> (adopté en vertu de la Loi sur le notariat (N-3) et du Code des professions (C-26))  Art. 13 - <a href="#">Règlement sur la tenue des dossiers et des études des notaires (r.17)</a> (adopté en vertu de la Loi sur le notariat (N-3) et du Code des professions (C-26))	Art. 1-36 - <a href="#">Règlement sur la comptabilité en fidéicomis des notaires (r.5.2)</a> (adopté en vertu de la Loi sur le notariat (N-3) et du Code des professions (C-26))	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1
<b>Law Society of New Brunswick</b>	<a href="#">General Rules under the Law Society Act</a> (Statutory Instrument Made pursuant to the <i>Law Society of New Brunswick Act, 1996</i> )  Part 5 – Rules of the Society: ss. 17(1) and 17(2)	<a href="#">Rules on Client Identification, 2021</a> (Statutory Instrument Made pursuant to the <i>Law Society of New Brunswick Act, 1996</i> )  Part 5 – Rules of the Society: ss. 17(1) and 17(2)(e), (f), (g)	<a href="#">Rules on Cash Transactions</a> (Statutory Instrument Made pursuant to the <i>Law Society of New Brunswick Act, 1996</i> )  Part 5 – Rules of the Society: ss. 17(1) and 17(2)(e), (f), (g), (j)	Para. 3(5) of the <a href="#">Uniform Trust Account Rules</a> (Statutory Instrument Made pursuant to the <i>Law Society of New Brunswick Act, 1996</i> )  Part 5 – Rules of the Society: ss. 17(1) and 17(2)(i) and (j).	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1
<b>Nova Scotia Barristers' Society</b>	<a href="#">Nova Scotia Barristers' Society Regulations</a> (Statutory Instrument made pursuant to the <i>Legal Profession Act</i> ).	Art. 4.13 of Regulations	Art. 4.12.2 of Regulations.	Art 10.2.6 and 10.2.9.1 of Regulations	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1
<b>Law Society of Prince Edward Island</b>	<a href="#">The Regulations of the Law Society of Prince Edward Island</a> (Statutory Instrument Made	s.86	s.85(2)	s.73(5)	c.1.10, c.22.1, c.22.2, c.22.4,



	pursuant to the <i>Legal Profession Act, S.P.E.I. 1992, Cap. 39</i> )				c.22.5, c.23.1
<b>Law Society of Newfoundland and Labrador</b>	<a href="#">The Rules of the Law Society of Newfoundland and Labrador</a> (Regulation under <a href="#">Law Society Act, 1999, SNL 1999, c. L-9.1</a> )	Rule 16.01 to 16.12	Rule 15.01 to 15.04	Rule 5.03	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1
<b>Law Society of Yukon</b>	<a href="#">Rules of the Law Society of Yukon</a> (Statutory Instrument - Regulation by virtue of legislation)  See also for <a href="#">explanation of AML Rules</a>	Division 17, Rule 170 to 182.	Division 17, Rule 169.	Division 16, Rule 154 and 155(2)	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1
<b>Law Society of the Northwest Territories</b>	<a href="#">Rules of the Law Society of the Northwest Territories</a> R-044-2012 (Statutory Instrument - Regulation under the Legal Profession Act)	Rule 134.4 to 135.3	Rule 98 and 99	Rule 100, 125, 126.	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1
<b>Law Society of Nunavut</b>	<a href="#">Rules of the Law Society of Nunavut</a> (Statutory Instrument - Regulation under the Legal Profession Act)	Rule 80.2 to 80.9	Rule 80.1	Rule 85	c.1.10, c.22.1, c.22.2, c.22.4, c.22.5, c.23.1

Table 1A – Requirements to Identify and Manage Risks

Rule/Code	Provision
<a href="#">Model Code of Professional Conduct</a>	<p><b>2.1-1</b> A lawyer has a duty to carry on the practice of law and discharge all responsibilities to clients, tribunals, the public and other members of the profession honourably and with integrity.</p> <p><b>3.2-7</b> A lawyer must never:</p> <ul style="list-style-type: none"> <li>(a) knowingly assist in or encourage any dishonesty, fraud, crime, or illegal conduct.</li> <li>(b) do or omit to do anything that the lawyer ought to know assists in or encourages any dishonesty, fraud, crime, or illegal conduct by a client or others, or</li> <li>(c) instruct a client or others on how to violate the law and avoid punishment.</li> </ul>



Rule/Code	Provision
	<p><b>Commentary</b></p> <p><b>[1]</b> A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p> <p><b>[2]</b> A lawyer should be alert to and avoid unwittingly becoming involved with a client or others engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these and other criminal activities may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p><b>[3]</b> If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of the client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p> <p><b>3.2-8</b> A lawyer who is employed or retained by an organization to act in a matter in which the lawyer knows that the organization has acted, is acting or intends to act dishonestly, fraudulently, criminally, or illegally, must do the following, in addition to his or her obligations under rule 3.2-7:</p> <p>(a) advise the person from whom the lawyer takes instructions and the chief legal officer, or both the chief legal officer and the chief executive officer, that the proposed conduct is, was or would be dishonest, fraudulent, criminal, or illegal and should be stopped;</p> <p>(b) if necessary because the person from whom the lawyer takes instructions, the chief legal officer or the chief executive officer refuses to cause the proposed conduct to be stopped, advise progressively the next highest persons or groups, including ultimately, the board of directors, the board of trustees, or the appropriate committee of the board, that the proposed conduct was, is or would be dishonest, fraudulent, criminal, or illegal and should be stopped; and</p> <p>(c) if the organization, despite the lawyer's advice, continues with or intends to pursue the proposed wrongful conduct, withdraw from acting in the matter in accordance with the rules in section 3.7.</p> <p><b>3.7-7</b> A lawyer must withdraw if:</p> <p>(a) discharged by a client;</p> <p>(b) a client persists in instructing the lawyer to act contrary to professional ethics; or</p>



Rule/Code	Provision
	(c) the lawyer is not competent to continue to handle a matter.
Federation Model <a href="#">Client Identification and Verification Rule</a>	<p><b>Requirement to Verify Client Identity</b></p> <p>6. (1) When a lawyer is engaged in or gives instructions in respect of any of the activities described in section 4, the lawyer must</p> <ul style="list-style-type: none"> <li>(a) obtain from the client and record, with the applicable date, information about the source of funds described in section 4.</li> <li>(b) verify the identity of the client, including the individual(s) described in paragraph 3(2)(d), and, where appropriate, the third party using the documents or information described in subsection (6).</li> </ul> <p><b>Record Keeping and Retention</b></p> <p>7. (1) A lawyer must obtain and retain a copy of every document used to verify the identity of any individual or organization for the purposes of subsection 6(1).</p> <p>(2) The documents referred to in subsection (1) may be kept in a machine-readable or electronic form, if a paper copy can be readily produced from it.</p> <p>(3) A lawyer must retain a record of the information, with the applicable date, and any documents obtained for the purposes of section 3, subsection 6(7) and subsection 10(2) and copies of all documents received for the purposes of subsection 6(1) for the longer of</p> <ul style="list-style-type: none"> <li>(a) the duration of the lawyer and client relationship and for as long as is necessary for the purpose of providing service to the client, and</li> <li>(b) a period of at least six years following completion of the work for which the lawyer was retained.</li> </ul> <p><b>Criminal activity, duty to withdraw at time of taking information</b></p> <p>9. (1) If in the course of obtaining the information and taking the steps required in section 3 and subsections 6(1), (7) or (10), a lawyer knows or ought to know that he or she is or would be assisting a client in fraud or other illegal conduct, the lawyer must withdraw from representation of the client.</p> <p>(2) This section applies to all matters, including new matters for existing clients, for which a lawyer is retained after this Rule comes into force.</p> <p><b>Monitoring</b></p> <p>10. During a retainer with a client in which the lawyer is engaged in or gives instructions in respect of any of the activities described in section 4, the lawyer must:</p> <p>(1) monitor on a periodic basis the professional business relationship with the client for the purposes of:</p> <ul style="list-style-type: none"> <li>(a) determining whether             <ul style="list-style-type: none"> <li>(i) the client's information in respect of their activities,</li> <li>(ii) the client's information in respect of the source of the funds described in section 4, and</li> <li>(iii) the client's instructions in respect of transactions are consistent with the purpose of the retainer and the information obtained about the client as required by this Rule, and</li> </ul> </li> </ul>



Rule/Code	Provision
	<p>(b) assessing whether there is a risk that the lawyer may be assisting in or encouraging fraud or other illegal conduct; and</p> <p>(2) keep a record, with the applicable date, of the measures taken and the information obtained with respect to the requirements of paragraph (1)(a) above.</p> <p><b>Duty to withdraw</b></p> <p>11. (1) If while retained by a client, including when taking the steps required in section 10, a lawyer knows or ought to know that he or she is or would be assisting the client in fraud or other illegal conduct, the lawyer must withdraw from representation of the client.</p>

Table 2 – Powers to share information

Law Society	Authority to share information	Agreement in place to <u>receive information from law enforcement</u> ?
<b>Law Society of British Columbia</b>	<p>LSBC may refer a matter to law enforcement where there is evidence of an offense pursuant to Rules 3-3(5) or 4-8(4) of the Law Society Rules which state:</p> <p>Rule 3-3(5) Despite subrule (1), with the consent of the Discipline Committee, the Executive Director may deliver to a law enforcement agency any information or documents obtained under this division that may be evidence of an offence.</p> <p>Rule 4-8(4) Despite subrule (1), with the consent of the Discipline Committee, the Executive Director may deliver to a law enforcement agency any information or documents obtained under this division that may be evidence of an offence.</p> <p>When making a disclosure to law enforcement, LSBC must not disclose any information subject to solicitor and client privilege or confidentiality. (see s. 88 of the <i>Legal Profession Act</i>).</p>	Yes. LSBC has MOUs with the RCMP and all municipal police forces in BC, except the newly formed Surrey Police force. These MOUs date back more than 20 years. LSBC is in the process of updating the MOU with the RCMP.
<b>Law Society of Alberta</b>	ss. 78(5) and 78(6) of the Legal Profession Act: where the Conduct Committee, the Hearing Committee, or a panel of Benchers, is of the opinion that there are reasonable and probable grounds to believe that a member has committed a criminal offence, they may direct the ED to advise the Minister of Justice and Solicitor General.	Being negotiated with the RCMP as at March 2025.
<b>Law Society of Saskatchewan</b>	<p><b><u>Legal Professional Act</u></b></p> <p>s.54(2) If a hearing committee, on making its decision pursuant to the rules, believes that the member who is</p>	Being negotiated with the RCMP as at March 2025.





	<p>the subject of the hearing may be guilty of a criminal offence related to the member's practice, the chairperson of that committee shall immediately report the belief and surrounding circumstances to the Deputy Minister of Justice. (3) The executive director, in the executive director's sole discretion, may, at any time, disclose to a law enforcement authority any information about possible criminal activity on the part of a member that is obtained during an investigation or audit pursuant to this Act.</p> <p><b>Law Society of Saskatchewan Rules</b></p> <p>1120(3) Notwithstanding subrule (1), the Executive Director, in the Executive Director's sole discretion may, at any time, disclose to a law enforcement authority any information about possible criminal activity on the part of a member that is obtained during an investigation or audit pursuant to the Act.</p> <p>1130(1) The Hearing Committee shall, following completion of the evidence and submissions from Discipline Counsel and the member, by majority decision: (c) determine whether the member may be guilty of a criminal offence related to the member's practice, in which case subsection 54(2) of the Act applies.</p>	<ul style="list-style-type: none"> <li>Disclosure excludes information that is compellable by the Law Society of Saskatchewan.</li> </ul>
<b>Law Society of Manitoba</b>	<p><b>The Legal Profession Act. s. 69(2)(d)</b> . . . the President, the vice-president, the chief executive officer or the chair or vice-chair of the complaints investigation committee have a duty to disclose to a law enforcement authority any information about possible criminal activity on the part of a member that is obtained during an investigation under this Division.</p>	Being negotiated with the RCMP as at March 2025.
<b>Law Society of Ontario</b>	<p>Section 49.12(1) of the Law Society Act imposes confidentiality obligations. There are exceptions under section 49.12(2), including significant risk of financial harm, to life, health, or security. To disclose otherwise, an order of the Superior Court of Justice is required under section 49.13. In the absence of an order, the LSO refers to public records and/or recommend that complainants report to law enforcement authorities.</p> <p>The application of these sanctions is set out in the following link: <a href="#">Process for reporting criminal or illegal activity   Law Society of Ontario</a></p>	Yes. There are formal agreements with the RCMP and the Financial Services Regulatory Authority of Ontario.
<b>Barreau du Québec</b>	<p>Not applicable to the Barreau du Québec. See s. 124 of the <i>Professional Code</i>, CQLR, c C-26:</p> <p><b>124.</b> [Nothing] prohibiting the sharing of useful information or documents <u>between the syndics of different professional orders for the same purpose or between the syndics and the Director of Criminal and Penal Prosecutions within the scope of the powers conferred on the Director by Chapter II.1 of the Act</u></p>	<p>Being negotiated with the RCMP as at March 2025.</p> <p>However, an agreement signed in compliance with s. 55.5 of the <i>Professional Code</i> between the Barreau du Québec and the Directeur des poursuites criminelles et pénales (DPCP) requires the DPCP to inform the Barreau du Québec when a criminal accusation, whether a criminal act or an offense prosecuted</p>



	<p><u>respecting the Director of Criminal and Penal Prosecutions (chapter D-9.1.1).</u></p> <p><u>The second paragraph shall not however operate to authorize a syndic to disclose information that is protected by professional secrecy between an advocate or a notary and a client.</u></p>	by summary procedure is brought against a member of the Barreau du Québec.
<b>Chambre des notaires du Québec</b>	Not applicable to la Chambre des notaires du Québec. See above s. 124 of the <i>Professional Code</i> , CQLR, c C-26:	<p>Being negotiated with the RCMP as at March 2025.</p> <p>However, an agreement signed in compliance with s. 55.5 of the <i>Professional Code</i> between the Chambre des notaires du Québec and the Directeur des poursuites criminelles et pénales (DPCP) requires the DPCP to inform the Chambre des notaires du Québec when a criminal accusation, whether an act criminal or an offense prosecuted by summary procedure, is brought against a member of the Chambre des notaires du Québec.</p>
<b>Law Society of New Brunswick</b>	No express authority in legislation. However, Council adopted a Disclosure Policy Regarding suspected criminal Activity by a Member of the Law Society.	Being negotiated with the RCMP as at March 2025.
<b>Nova Scotia Barristers' Society</b>	<p><i>Legal Profession Act</i></p> <p>s. 40 (1) All complaints received or under investigation and all proceedings of the Complaints Investigation Committee shall be kept confidential by the Society.</p> <p>(2) Notwithstanding subsection (1)</p> <p>...</p> <p>(d) the Executive Director, on the recommendation of the Complaints Investigation Committee, may disclose to law enforcement authorities any information about possible criminal activity on the part of a member of the Society that is obtained during an investigation pursuant to this Act;</p> <p>...</p> <p>Reporting to Law Enforcement Policy.</p>	Being negotiated with the RCMP as at March 2025.
<b>Law Society of Prince Edward Island</b>	No express authority in legislation. However, Council Policy requires reporting to police of any suspected criminal activity.	Being negotiated with the RCMP as at March 2025.
<b>Law Society of Newfoundland and Labrador</b>	It is a requirement under section 45(4.1) of the Law Society Act, 1999 that the president, vice-president, executive director and chair and vice-chair of the complaints authorization committee disclose to a law	Being negotiated with the RCMP as at March 2025.



	enforcement authority any information regarding possible criminal activity on the part of a member that is obtained during an investigation.	
<b>Law Society of Yukon</b>	<p>Legal Profession Act, 2017 Authority</p> <p><b>Section 55((5)(b))</b> states:</p> <p><b>(5)</b> The Executive Director or another individual whom the Executive designates for this purpose may, subject to the rules, disclose information (including information that is subject to solicitor-client privilege) in relation to a complaint about a member</p> <p><b>(b)</b> to a law enforcement authority, if the information relates to possible criminal activity by the member</p> <p><a href="#">Rules of the Law Society of Yukon</a></p> <p><b>104(3):</b> The Executive Director may, under subsection 55(5) of the Act, disclose to a governing body, a body that regulates legal professionals in a jurisdiction outside Canada, or a law enforcement agency information that is subject to solicitor-client privilege if the Executive Director is satisfied that the information</p> <ul style="list-style-type: none"> <li>(a) is adequately protected against further disclosure; and</li> <li>(b) will not be used for any purpose other than the regulation of the provision of legal services in the jurisdiction of the governing body or other body or law enforcement.</li> </ul>	No.
<b>Law Society of the Northwest Territories</b>	No express authority. However, Law Society Policy states that where the Executive has reason to believe that a member has been involved in criminal activity, a written report will be made to law enforcement.	Being negotiated with the RCMP as at March 2025.
<b>Law Society of Nunavut</b>	No express authority.	N/A

*Table 3 - Law Societies and their enabling legislation*

Law Society	Enabling Legislation	Regulation-Making Authority
Law Society of British Columbia	Legal Profession Act (SBC 1998, c 9)	Authority to make rules regarding conduct, discipline, and practice standards.
Law Society of Alberta	Legal Profession Act (RSA 2000, c L-8)	Authority to establish rules for professional conduct and standards.
Law Society of Saskatchewan	Legal Profession Act, 1990 (SS 1990-91, c L-10.1)	Authority to make rules for the governance of members, including financial transactions.



Law Society of Manitoba	Legal Profession Act (CCSM c L107)	Power to create rules and regulations for practice and professional conduct.
Law Society of Ontario	Law Society Act (RSO 1990, c L.8)	Authority to establish rules of professional conduct and practice management.
Barreau du Québec	Professional Code (CQLR c C-26) & Act respecting the Barreau du Québec (CQLR c B-1)	Power to regulate the profession, including ethical standards and financial transactions.
Chambre des notaires du Québec	<a href="#">Notaries Act</a> , N-3 Professional Code (CQLR c C-26)	Power to regulate the profession, including ethical standards and financial transactions.
Law Society of New Brunswick	Law Society Act, 1996 (SNB 1996, c 89)	Authority to create rules regarding practice standards and professional conduct.
Nova Scotia Barristers' Society	Legal Profession Act (SNS 2004, c 28)	Authority to regulate professional conduct and practice standards.
Law Society of Prince Edward Island	Legal Profession Act (PEI)	Authority to establish rules for practice and professional standards
Law Society of Newfoundland and Labrador	Law Society Act, 1999 (SNL 1999, c L-9.1)	Authority to regulate the practice of law and the legal profession in the public interest. Power to make rules regarding the governance of members and professional conduct.
Law Society of Yukon	Legal Profession Act, 2017, SY 2017, c.12 (Yukon)	Authority to create rules for professional conduct and practice standards
Law Society of the Northwest Territories	Legal Profession Act (NWT)	Authority to establish rules for the regulation of practice and conduct
Law Society of Nunavut	Legal Profession Act (Nunavut)	Power to make rules for professional conduct and practice standards





Federation of  
Law Societies  
of Canada

Fédération des ordres  
professionnels de juristes  
du Canada

Table 4 – Supervisory Powers to compel records, investigate and audit accounts

Law Society/Regulator	Powers to compel records or other information	Investigative Powers	Audit powers
<b>Law Society of British Columbia</b>	<p><b>(1) Rule 4-55 Investigation</b></p> <p>A Rule 4-55 Investigation is an investigation of the entire books, records and accounts of a lawyer and law firm. The Rule 4-55 Order is obtained without notice to the subject lawyer/law firm and authorizes the LSBC <b>to seize</b> the records of the lawyer/law firm and to mirror image the electronic records (computers, cell phones, tablets, USBs etc.). These powers have been upheld by the BC courts: <i>Re A Lawyer v. The Law Society of British Columbia</i>, <a href="#">2021 BCCA 437</a>.</p> <p>A Rule 4-55 Investigation is conducted under the authority of s. 36(b) of the <a href="#">Legal Profession Act</a>:</p> <p><b>s.36 (b):</b> authorize an investigation of the books, records, accounts of a lawyer or law firm if there is reason to believe they have committed any discipline violation.</p> <p>Pursuant to Rule 4-55 of the <a href="#">Law Society Rules</a>:</p> <p><b>4-55(1):</b> If the chair of the discipline Committee reasonably believes that a lawyer or former lawyer may have committed a discipline violation, the chair may order that the Executive Director conduct an investigation of the books, records and accounts of the lawyer or former lawyer, including, if considered desirable in the opinion of the chair, all electronic records of the lawyer or former lawyer.</p>	<p>The information is already set out in the previous column as it relates to complaint investigations (s. 26 of the LPA and Part 3, Div.1 of the Rules) and Rule 4-55 Investigations (s. 36(b) of the LPA and Rule 4-55).</p> <p>Additional powers during an investigation, include:</p> <ul style="list-style-type: none"> <li>- Ability to bring interim proceedings when public at risk under authority of s. 26.01 of the LPA and Rule 3-10</li> <li>- Ability to seek an order for a medical examination under s. 26.02 of the LPA and Rule 3-11.</li> </ul> <p>When there are competency concerns, the lawyer may be referred to the Practice Standards Committee for an investigation into their competency under s. 27 of the LPA and Rules 3-15 to 3-25 (Part 3. Div.2).</p>	<p>Compliance audit authority noted in column 1.</p> <p>Mandatory Reports by lawyers and law firms authorized under the <a href="#">Legal Profession Act</a>:</p> <p><b>Trust Accounts s.33(1):</b></p> <ul style="list-style-type: none"> <li>(a) provide information or an annual report concerning the lawyer's or law firm's books and accounts;</li> <li>(b) have all or part of the lawyer's or law firm's books and accounts audited or reviewed annually;</li> <li>(c) provide the executive director with an accountant's report on the lawyer's or law firm's books and accounts</li> </ul> <p>-Rule 3-79 of the Law Society Rules- Mandatory annual trust report. Failure to file results in suspension under Rule 3-81.</p> <p>-Rule 3-82-requirement may be imposed to submit an Accountant's Report as part of the annual trust report.</p>

	<p>...</p> <p>(6) When an order is made under subrule (1), the lawyer or former lawyer concerned must do the following as directed by the Executive Director:</p> <p>...</p> <p>(c) immediately produce and permit the copying of all files, vouchers, records, accounts, books and any other evidence regardless of the form in which they are kept;</p> <p>(d) provide any explanations required for the purpose of the investigation;</p> <p>(e) assist the Executive Director to access, in a comprehensible form, records in the lawyer's possession or control that may contain information related to the lawyer's practice by providing all information necessary for that purpose, including but not limited to</p> <p>(i) passwords, and</p> <p>(ii) encryption keys.</p> <p>(7) When an order has been made under this rule, the lawyer concerned must not alter, delete, destroy, remove or otherwise interfere with any book, record or account within the scope of the investigation without the written consent of the Executive Director.</p>		
	<b>(2) Complaint Investigation</b>		



	<p>A complaint investigation is conducted under the authority set out in s. 26 of the <a href="#">Legal Profession Act</a>.</p> <p><b>s. 26(2)</b> The benchers may make rules authorizing an investigation into the conduct of a law firm or the conduct or competence of a lawyer, former lawyer or articulated student, whether or not a complaint has been received under subsection (1).</p> <p>A complaint investigation is conducted pursuant to Part 3, Division 1 of the <a href="#">Law Society Rules</a> including: Rule 3-5 which provides:</p> <p>Rule 3-5(7): A lawyer must co-operate fully in an investigation under this division by all available means including, but not limited to, responding fully and substantively, in the form specified by the Executive Director</p> <p>(a) to the complaint, and</p> <p>(b) to all requests made by the Executive Director in the course of an investigation.</p> <p>Rule 3-5(8) When conducting an investigation of a complaint, the Executive Director may</p> <p>(a) require production of files, documents and other records for examination or copying,</p> <p>(b) require a lawyer to</p> <p>(i) attend an interview,</p>		
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	<p>(ii) answer questions and provide information relating to matters under investigation, or</p> <p>(iii) cause an employee or agent of the lawyer to answer questions and provide information relating to the investigation,</p> <p>(c) enter the business premises of a lawyer</p> <p>(i) during business hours, or</p> <p>(ii) at another time by agreement with the lawyer.</p> <p>Rule 3-5(11): A lawyer who is required to produce files, documents and other records, provide information or attend an interview under this rule must comply with the requirement</p> <p>(a) even if the information or files, documents and other records are privileged or confidential, and</p> <p>(b) as soon as practicable and, in any event, by the time and date set by the Executive Director.</p> <p>When a lawyer fails to comply with investigation requests, they may be suspended from the practice of law under Rule 3-6 of the Law Society Rules.</p> <p>(3) <b>Investigation Orders:</b> <a href="#">S. 26(4) of the Legal Profession Act</a>, gives the LSBC authority to issue an order in an investigation to <b>any person</b> to require them to (i) attend in person to answer questions under oath; (ii) produce for the LSBC a record or thing in that person's</p>		
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	<p>possession or control. A failure to comply with a s. 26(4) order can result in the person being liable for contempt.</p> <p><b>Se. 26(4)</b>-For the purposes of an investigation authorized by rules made under subsection (2), an employee designated or a person appointed under subsection (3) may make an order requiring a person to do either or both of the following:</p> <p>(a)attend, in person or by electronic means, before the designated employee or appointed person to answer questions on oath or affirmation, or in any other manner;</p> <p>(b)produce for the designated employee or appointed person a record or thing in the person's possession or control.</p> <p><b>Search and Seizure court order</b></p> <p>S. 37 of the Legal Profession Act permits the LSBC to apply to the BC Supreme Court for an order that files or other records of a lawyer/law firm be seized if there are reasonable grounds to believe that the lawyer or law firm may have committed or will commit any misconduct, conduct unbecoming or a breach of the LPA or Law Society Rules.</p> <p><b>Compliance Audits</b></p> <p>The LSBC conducts routine audits on law firms, including compliance with the trust accounting rules, CIV Rules, cash transaction Rule, use of a trust account, and other AML obligations pursuant to the</p>		
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	<p>authority set out in s. 32(2) and s. 36(c) of the Legal Profession Act:</p> <p><b>s. 32(2)</b> Authorize examination of books, records, and accounts of lawyers and law firms and answering of questions</p> <p><b>s.36(c)</b> Authorize an examination of the books, records and accounts</p> <p>Compliance audits are conducted under Rule 3-85 of the <a href="#">Law Society Rules</a>:</p> <p><b>3-85(1)</b> The Executive Director may at any time order a compliance audit of the books, records and accounts of a lawyer for the purpose of determining whether the lawyer meets standards of financial responsibility established under this Part, including but not limited to maintaining books, records and accounts in accordance with this division.</p> <p>(2) When an order is made under subrule (1),...</p> <p>(b) on notification of the order, the lawyer concerned must immediately produce and permit the copying of all files, vouchers, records, accounts, books and any other evidence and must provide any explanations required by the person designated under paragraph (a) for the purpose of completing the compliance audit.</p>		
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	<p>Failure to produce the requested records on a compliance audit results in a suspension under Rule 3-86.</p> <p><b>3-86</b> - Subject to subrules (2) and (3), a lawyer who does not produce and permit the copying of records and other evidence or provide explanations as required under Rule 3-85 (2) (b) [Compliance audit of books, records and accounts] is suspended until the records are produced, copying is permitted and explanations are provided to the satisfaction of the Executive Director.</p>		
<b>Law Society of Alberta</b>	<p><u>Legal Profession Act:</u></p> <p><b>53(3):</b> ED has authority to require the complainant or member to answer inquiries or to furnish any records.</p> <p><b>55(2):</b> An investigator has authority to direct the member concerned or any other member to answer inquiries, produce any records, give up possession of any records, attend before the investigator.</p> <p><b>112(1)</b> A member may not in any proceedings under Part 3 or 4 refuse to give evidence, answer inquiries or produce or make available any records or other property on the ground of solicitor and client privilege if the evidence, inquiry, records or other property is material to the proceedings.</p> <p><b>s.56(2):</b> The Conduct Committee, in the course of its review under subsection (1), may do either or both of the following:</p> <p>(a) require the complainant or the member concerned to answer any inquiries or to produce any records that the Committee considers relevant for the purpose of the review;</p> <p>(b) direct that the conduct be investigated or further investigated.</p>	<p><u>Legal Profession Act:</u></p> <p><b>s.53:</b> ED reviews all complaints regarding conduct. 53(3) provides authority for ED to direct an investigation and/or to require the complainant or the member to answer inquiries or to furnish any records.</p> <p><b>s.55(2):</b> An investigator may direct the member concerned or any other member to answer inquiries, produce any records, give up possession of any records, attend before the investigator. An investigator may investigate other conduct that arises in the course of the investigation.</p>	<p><u>Legal Profession Act:</u></p> <p><b>s.7(2)(q):</b> The benchers may make rules respecting the review or audit of records, including with respect to the maintenance and regulation of records of members, money entrusted to them or held, received or paid by them for or on account of their clients or others.</p> <p><u>The Rules of the Law Society of Alberta:</u></p> <p><b>Rule 119.38 (1)</b> - Mandatory annual trust reports. Failure to file results in late filing fees and subsequent suspension under <b>Rule 119.38 (6)</b>.</p> <p><b>Rule 119.44(3)(c)(i) and (ii):</b> A lawyer acting in a representative capacity must file with the Executive Director an undertaking to submit on demand the booked, records, accounts, documentation etc. of the estate or trust sufficient to accommodate a review, audit or examination, and must cooperate with the LSA's auditor or investigator in the conduct of any examination, audit or investigation that may be ordered.</p> <p><b>Rule 119.59(2) - Compliance Audits</b></p>

	<p><a href="#"><u>The Rules of the Law Society of Alberta:</u></a></p> <p><b>s.85(7):</b> A member who is subject of a complaint shall cooperate fully with the LSA, furnish any records, and respond fully and substantively to any request or inquiries.</p> <p><b>s.119.59(4):</b> Powers to compel information during an examination, review, audit, or investigation.</p>	<p>The benchers may direct a person to review, examine, audit, investigation or complete the financial records and other records of a lawyer or law firm to determine compliance with the act and rules.</p> <p><b>Rule 119. 59 (4)</b> Where a person conducts an examination, review, audit or investigation under this Rule,</p> <p>(a) a lawyer must produce all records and supporting documentation, including client files that that person may require for the examination, review, audit or investigation; and</p> <p>(b) the examination, review, audit or investigation of the lawyer's or the law firm's financial records and other records must, where practicable, be held in the office of that lawyer or law firm, or must be held in the Society's offices.</p> <p><b>Rule 119.59 (5)</b> - If a lawyer does not produce all records and supporting documentation, in accordance with subrule (4)(a), then the Executive Director may do one or more of the following:</p> <p>(a) request that the lawyer provide an undertaking to not operate a trust account;</p> <p>(b) revoke the law firm's approval to operate a trust account;</p> <p>(c) revoke the lawyer's status as a responsible lawyer; request that a Society investigator contact the lawyer to conduct</p>
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			<p>inquiries into the failure to comply with subrule (4)(a);</p> <p>(e) request a review of the matter by the Executive Director in accordance with section 53 of the Act; or</p> <p>(f) require the lawyer to pay the costs of the audit.</p>
<p><b>Law Society of Saskatchewan</b></p>	<p><a href="#">Legal Profession Act</a></p> <p><b>s.40(2):</b> For the purposes of an investigation authorized pursuant to subsection (1), a person designated by the society may, at any time, make a written demand requiring a person to do either or both of the following:</p> <p>(b) produce for the designated person a record or thing in the person's possession or control that the designated person reasonably believes is required for the purposes of an investigation pursuant to this Act</p> <p><b>s.84.1(2):</b> A member shall not in any proceedings pursuant to this Act refuse to answer inquiries or provide any information, member's records or other property within the member's possession or power on the grounds of solicitor and client privilege.</p>	<p><a href="#">Legal Profession Act:</a></p> <p><b>S. 10</b> The benchers may make rules for the governing of the society, for the regulating of members, firms, articulated students-at-law and applicants, and for the carrying out of this Act, for the following purposes:</p> <p>(n) providing for the making, investigating, hearing and determining of complaints against members and for any other matters necessary to carry out the discipline provisions of this Act;</p> <p><b>S.40:</b> Preliminary investigations - authorized when a complaint is received or otherwise becomes aware of conduct unbecoming.</p> <p><b>s.63(1):</b> Every member and every person who keeps any of a member's records or other property shall comply with a demand of a person designated by the society to produce any of the member's records, or other property, that the designated person reasonably believes are required for the purposes of an investigation pursuant to this Act.</p>	<p><a href="#">Legal Profession Act:</a></p> <p><b>S. 10</b> The benchers may make rules for the governing of the society, for the regulating of members, firms, articulated students-at-law and applicants, and for the carrying out of this Act, for the following purposes:</p> <p>(s) requiring members to keep and maintain books, records and accounts in the prescribed form and manner with respect to all moneys, other negotiable property and other consideration received or disbursed in connection with the member's practice, and establishing criteria with respect to the furnishing of evidence that those books, records and accounts are being kept and maintained in accordance with the rules; (t) providing for: (i) the investigation or inspection of books, records, accounts, files and office management systems of members by: (A) the officers, auditors or agents of the society; or (B) any other person designated by the benchers or appointed by the conduct investigation committee; and</p> <p><a href="#">Law Society of Saskatchewan Rules:</a></p>



		<p><u>Law Society of Saskatchewan Rules:</u></p> <p><b>1102</b> (2) Professional Responsibility Counsel shall investigate either or both of the conduct or competence of the member when the Society:</p> <p>(a) receives a complaint with respect to a member; (b) otherwise becomes aware of either conduct by a member that is or may be conduct unbecoming or may display incompetence, or both; or (c) becomes aware that a firm fails to, or refuses to: (i) pursuant to Rule 907, either cooperate with the Society representative conducting a firm visit or comply with all reasonable requests of the Society representative; (ii) pursuant to Rule 908, address deficiencies in policies, practices or systems that raise a concern about the ability of its members to meet their ethical obligations under the Code.</p> <p><b>1110(1)</b> The Conduct Investigation Committee:</p> <p>(a) shall review, investigate and consider any complaint matter referred to it by Professional Responsibility Counsel, the Chairperson of the Competency Committee, the Ethics Committee or the Complainants' Review Committee; (b) may review, investigate and consider any conduct of a member that may constitute conduct unbecoming, whether or not it formed the substance of a complaint or the substance of the referral to the Conduct Investigation Committee; and (c) may direct Professional Responsibility Counsel to complete whatever further inquiries and investigations it considers desirable before concluding its review, investigation and consideration of a complaint matter.</p>	<p><b>1533(1)</b> The auditor is authorized to attend at the offices and branch offices of any member to review any or all of the member's books and records required to be kept pursuant to the Act and these Rules.</p> <p><b>(2)</b> The auditor may conduct an examination of the books and records mentioned in subrule (1) in order to ascertain compliance with the Act, these Rules or the Code.</p>
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Law Society of Manitoba	<p><u>Legal Profession Act :</u></p> <p>s. 49(1): The benchers may make rules that</p> <p>(a) require members to establish and maintain trust accounts and general accounts;</p> <p>(b) regulate the investment of funds held in trust by members;</p> <p>(c) require members to keep financial records, including records with respect to money and other property entrusted to or received by them for the benefit of clients or other persons in the course of practising law;</p> <p>(d) provide for the audit, review or examination of files, books, records and accounts of a member;</p> <p>(e) request a member to provide the chief executive officer or any other person designated by the benchers with a report on the files, books, records</p>	<p><u>Legal Profession Act :</u></p> <p><b>s.68(c)</b> if the committee considers it necessary for the protection of the public, and after directing that a charge be laid,</p> <p>(i) impose restrictions on the member's practice of law or suspend him or her from practising law pending completion of the investigation and any disciplinary proceeding that may follow.</p> <p><u>Law Society of Manitoba Rules</u></p> <p><b>5-51(1)</b> The benchers, the complaints investigation committee, or the chief executive officer may, at any time, require an investigator to investigate the accounts and records of a</p>	<p><u>Legal Profession Act :</u></p> <p><b>s.49(1)</b> The benchers may make rules that</p> <p><b>(d):</b> provide for the audit, review or examination of files, books, records and accounts of a member.</p> <p><b>(e)</b> require a member to provide the chief executive officer or any other person designated by the benchers with a report on the files, books, records and accounts, and to produce any of those files, books, records or accounts, on demand, to the chief executive officer or any other person designated by the benchers;</p> <p><b>(f)</b> require a member to answer questions about the files, books, records and accounts.</p>

	<p>and accounts, and to produce any of those files, books, records or accounts, on demand, to the chief executive officer or any other person designated by the benchers;</p> <p>(f) require a member to answer questions about the files, books, records and accounts.</p> <p><b>s.67 :</b> For the purpose of conducting an investigation of a member under this Division, the chief executive officer, the complaints investigation committee or any person designated by either of them may request, and is entitled to obtain, any file or record regarding a client or former client of the member that is reasonably required to further the investigation, whether or not the file or record or any part of it is</p> <p>(a) subject to solicitor-client privilege; or</p> <p>(b) the subject of a charge or complaint.</p> <p><u><a href="#">Law Society of Manitoba Rules:</a></u></p> <p><b>5-52(1)</b> Subject to subsection (2), a member, the law firm and the trust account supervisor must co-operate with an investigator and must produce on demand and answer questions about all records, books, files and any other document, in any form, kept by or for the member or the law firm that may be reasonably required by the investigator to conduct his or her inspection or investigation.</p>	<p>member or a law firm for the purpose of ascertaining whether there has been compliance with the Act, rules, and the provisions of the code.</p> <p>3-29 An inter-jurisdictional law firm must:</p> <p>(a) make available to the chief executive officer, on demand, the books, records and accounts the firm is required to keep with respect to its practice in Manitoba; and</p> <p>(b) keep those books, records and accounts in Manitoba.</p> <p>Rule 5-64(3) A member who has been sent a letter under rule 5-64(2), must respond to the substance of the complaint and to further inquiries from the chief executive officer.</p> <p>Rule 5-64(5) Failure to respond may constitute professional misconduct.</p> <p>Rule 5-72(1) The complaints investigation committee may investigate and compel responses.</p> <p>Rule 5-72(2) A member's failure to respond in writing to the substance of a complaint or to further inquiries by the committee by the date set by the committee, without reasonable excuse, may constitute professional misconduct.</p> <p>5-72(4) Complaints Investigation committee may require a member to appear personally to further consideration of a complaint.</p>	
<b>Law Society of Ontario</b>	<p><u><a href="#">Law Society Act:</a></u></p> <p><b>42 (1)</b> The Society may conduct a review of a licensee's professional business in accordance with the by-laws for the purpose of determining if the licensee is failing or has failed to meet standards of professional competence, if,</p>	<p><u><a href="#">Law Society Act:</a></u></p> <p><b>49.3 (1)</b> The Society may conduct an investigation into a licensee's conduct if the Society receives information suggesting that the licensee may have engaged in professional misconduct or conduct unbecoming a licensee.</p>	<p><u><a href="#">Law Society Act:</a></u></p> <p><b>49.2 (1)</b> The Society may conduct an audit of the financial records of a licensee or group of licensees for the purpose of determining whether the financial records comply with the requirements of the by-laws.</p> <p><b>(2)</b> A person conducting an audit under this section may,</p>

	<p>(a) the circumstances prescribed by the by-laws exist; or</p> <p>(b) the licensee is required by an order under section 35 to co-operate in a review under this section. 2006, c. 21, Sched. C, s. 38 (1).</p> <p><i>Powers</i></p> <p>(2) A person conducting a review under this section may,</p> <p>(a) enter the current or former business premises of the licensee between the hours of 9 a.m. and 5 p.m. from Monday to Friday or at such other time as may be agreed to by the licensee or, in the case of a former business premises, by a person with the authority to allow entry into the premises;</p> <p>(b) require the production of and examine documents that relate to the matters under review, including client files, and examine systems and procedures of the licensee's professional business; and</p> <p>(c) require the licensee and people who work or worked with the licensee to provide information that relates to the matters under review. 2006, c. 21, Sched. C, s. 38 (1); 2020, c. 11, Sched. 13, s. 4.</p> <p><i>Recommendations</i></p> <p>(3) On completion of the review, the Society may make recommendations to the licensee. 2006, c. 21, Sched. C, s. 38 (1).</p>	<p>(2) If an employee of the Society holding an office prescribed by the by-laws for the purpose of this section has a reasonable suspicion that a licensee being investigated under subsection (1) may have engaged in professional misconduct or conduct unbecoming a licensee, the person conducting the investigation may,</p> <p>(a) enter the current or former business premises of the licensee between the hours of 9 a.m. and 5 p.m. from Monday to Friday or at such other time as may be agreed to by the licensee or, in the case of a former business premises, by a person with the authority to allow entry into the premises;</p> <p>(b) require the production of and examine any documents that relate to the matters under investigation, including client files; and</p> <p>(c) require the licensee and people who work or worked with the licensee to provide information that relates to the matters under investigation.</p> <p><b>49.27</b> (1) The Hearing Division may make an interlocutory order authorized by the rules of practice and procedure, subject to subsection (2).</p> <p>(2) The Hearing Division may only make an interlocutory order suspending a licensee's licence or restricting the manner in which a licensee may practise law or provide legal services if there are reasonable grounds for believing that there is a significant risk of harm to members of the public, or to the public</p>	<p>(a) enter the current or former business premises of the licensee or group of licensees between the hours of 9 a.m. and 5 p.m. from Monday to Friday or at such other time as may be agreed to by the licensee or by any licensee in the group of licensees or, in the case of a former business premises, by a person with the authority to allow entry into the premises;</p> <p>(b) require the production of and examine the financial records maintained in connection with the professional business of the licensee or group of licensees and, for the purpose of understanding or substantiating those records, require the production of and examine any other documents in the possession or control of the licensee or group of licensees, including client files; and</p> <p>(c) require the licensee or group of licensees, and people who work or worked with the licensee or group of licensees, to provide information to explain the financial records and other documents examined under clause (b) and the transactions recorded in those financial records and other documents.</p>
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<p><i>Proposal for order</i></p> <p>(4) The Society may include the recommendations in a proposal for an order. 1998, c. 21, s. 21; 2006, c. 21, Sched. C, s. 38 (2).</p> <p><i>Contents of proposal</i></p> <p>(5) A proposal for an order may include orders like those mentioned in section 44 and any other order that the Society considers appropriate. 1998, c. 21, s. 21; 2006, c. 21, Sched. C, s. 38 (3).</p> <p><i>Acceptance by licensee</i></p> <p>(6) If the Society makes a proposal for an order to the licensee and the licensee accepts the proposal within the time prescribed by the by-laws, the Society shall notify the chair or a vice-chair of the standing committee of Convocation responsible for professional competence and the chair or vice-chair shall appoint a member of the Hearing Division to review the proposal. 2006, c. 21, Sched. C, s. 38 (4); 2013, c. 17, s. 26.</p> <p><i>Approval by member of Hearing Division</i></p> <p>(7) The member of the Hearing Division who reviews the proposal may make an order giving effect to the proposal, if he or she is of the opinion that it is appropriate to do so. 2006, c. 21, Sched. C, s. 38 (4); 2013, c. 17, s. 26.</p> <p><i>Modifications to proposal</i></p> <p>(8) The member of the Hearing Division may include modifications to the proposal in an order under subsection (7), if the licensee and the Society</p>	<p>interest in the administration of justice, if the order is not made.</p> <p><i>Order for search and seizure</i></p> <p><b>49.10</b> (1) On application by the Society, the Superior Court of Justice may make an order under subsection (2) if the court is satisfied that there are reasonable grounds for believing,</p> <p>(a) that one of the following circumstances exists:</p> <p>(i) a review of a licensee's professional business under section 42 is authorized,</p> <p>(ii) an investigation into a licensee's conduct under subsection 49.3 (1) is authorized, or</p> <p>(iii) a licensee whose capacity is being investigated under subsection 49.3 (3) may be, or may have been, incapacitated;</p> <p>(b) that there are documents or other things that relate to the matters under review or investigation in a building, dwelling or other premises specified in the application or in a vehicle or other place specified in the application, whether the building, dwelling, premises, vehicle or place is under the control of the licensee or another person; and</p> <p>(c) that an order under subsection (2) is necessary,</p> <p>(i) because of urgency,</p>	
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	<p>consent in writing to the modifications. 2006, c. 21, Sched. C, s. 38 (4); 2013, c. 17, s. 26.</p> <p><i>Application of subss. (4) to (8)</i></p> <p>(9) Subsections (4) to (8) do not apply if the licensee is required by an order under section 35 to co-operate in a review of the licensee's professional business under this section and to implement the recommendations made by the Society. 2006, c. 21, Sched. C, s. 38 (4).</p> <p><b>49.8 (1)</b> A person who is required under section 42, 49.2, 49.3 or 49.15 to provide information or to produce documents shall comply with the requirement even if the information or documents are privileged or confidential.</p> <p><b>(2)</b> Despite clause 15 (2) (a) and section 32 of the <i>Statutory Powers Procedure Act</i>, information provided and documents produced under section 42, 49.2, 49.3 or 49.15 and information or documents described in subsection (1.1) are admissible in a proceeding under this Act even if the information or documents are privileged or confidential.</p>	<p>(ii) because use of the authority in subsection 42 (2) or 49.3 (2) or (4) is not possible, is not likely to be effective or has been ineffective, or</p> <p>(iii) because subsection 42 (2) or 49.3 (2) or (4) does not authorize entry into the building, dwelling or other premises specified in the application or the vehicle or other place specified in the application. 2006, c. 21, Sched. C, s. 46 (1).</p>	
Barreau du Québec	<p><a href="#">Act Respecting the Barreau du Québec</a></p> <p><b>76.</b> (1) The syndic shall in the performance of his duties have access to the records of the Bar and of the sections and to all documents filed in the offices of the courts or in those of public bodies or contained in any advocate's records; he may obtain a copy of any document he considers necessary.</p> <p>(2) He shall also have the right to take possession and dispose of any record, document or property entrusted to an advocate who has become disqualified, incapable of practising or unable to act, or held by the legal representatives of a deceased</p>	<p><a href="#">Professional Code, CQLR c C-26</a></p> <p><b>109</b> A professional inspection committee is established within each order.</p> <p><b>112</b> The committee shall supervise the professional practice of the members of the order. Its functions include inspecting their records, books, registers, medications, poisons, products, substances, apparatus and equipment relating to their professional practice, and inspecting the property entrusted to them by their clients or other persons.</p>	<p>See s.112 of the Professional Code, cited in previous column.</p> <p><a href="#">B-1, r. 5 - Règlement sur la comptabilité et les normes d'exercice professionnel des avocats</a></p> <p><b>33.</b> L'avocat doit, dans le délai indiqué et sur demande écrite du Comité exécutif, du syndic ou du directeur de l'inspection professionnelle, reconstituer sa comptabilité conformément aux dispositions du présent règlement.</p>

<p>advocate, notwithstanding any fees and disbursements owing to the advocate.</p> <p>(3) In the cases provided for in subsection 2, he shall draw up a minute, leave a copy of it with a reasonable person in charge of the premises and account to the advocate or his representatives.</p> <p><u>Professional Code</u></p> <p><b>s.135</b> of the <a href="#">Code de déontologie des avocats</a> : [A] lawyer must personally and diligently answer all communications from a member of the office of the syndic of the Barreau as well as from any of the persons referred to in section 192 of the Professional Code (chapter C-26). The lawyer must respond using the means of communication chosen by that person or go to the person's office if the person so requests. He must also fulfil all undertakings given by him to these persons.</p> <p><b>192.</b> The following may, in the performance of their duties, examine a record kept by a professional, require the production of any document, make a copy of such a record or document, and require any information:</p> <p>(1) a professional inspection committee or a member, inspector or expert of such a committee, or the person responsible for professional inspections appointed under section 90;</p> <p>(2) a syndic, an expert whose services are retained by a syndic and any other person assisting a syndic in the exercise of inquiry functions;</p> <p>(3) a review committee referred to in section 123.3 or a member of such committee;</p>	<p>At the request of the board of directors, the committee or a committee member shall inspect the professional competence of a member of the order; the committee or a committee member may also act on its or his own initiative in this regard.</p> <p><b>116.</b> A disciplinary council is constituted within each order.</p> <p>The disciplinary council shall be seized of every complaint made against a professional for an offence against this Code, the Act constituting the order of which he is a member or the regulations made under this Code or that Act and every request made under section 122.0.1. [...]</p> <p><b>S. 122.</b> A syndic may, following information to the effect that a professional has committed an offence referred to in section 116, inquire into the matter and require any information or document relating to the inquiry. [...]</p>	<p>À défaut par l'avocat de se conformer à la demande qui lui est faite dans le délai imparti, le Comité exécutif, le syndic ou le directeur de l'inspection professionnelle peut faire procéder à la reconstitution par une personne de son choix, aux frais de l'avocat.</p> <p><b>42.</b> L'avocat doit rendre compte au Barreau de sa comptabilité en fidéicomis selon les modalités suivantes. Au moins une fois par an et dans les 30 jours suivant la réception d'une demande par le directeur de l'inspection professionnelle, l'avocat doit transmettre à ce dernier, en utilisant le formulaire prescrit par le Comité exécutif, un rapport comptable annuel couvrant la période de 12 mois identifiée dans la demande et indiquant, pour chaque compte général en fidéicomis:</p> <p>1° la liste des soldes inscrits aux cartes-clients à la fin de la période en indiquant le nom du client, le numéro ou la désignation du dossier et la date de la dernière inscription;</p> <p>2° la liste des chèques en circulation à la fin de la période en indiquant pour chacun le montant, la date d'émission, le numéro du chèque, le nom du client et le numéro ou la désignation du dossier;</p> <p>3° la liste des recettes en circulation à la fin de la période en indiquant pour chacune le montant, la date de réception, le nom du client et le numéro ou la désignation du dossier;</p>
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<p>(4) a disciplinary council or a member of such council;</p> <p>(5) the Professions Tribunal or one of its judges;</p> <p>(6) any committee of inquiry established by a board of directors, a member of such a committee or an investigator of the order;</p> <p>(7) an administrator designated by the Government under section 14.5;</p> <p>(8) a person, committee or member of a committee designated by the board of directors for the purposes of any of sections 45 to 45.2, 46.0.1, 48 to 52.1, 55 to 55.2 and 89.1;</p> <p>For the purposes of this section, the professional shall, on request, allow the examination of such record or document and provide such information, and may not invoke his obligation to ensure professional secrecy as a reason for refusing to allow it.</p> <p><a href="#">B-1, r. 5 - Règlement sur la comptabilité et les normes d'exercice professionnel des avocats</a></p> <p><b>29.</b> La tenue de cette comptabilité doit permettre d'assurer:</p> <p>1° la confidentialité des données;</p> <p>2° la sécurité des données;</p> <p>3° l'accès aux données en tout temps par l'avocat, un syndic et ses enquêteurs ainsi que par le directeur de l'inspection professionnelle, ses inspecteurs et ses experts.</p>		<p>4° le total des recettes et des débours au cours de chaque mois de la période;</p> <p>5° l'état comparatif entre le solde au journal de caisse recettes-déboursés à la fin de la période et le solde à la fin de la période apparaissant au relevé de l'institution financière. La copie du relevé de l'institution financière pour le dernier mois de la période doit être jointe au rapport;</p> <p>6° la liste des comptes particuliers en fidéicommis à la fin de la période, en indiquant pour chacun le nom du client, le numéro ou la désignation du dossier, le nom de l'institution financière dépositaire, le numéro du compte, la date d'ouverture et le montant initial déposé;</p> <p>7° la liste de chacun des comptes généraux et particuliers en fidéicommis qui ont été fermés au cours de la période.</p>
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<p><b>Chambre des notaires du Québec</b></p>	<p><a href="#">N-3, r. 5.2 - Règlement sur la comptabilité en fidéicomis des notaires</a></p> <p><a href="#">33.</a> Le notaire est soumis au secret professionnel quant aux livres et pièces justificatives visés au règlement. Cependant, un inspecteur, le syndic, un syndic adjoint, un syndic ad hoc ou le secrétaire peut obtenir de l'auditeur tout renseignement pertinent sur la comptabilité en fidéicomis faisant l'objet de l'audit</p> <p><a href="#">34.</a> Le président, le secrétaire, un inspecteur, le syndic, un syndic adjoint, un syndic ad hoc ou le secrétaire du comité du fonds d'indemnisation de l'Ordre peut:</p> <p>1° requérir et obtenir en tout temps, de l'établissement financier dépositaire de tout compte en fidéicomis, tous les renseignements ou toutes les explications nécessaires ou utiles aux fins de l'application du présent règlement;</p>	<p>See Professional Code above as mentioned by the <i>Barreau du Québec</i>. Also applies to Québec notaries and the Chambre des notaires du Québec.</p>	<p><a href="#">N-3, r. 5.2 - Règlement sur la comptabilité en fidéicomis des notaires</a></p> <p><a href="#">29.</a> Chaque année, le notaire fait auditer son rapport annuel pour l'année se terminant le 31 décembre précédent lorsqu'il a reçu des sommes ou des biens au cours de cette période ou qu'il a effectué des débours et des remises. L'opinion de l'auditeur doit aussi porter sur le respect, par le notaire, des exigences du règlement.</p> <p><a href="#">36.</a> Lorsque le président est informé qu'un notaire ne se conforme pas à l'une des dispositions du présent règlement, il peut, même si ce dernier n'est plus inscrit au tableau de l'Ordre, nommer un auditeur membre de l'Ordre professionnel des comptables professionnels agréés du Québec et le charger de procéder, aux frais du notaire, à un audit de sa comptabilité en fidéicomis.</p>
<p><b>Law Society of New Brunswick</b></p>	<p><a href="#">Law Society Act, 1996</a></p> <p>s.17(2)(l) require any member whose practice is being audited or investigated</p> <p>(i) to produce to the auditor or investigator all documents, clients' files and such explanations or evidence as the auditor or investigator may require for the audit or investigation.</p> <p><a href="#">Uniform Trust Account Rules under the Law Society Act, 1996</a></p> <p>9(5) Where an investigation or audit is to be conducted under this section, the member shall produce to the person conducting the investigation or audit all evidence, books, records, papers, accounts, vouchers, files, clients' files and explanations which may be required for the</p>	<p><a href="#">Law Society Act, 1996</a></p> <p><b>42(1)</b> The Registrar shall investigate all matters that may constitute conduct deserving sanction notwithstanding that no complaint has been received under subsection 41(1), or the complaint has been withdrawn, and may carry out investigations on the request of a person, Council or the Society where the information provided to the Registrar establishes reasonable grounds for an investigation.</p> <p><b>42(2)</b> A respondent who is the subject of a complaint shall cooperate with the Registrar in the investigation of the complaint, including the production of all documents and disclosure of all information that may be relevant to the complaint.</p>	<p><a href="#">Law Society Act, 1996</a></p> <p><b>s.70</b> The Executive Director may direct any member to submit to an audit or investigation of the member's documents and transactions, whether or not a complaint has been received or received and withdrawn and whether or not it appears that any member's conduct may be deserving of sanction.</p> <p><a href="#">Uniform Trust Account Rules under the Law Society Act, 1996</a></p> <p><b>Rule 9(1)</b> The Executive Director may initiate an investigation or audit of the books, records, accounts and transactions of</p>

	<p>investigation or audit, and failure of the member to cooperate constitutes professional misconduct.</p>	<p><b>42(3)</b> Failure to comply with subsection (2) constitutes professional misconduct.</p> <p><a href="#"><u>Uniform Trust Account Rules under the Law Society Act, 1996</u></a></p> <p><b>Rule 9(1)</b> The Executive Director may initiate an investigation or audit of the books, records, accounts and transactions of a member or former member to determine compliance with these Rules.</p>	<p>a member or former member to determine compliance with these Rules</p>
<p><b>Nova Scotia Barristers' Society</b></p>	<p><a href="#"><u>Nova Scotia Barristers Society Regulations:</u></a> Cooperation Required</p> <p>9.2.4 If the Executive Director commences an investigation pursuant to subregulation 9.2.3(c), a member of the Society must fully cooperate with the Society in the investigation by:</p> <p>(a) unless otherwise directed, providing a full and substantial response which must:</p> <p>(i) address all matters in the complaint, unless otherwise directed by the Executive Director,</p> <p>(ii) provide copies of all relevant file materials the member relies upon,</p> <p>(iii) answer any additional questions raised by the Executive Director, and</p> <p>(iv) provide any additional information and materials required by the Executive Director;</p> <p>(b) adhering to time limits during the investigation; and</p>	<p><a href="#"><u>Legal Profession Act:</u></a></p> <p><b>35</b> The conduct, capacity, practice or professional competence of a member of the Society may be the subject of an investigation pursuant to this Part.</p> <p><b>35A</b> For the purpose of conducting an investigation of a member pursuant to this Part, the Executive Director, the Complaints Investigation Committee or any person designated by either of them may request, and is entitled to obtain, any file or record regarding a client or former client of the member that is reasonably required to further the investigation, whether or not the file or record or any part of it is</p> <p>(a) subject to solicitor-client privilege; or</p> <p>(b) the subject of a charge or complaint</p> <p><b>36 (1)</b> The Complaints Investigation Committee and the Fitness to Practise Committee have all the powers conferred by this Act and the regulations in the discharge of their functions as well as the powers, privileges and immunities of a commissioner under the Public Inquiries Act.</p>	<p><a href="#"><u>Nova Scotia Barristers Society Regulations:</u></a></p> <p><b>10.7.1</b> The Executive Director may initiate an audit of the books, records, accounts and transactions of a practising lawyer or law firm or former lawyer or law firm to determine compliance with these Regulations.</p> <p><b>10.7.4</b> Where an audit is conducted under this Regulation, the practising lawyer or law firm must produce to the person conducting the audit all evidence, books, records, papers, accounts, vouchers, files, clients' files and explanations which may be required for the audit, and failure of the practising lawyer or law firm to cooperate constitutes professional misconduct.</p>

	<p>(c) responding to all requests from the Society during the investigation.</p>	<p>(2) The Complaints Investigation Committee may do one or more of the following things during or after an investigation: ...</p> <p>(f) order a financial audit of the practice of a member of the Society to be carried out by a person or persons qualified to do so;</p> <p>...</p> <p><b>37 (1)</b> The Complaints Investigation Committee may, by resolution, where in its opinion it is in the public interest to do so,</p> <p>(a) suspend a practising certificate; or</p> <p>(b) impose restrictions or conditions on a practising certificate, during or following an investigation until the suspension, restrictions or conditions are rescinded or amended by the Complaints Investigation Committee or a hearing panel.</p> <p><b>(2)</b> The power of the Complaints Investigation Committee pursuant to subsection (1) may be exercised with or without hearing the practising lawyer.</p>	
<p><b>Law Society of Prince Edward Island</b></p>	<p><a href="#">Legal Profession Act:</a></p> <p><b>s.38(9)</b> For the purpose of making an investigation or inquiry under this section,</p> <p>(a) the council or a discipline committee appointed by the council may require the attendance of witnesses and the production of books, papers or other documents may be enforced by order signed by the council or a discipline committee, issued under the hand of the president and the seal of the society;</p> <p>(b) any person failing to attend in obedience to an order issued under clause (a) or refusing to be sworn, or to answer any question allowed upon the inquiry, or to</p>	<p><a href="#">Legal Profession Act:</a></p> <p><b>s.38(6):</b> The council or discipline committee at any time may suspend a member from practising pending the completion of an investigation or adjudication of a complaint if it considers it necessary to do so for the protection of the public.</p> <p><a href="#">The Regulations of the Law Society of Prince Edward Island</a></p> <p><b>59 (12)</b> For the purpose of conducting an investigation of a member under this Part 3, the Secretary-Treasurer, the Committee or any person designated by either of them may request, and is entitled to obtain, any file or record regarding a client or former</p>	<p><a href="#">Legal Profession Act:</a></p> <p><b>s.38(8)</b> The council or a discipline committee appointed by the council may at any time conduct an investigation, including an audit of the books, records and accounts of any member, for the purpose of ensuring that the requirements of the regulations respecting accounts are complied with, and may by resolution appoint a receiver.</p> <p><a href="#">The Regulations of the Law Society of Prince Edward Island</a></p> <p><b>79(1)</b> The Secretary-Treasurer may initiate an investigation or audit of the books, records, accounts and transactions of a</p>

	<p>produce any books, papers or other documents, or otherwise to comply with the order, incurs a penalty of \$500 which may be recovered as a debt in the name of the society;</p> <p><b>(c)</b> upon the certificate of the president that any person has failed to attend, or to be sworn, or to answer any questions, or to produce any books, papers or documents, or has otherwise failed to comply with the order, a judge of the Supreme Court may make an order directing the person so failing or refusing to comply with the order, in respect to the matters above mentioned, or any of them, to comply therewith in the manner provided in the order, and disobedience of an order made by a judge may be punished as for contempt of court</p> <p><a href="#">The Regulations of the Law Society of Prince Edward Island</a></p> <p><b>65(4)</b> The member shall produce for the investigator all the books, records, vouchers, papers and evidence which the investigator requires for the purposes of the investigation.</p>	<p>client of the member that is reasonably required to further the investigation, whether or not the file or record or any part of it is</p> <p><b>(a)</b> subject to solicitor-client privilege.</p>	<p>member or former member to determine compliance with these Regulations.</p> <p><b>79(5)</b> Where an investigation or audit is to be conducted under this section, the member shall produce to the person conducting the investigation or audit all evidence, books, records, papers, accounts, vouchers, files, clients' files and explanations which may be required for the investigation or audit, and failure of the member to co-operate constitutes professional misconduct.</p>
<b>Law Society of Newfoundland and Labrador</b>	<p><a href="#">Law Society Act, 1999,</a></p> <p><b>42. (9)</b> The complaints authorization committee, the fitness to practice committee, an adjudication tribunal appointed under section 46 and a person appointed by any of them may summon a respondent or other person and require the respondent or other person to give evidence, orally or in writing, upon oath or affirmation, and produce the documents and things that any of them considers necessary for the full investigation and hearing of an allegation or complaint and shall have the powers, privileges and immunities that are conferred on a commissioner appointed under the <i>Public Inquiries Act, 2006</i>.</p>	<p><a href="#">Law Society Act, 1999</a></p> <p><b>44. (1.1)</b> Where the allegation is not satisfactorily resolved by the vice-president or through alternate dispute resolution under subsection (1), the vice-president may conduct an investigation of the allegation and submit the results of the investigation to the complaints authorization committee.</p> <p><b>45. (1)</b> Where an allegation has been submitted to the complaints authorization committee, the committee may exercise one or more of the following powers:</p> <p style="padding-left: 40px;"><b>(a)</b> refer the allegation back to the vice-president for</p>	<p><a href="#">Law Society Rules</a></p> <p><b>5.10 (1)</b> The Executive Director may initiate an investigation or audit of the books, records, accounts and transactions of a member or former member to determine compliance with these Rules.</p> <p><b>5.10 (5)</b> Where an investigation or audit is to be conducted under this section, the member shall produce to the person conducting the investigation or audit all evidence, books, records, papers, accounts, vouchers, files, clients' files and explanations which may be required for the investigation or audit, and failure of the</p>

	<p><a href="#">Law Society Rules</a></p> <p><b>9.07(3)</b> All information and documentation obtained, which, but for this rule, would be subject to solicitor-client privilege, shall be held in confidence and shall not be disclosed except to a person carrying out duties under the Act or the rules, the complainant in circumstances contemplated by rule 9.04(6) or otherwise as required by law.</p> <p><b>14.01A (1)</b> Where the Executive Director is satisfied that there are reasonable grounds to believe that a member may be failing or may have failed to comply with the Act, the Rules or the Code of Professional Conduct, the Executive Director may direct a review of the management of the member's practice.</p> <p><b>14.11A</b> In the course of a practice management review, solicitor-client privilege shall not apply as against the society or the reviewer to enable the member, the member's partners, associates, voting shareholders, directors and employees who are also members, support personnel and legal assistants to refuse to produce any records, files, documentation or information in their control or possession.</p>	<p>(i) an investigation in accordance with the rules,</p> <p>(ii) further investigation in accordance with the rules where the vice-president conducted an investigation in accordance with subsection 44(1.1), or</p> <p>(iii) alternate dispute resolution in accordance with the rules;</p> <p>(b) conduct an investigation itself or appoint a person to conduct an investigation on its behalf;</p> <p>(c) conduct a practice review into the member's practice or the conduct of a professional law corporation of which the member is a voting shareholder; and</p> <p>(d) require the respondent to appear before it.</p> <p><a href="#">Law Society Rules</a></p> <p>9.07 (1) A respondent shall co-operate fully in an investigation and shall provide access to all files and other records in the custody or under the control of the respondent which are relevant to the subject of the investigation.</p> <p>(2) In the course of an investigation, solicitor-client privilege shall not apply as against the society to enable the respondent or the complainant to refuse to produce any information or documentation in their possession or under their control.</p> <p>14.04A The member and the member's partners, associates, voting shareholders, directors and employees who are also members, support personnel and legal assistants shall respond to any inquiries and produce for the reviewer all</p>	<p>member to co-operate constitutes professional misconduct.</p>
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		records, files, documentation and information which the reviewer requires for the purpose of the practice management review. The reviewer may view, copy, remove and return same within a reasonable time.	
<b>Law Society of Yukon</b>	<p><a href="#">Legal Profession Act, 2017</a></p> <p><b>s.62</b></p> <p><b>(1)</b> A member who is the subject of a complaint must co-operate with the investigator and an agent of the investigator in the investigation and disposition of the complaint and must, on the request of the investigator or agent, give the investigator or agent any document or information that is under the member's control or in the member's custody and is reasonably required for the investigation or disposition of the complaint.</p> <p><b>(3)</b> A member must give the investigator or the investigator's agent a document or information under subsection (1) whether or not it is subject to solicitor-client privilege.</p>	<p><a href="#">Legal Profession Act, 2017</a></p> <p><b>61 Powers of investigator</b></p> <p>(1) For the purposes of investigating a complaint, an investigator</p> <p>(a) has the power to do anything that a board of inquiry under the Public Inquiries Act may do in an inquiry under that Act;</p> <p>(b) may make an order that</p> <p>(i) requires the member's practice to be reviewed, financially or otherwise, or audited,</p> <p>(ii) requires the member's professional competence to be examined or assessed,</p> <p>(iii) requires the member to be examined or assessed, medically or otherwise, to determine if the member is or may be incapacitated, or</p> <p>(iv) does any other thing that the rules provide that an order under this paragraph may do; and</p> <p>(c) has the powers, duties and functions conferred on investigators by the rules.</p> <p>(2) An investigator may require an assessment, audit, examination or review referred to in paragraph (1)(b) to be conducted by a specified person or a member of a specified class of persons.</p> <p>(3) An investigator may receive a report on any assessment, audit, examination or review referred to in paragraph (1)(b).</p>	<p><a href="#">Legal Profession Act, 2017</a></p> <p><b>s.117 Special audit or review</b></p> <p><b>(1)</b> If the Executive considers it necessary or advisable to do so, it may appoint a chartered professional accountant to review or audit the books, records and accounts of a member.</p> <p><b>(2)</b> A member whose books, records and accounts are the subject of a review or audit under subsection (1) must immediately make them fully available for examination by the chartered professional accountant.</p> <p><b>s.116(g):</b> provide for the audit, review or examination, by a person designated by the Executive, of books and records in relation to the trust accounts of members who are selected randomly or on any other basis.</p> <p><a href="#">Law Society of Yukon Rules</a></p> <p>167. (1) The Executive may, on the basis of random selection or any other basis, designate a chartered professional accountant or other person to audit, review, or examine the books, records and accounts of a member or a member's firm.</p> <p>(2) A member whose books, records and accounts are subject of an audit, review or examination under subrule (1) must immediately make them fully available for</p>

		<a href="#">Law Society of Yukon Rules</a> See Rule 113 re Powers of Investigator in addition to s.61 of the Act.	examination by the person designated by the Executive.
<b>Law Society of the Northwest Territories</b>	<a href="#">Legal Profession Act</a>  <b>ss.29(3)</b> A member or student-at-law may not in any proceedings under this Part refuse to give evidence or produce any materials on the ground of solicitor and client privilege.  <b>24.1. (1)</b> A respondent shall, on receiving notice of an investigation, produce for the inspection of the investigator all materials in the possession or under the control of the respondent that are relevant to the investigation.  <b>Accountant's certificate 48.</b> (1) Subject to this section, every member shall deliver to the Secretary on or before September 1 in each year certificates of the member and of a chartered accountant or certified general accountant, which shall be in the form set out in the rules and made up to the end of a 12-month fiscal period ending no earlier than June 1 of the previous year.  <a href="#">Law Society Rules</a> <b>103(4)</b> A lawyer or law firm may not refuse to give evidence, answer inquiries or produce or make available any records or other property in compliance with the firm's obligations under this Part on the grounds of solicitor and client privilege.	<a href="#">Legal Profession Act</a> <b>s.32.3(3)</b> Notwithstanding any other provision of this Act, the chairperson of the Discipline Committee may suspend a bijurisdictional member's membership in the Society if an extraterritorial disciplinary body suspends the bijurisdictional member's membership pending an investigation or the outcome of disciplinary proceedings in that jurisdiction.  <a href="#">Law Society Rules</a> See Rule 103.	<a href="#">Legal Profession Act</a> <b>47.</b> The chairperson of the Discipline Committee may, where he or she considers it advisable, order an audit by a chartered accountant or a certified general accountant of the books, ledgers, journals, records and accounts of a member and the member shall, without delay, make them fully available for examination by the accountant.  <a href="#">Law Society Rules</a> <b>101(4)</b> A law firm, if approved to operate a trust account, shall, on or before September 1 in each year, <b>(a)</b> have the law firm's financial records reviewed by an accountant; and  <b>(b)</b> cause an Accountant's Report, in a form and manner method approved by the Executive Director, to be completed by an accountant and filed with the Executive Director by the accountant responsible for the review.  <b>103. (1)</b> The chairperson of the Discipline Committee may designate a person to examine, review, audit, investigate or complete the financial records and other records of any lawyer or law firm that in any way relate to a lawyer's or the firm's practice of law for the purpose of ascertaining and advising as to whether the provisions of the Act and the rules have been and are being complied with by a lawyer or law firm. <b>(2)</b> Where a person conducts an examination, review, audit or investigation under this rule

			<p>(a) a lawyer shall produce all records and supporting documentation, including client files that the person may require for the examination, review, audit or investigation,</p> <p>(b) the examination, review, audit or investigation must, where practicable, be held in the office of the lawyer or law firm whose financial records and other records are the subject of the examination, review, audit or investigation, or must be held in the Society's offices, and</p> <p>(c) a law firm shall, upon request, grant authorization to the Society to obtain law firm bank account information directly from the law firm's banking institution.</p>
Law Society of Nunavut	<p><a href="#">Legal Profession Act of Nunavut</a></p> <p><b>s.24(2):</b> In the course of an investigation, the chairperson of the Discipline Committee may require the member or student-at-law concerned or the complainant, if any, to answer any questions or to furnish any records that the chairperson considers relevant to the investigation, and the member or student-at-law or the complainant shall answer the questions or furnish the records.</p>	<p><a href="#">Legal Profession Act of Nunavut</a></p> <p><b>s.24(2):</b> In the course of an investigation, the chairperson of the Discipline Committee may require the member or student-at-law concerned or the complainant, if any, to answer any questions or to furnish any records that the chairperson considers relevant to the investigation, and the member or student-at-law or the complainant shall answer the questions or furnish the records.</p> <p><b>Suspension or limitation of privileges pending inquiry</b></p> <p><b>27</b> Notwithstanding any other provision of this Act, the chairperson of the Discipline Committee, in his or her discretion, or a Committee of Inquiry, in its discretion, may</p> <ul style="list-style-type: none"> <li>(a) make an order limiting the rights and privileges of a member or student-at-law, or</li> <li>(b) suspend a member or suspend the articles of a student-at-law, pending the inquiry of a matter concerning the conduct of the member or student-at-law and pending the making of its</li> </ul>	<p><a href="#">Legal Profession Act of Nunavut</a></p> <p><b>Audit</b></p> <p><b>47</b> The chairperson of the Discipline Committee may, where he or she considers it advisable, order an audit by a person entitled to engage in public practice under the Chartered Professional Accountants Act of the books, ledgers, journals, records and accounts of a member and the member shall, without delay, make them fully available for examination by the accountant.</p> <p><b>Suspension</b></p> <p><b>48.1(1)</b> The Executive may suspend a member who does not comply with the requirements of this Part from the practice of law until the member has complied fully with the requirements of this Act or the directions of the Executive.</p>



		finding as to the matter, but in no case shall a limitation or suspension exceed a period of 90 days.	
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Table 5 – Law Society of Ontario Financial Record Keeping Requirements


Law Society of Ontario – Financial Record to be kept	Minimum Duration to be maintained
<b>Requirement to maintain financial records</b>	
18. Every licensee shall maintain financial records to record all money and other property received and disbursed in connection with the licensee's professional business, and, as a minimum requirement, every licensee shall maintain, in accordance with sections 21, 22 and 23, the following records:	
1. A book of original entry identifying each date on which money is received in trust for a client, the method by which money is received, the person from whom money is received, the amount of money received, the purpose for which money is received and the client for whom money is received in trust.	10 years
2. A book of original entry showing all disbursements out of money held in trust for a client and identifying each date on which money is disbursed, the method by which money is disbursed, including the number or a similar identifier of any document used to disburse money, the person to whom money is disbursed, the amount of money which is disbursed, the purpose for which money is disbursed and the client on whose behalf money is disbursed.	10 years
3. A clients' trust ledger showing separately for each client for whom money is received in trust all money received and disbursed and any unexpended balance.	10 years
4. A record showing all transfers of money between clients' trust ledger accounts and explaining the purpose for which each transfer is made.	6 years
5. A book of original entry showing all money received, other than money received in trust for a client, and identifying each date on which money is received, the method by which money is received, the amount of money which is received and the person from whom money is received.	6 years
6. A book of original entry showing all disbursements of money, other than money held in trust for a client, and identifying each date on which money is disbursed, the method by which money is disbursed, including the number or a similar identifier of any document used to disburse money, the amount of money which is disbursed and the person to whom money is disbursed.	6 years
7. A fees book or a chronological file of copies of billings, showing all fees charged and other billings made to clients and the dates on which fees are charged and other billings are made to clients and identifying the clients charged and billed.	6 years
8. A record showing a comparison made monthly of the total of balances held in the trust account or accounts and the total of all unexpended balances of funds held in trust for clients as they appear from the financial records together with the reasons for any differences between the totals, and the following records to support the monthly comparisons:  i. A detailed listing made monthly showing the amount of money held in trust for each client and identifying each client for whom money is held in trust. ii. A detailed reconciliation made monthly of each trust bank account.	10 years
9. A record showing all property, other than money, held in trust for clients, and describing each property and identifying the date on which the licensee took possession of each property, the person who had possession of each property immediately before the licensee took possession of the property, the value of each property, the client for whom each property is held in trust, the date on which possession of each property is given away and the person to whom possession of each property is given.	10 years



10. Bank statements or pass books, cashed cheques and detailed duplicate deposit slips for all trust and general accounts.	10 years
11. Signed electronic trust transfer requisitions and signed printed confirmations of electronic transfers of trust funds.	6 years
12. Signed authorizations of withdrawals by Teranet and signed paper copies of confirmations of withdrawals by Teranet.	6 years
<b>Record keeping requirements if cash received</b>	
19. (1) Every licensee who receives cash shall maintain financial records in addition to those required under sections 18 and 19.1 and, as a minimum additional requirement, shall maintain, in accordance with sections 21, 22 and 23, a book of duplicate receipts, with each receipt identifying the date on which cash is received, the person from whom cash is received, the amount of cash received, the client for whom cash is received and any file number in respect of which cash is received and containing the signature of the licensee or the person authorized by the licensee to receive cash and of the person from whom cash is received.	6 years
<b>Record keeping requirements if mortgages and other charges held in trust for clients</b>	
20. Every licensee who holds in trust mortgages or other charges on real property, either directly or indirectly through a related person or corporation, shall maintain financial records in addition to those required under section 18 and, as a minimum additional requirement, shall maintain, in accordance with sections 21, 22 and 23, the following records:	<p>Preservation of financial records required under s. 20</p> <p>(3) A licensee shall keep the financial records required to be maintained under section 20 for at least the ten-year period immediately preceding the licensee's most recent fiscal year end.</p>
1. A mortgage asset ledger showing separately for each mortgage or charge,	10 years
<ul style="list-style-type: none"> <li>i. all funds received and disbursed on account of the mortgage or charge,</li> <li>ii. the balance of the principal amount outstanding for each mortgage or charge,</li> <li>iii. an abbreviated legal description or the municipal address of the real property, and</li> <li>iv. the particulars of registration of the mortgage or charge.</li> </ul>	
2. A mortgage liability ledger showing separately for each person on whose behalf a mortgage or charge is held in trust,	10 years
<ul style="list-style-type: none"> <li>i. all funds received and disbursed on account of each mortgage or charge held in trust for the person,</li> <li>ii. the balance of the principal amount invested in each mortgage or charge,</li> <li>iii. an abbreviated legal description or the municipal address for each mortgaged or charged real property, and</li> <li>iv. the particulars of registration of each mortgage or charge.</li> </ul>	
3. A record showing a comparison made monthly of the total of the principal balances outstanding on the mortgages or charges held in trust and the total of all principal balances held on behalf of the investors as they appear from the financial records together with the reasons for any differences between the totals, and the following records to support the monthly comparison:	10 years
<ul style="list-style-type: none"> <li>i. A detailed listing made monthly identifying each mortgage or charge and showing for each the balance of the principal amount outstanding.</li> <li>ii. A detailed listing made monthly identifying each investor and showing the balance of the principal invested in each mortgage or charge.</li> </ul>	



Table 6 – Education initiatives and Guidance to the Profession

Law Society/Regulator	Educational Initiatives	Guidance for the legal profession
Law Society of British Columbia	<p>Client ID &amp; Verification and Anti-money Laundering Risk Management resources webpage</p> <p><a href="#">Anti-Money Laundering Measures Webinar</a> (60,000 views as of July 2024) published 2020</p> <p><a href="#">Ant-Money Laundering Measures Program</a>, published 2024</p> <p><a href="#">Anti-Money Laundering video</a>, 2024</p> <p>LSBC staff routinely present at continuing professional development courses on AMLTF obligations, put on by the CBABC and CLEBC for example.</p>	<p><b>Discipline Advisories</b></p> <ol style="list-style-type: none"> <li>(1) <a href="#">Client ID and Verification, August 6, 2024</a></li> <li>(2) <a href="#">Country / Geographic risk, February 10, 2021</a></li> <li>(3) <a href="#">Securities fraud: Micro-cap Stocks, June 1, 2020</a></li> <li>(4) <a href="#">Private lending, April 2, 2019</a></li> <li>(5) <a href="#">Lawyers are gatekeepers, April 10, 2018</a></li> <li>(6) <a href="#">Client ID and verification, February 8, 2018</a></li> <li>(7) <a href="#">Know your obligations before accepting cash, November 8, 2013</a></li> </ol> <p><b>Practice Resources and Guidance</b></p> <p>Pre-2019 LSBC publications available by clicking on pdf.</p> <p></p> <p>LSBC - Education and Guidance - Pre-</p> <p><a href="#">Client ID and Verification - FAQs</a></p> <p><a href="#">Client ID and verification – Top 10 tips</a></p> <p><a href="#">Guidance for virtual verification of your client’s identity using government-issued photo ID and technology</a></p> <p><a href="#">Anti-money laundering: settlement agreements</a></p> <p><a href="#">Protecting your firm from employee theft</a></p> <p><a href="#">Client ID &amp; Verification and Anti-Money Laundering Risk Management resources webpage</a></p>

		<p><a href="#">The Consolidated Canadian Autonomous Sanctions List</a> (includes individuals and entities subject to specific sanctions regulations made under the <i>Special Economic Measures Act</i> and the <i>Justice for Victims of Corrupt Foreign Officials Act</i>)</p> <p><a href="#">Client Identification, Verification and Source of Money Checklist</a>, current to April 1, 2024; includes Sample Agreement with Agent for Verification (pages A-1-16 to A-1-18)</p> <p><a href="#">Fraud 101 for lawyers</a>, Fall 2021 <i>Benchers' Bulletin</i> (p. 10)</p> <p><a href="#">Real estate transactions – know your client primer</a>, Summer 2021 <i>Benchers' Bulletin</i> (p. 12)</p> <p><a href="#">Forming companies and other structures – managing the risk</a>, Spring 2021 <i>Benchers' Bulletin</i> (p.8)</p> <p><a href="#">Random calls and emails inquiring about shelf companies</a>, Fraud alert, March 4, 2021</p> <p><a href="#">Client identification and verification – addressing your questions</a>, Fall-Winter 2020 <i>Benchers' Bulletin</i> (p.12)</p> <p><a href="#">Knowing your client - Guidance and rules during COVID-19</a>, Summer 2020 <i>Benchers' Bulletin</i> (pp. 18 -21) – includes the March 17, 2020 Notice to the Profession (client verification in the context of COVID-19)</p> <p><a href="#">Know your client – addressing questions and risks</a>, Spring 2020 <i>Benchers' Bulletin</i> (p.8)</p> <p><a href="#">New client verification and source of money requirements</a>, Winter 2019 <i>Benchers' Bulletin</i> (p.13)</p> <p><a href="#">CLE-TV: Anti-Money Laundering – Client Identification and Verification Rules</a> – one-hour webinar initially provided on November 27, 2019 by Practice Advisor Barbara Buchanan, QC (eligible for one hour of CPD credit)</p> <p><a href="#">Rule amendments enhance Law Society's anti-money laundering measures</a>, Fall 2019 <i>Benchers' Bulletin</i> (p.14)</p>
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		<p><a href="#">Anti-money laundering cash transaction rule essentials</a>, Summer 2019 <i>Benchers' Bulletin</i> (p.10)</p> <p><a href="#">Anti-Money Laundering initiative</a></p> <p><a href="#">Advice Decision-Making Assistant (ADMA)</a> -Includes CIV resources</p> <p><a href="#">Cash Receipt Template</a></p> <p><a href="#">Trust Accounting Handbook</a></p> <p><a href="#">Trust Reconciliation Template</a></p> <p><a href="#">How to review a trust bank reconciliation</a></p> <p><a href="#">Trust Accounting Checklist</a></p> <p>Electronic <a href="#">Transfer of Trust Funds</a></p> <p>Requisition – Withdrawal from Trust By <a href="#">Bank Draft</a></p> <p>Trust Accounting <a href="#">webinar</a></p> <p>E-Brief Items:</p> <p><a href="#">E-Brief, February 2025</a> - Protecting your firm from employee theft; Anti-money laundering: Settlement Agreements</p> <p>E-Brief, December 2024– Complete your 2024 CPD credits: Free anti-money laundering measures webinar; Stay alert for frauds this holiday season</p> <p><a href="#">E-Brief, September 2024</a> - Free anti-money laundering measures webinar available; Updated discipline advisory: Client ID and verification; Discipline Advisory: Private lending</p> <p><a href="#">E-Brief, July 2024</a> – <a href="#">Ten top tips for client identification and verification</a></p> <p><a href="#">E-Brief, June 2024</a> and <a href="#">May 2024</a> – <a href="#">Guidance for virtual verification of your client's identity</a></p>
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		<p>Practice Resource – <a href="#">Using video conferencing technology</a>, April 2024</p> <p>March 2024 – Client verification rule changes; LOTA search fees removed to aid fight against money laundering</p> <p>February 2024 – How to avoid funds transfer fraud</p> <p>December 2023 - Stay alert: Holiday season is prime time for fraud</p> <p>November 2023 – BC government warns of new scam targeting law firms</p> <p>October 2023 – Education program: Anti-money laundering and terrorist financing</p> <p>September 2023 - Funds transfer fraud: it can really happen to you</p> <p>July 2023 - Vacation alerts and precautions; Don't let your guard down! Funds transfer frauds continue</p> <p>May 2023 – New webinar: Land Owner Transparency Registry filing requirements and ongoing obligations; Three more BC law firms fall victim to funds transfer frauds</p> <p>March 2023 – Protect yourself against real estate identity frauds</p> <p>December 2022 – Attention real estate lawyers: Value and identity frauds continue; Be Alert! Holiday coverage and fraudsters</p> <p>November 2022 – Reminder #2: File your Land Owner Transparency Reports by November 30</p> <p>December 2022 – Attention real estate lawyers: Value and identity frauds continue; Be Alert! Holiday coverage and fraudsters</p> <p>September 2022, Supplementary Edition – Reminder: File your Land Owner Transparency Reports Now</p> <p>July 2022 – Cullen Commission final report; Trust Review Task Force; Vacation Alert and precautions</p>
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		<p>June 2022 – Reminder: Don't wait to file land owner transparency reports</p> <p>April 2022 – Guidance on Canadian sanctions related to Russia and Belarus</p> <p>March 2022 – Alert: bait and switch scam involving certified cheques; Additional sanctions in response to attack on Ukraine; Real estate lawyers – mortgage fraud update; Don't wait until November to file land owner transparency reports</p> <p>February 2022 – Reminder land owner transparency reports due no later than November 30, 2022; June Lawyers Risk Management Conference on April 27, 2022; In Case You Missed It: Avoid becoming a victim of cybercrime</p> <p><a href="#">December 2021</a> - Young Lawyers Risk Management Conference on April 27, 2022; Be alert! Holiday coverage and fraudsters; Top 5 traps for real estate lawyers and how to avoid them</p> <p><a href="#">October 2021</a> – In case you missed it: Disclosure by existing landowners required by November 30, 2021</p> <p><a href="#">September 2021</a> – In case you missed it: Disclosure by existing landowners required by November 30, 2021</p> <p><a href="#">August 2021</a> – Discipline Advisory: Rule 10-4 reports; In case you missed it: Change in payment instructions scam – BC firm targeted</p> <p><a href="#">July 2021</a> – Changes to the Law Society Rules</p> <p><a href="#">June 2021</a> – <i>Land Owner Transparency Act</i> compliance requirements for local governments</p> <p><a href="#">April 2021</a> – Clarifications on the use of bank drafts; Land owner transparency requirements in BC</p> <p><a href="#">March 2021</a> – Lawyers Indemnity Fund coverage expands to include cyber insurance; Fraud alert: Random calls and emails inquiring about shelf companies</p>
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		<p>November 2020, Supplementary Edition – Lawyers Indemnity Fund video on Fraudsters continuing to target BC lawyers</p> <p>October 2020, Supplementary Edition – Free, remote CPD (anti-money laundering webinar and trust accounting webinar)</p> <p>September 2020 – Free trust accounting courses available online; Updated Client Identification and Verification Checklist</p> <p>July 2020 – Free, remote CPD: anti-money laundering measures webinar</p> <p>June 2020 – Discipline Advisory: Securities fraud</p> <p>April 2020 – Client identification and verification: free webinar</p> <p><a href="#">December 2019</a> – Client verification and sources of money rules take effect January 1, 2020; Holiday coverage and scammers</p> <p><a href="#">November 2019</a> – Real estate identity frauds are back; Trust Accounting course available for CPD; Amendments to Law Society Rules</p> <p><a href="#">October 2019</a> – Fiduciary property rule amendment</p> <p><a href="#">August 2019</a> – Fraudsters continue to target BC lawyers</p> <p><a href="#">July 2019</a> – New trust account and cash rule changes; Client identification and verification rule changes to take effect January 1, 2020; Potential changes coming to fiduciary property rules; Trust Accounting course available for CPD</p> <p><a href="#">May 2019</a> – Reports on money laundering in BC real estate; CBCA corporations must create and maintain an ISC register</p> <p><a href="#">April 2019</a> – Changes coming to no cash and trust account rules; Province to increase transparency of land ownership, share ownership; Amendments to Law Society Rules; Discipline advisory: private lending</p> <p><a href="#">March 2019</a> – SCC finds lawyer liable for over \$7 million for making a referral</p>
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		<a href="#">January 2019</a> – Fake law firms and lawyers
<b>Law Society of Alberta</b>	<ul style="list-style-type: none"> <li>• LESA – <a href="#">Client Identification and Verification Rules</a></li> <li>• Law Practice Essentials: <a href="#">Client Identification and Verification Rules</a></li> </ul>	<p>Courses</p> <ul style="list-style-type: none"> <li>• LESA – <a href="#">Client Identification and Verification Rules</a></li> <li>• Law Practice Essentials: <a href="#">Client Identification and Verification Rules</a></li> </ul> <p>Sample forms</p> <ul style="list-style-type: none"> <li>• <a href="#">Attestation for Verification of Identity</a></li> <li>• <a href="#">Verification of Identity Agreement</a></li> <li>• <a href="#">Verification of Identity (Individual)</a></li> <li>• <a href="#">Verification of Identity (Organizations)</a></li> <li>• <a href="#">Client ID Method Confirmation Form for Dual Method and Credit File</a></li> </ul> <p>Resources</p> <ul style="list-style-type: none"> <li>• <a href="#">Law Society of AB website: Anti-Money Laundering</a></li> <li>• <a href="#">Client Identification and Verification Flowchart</a></li> <li>• <a href="#">Reminder: No Cash Model Rule</a> (E-bulletin, Nov 2021)</li> <li>• <a href="#">Anti-Money Laundering and Anti-Terrorist Financing Webinar</a></li> <li>• <a href="#">Frequently Asked Questions: Anti-Money Laundering and Anti-Terrorist Financing Webinar</a></li> <li>• <a href="#">Client Verification, In-Person vs. Virtual</a></li> <li>• <a href="#">Virtually Verifying your Client's Identity</a></li> <li>• <a href="#">Client Identification and Verification: What Lawyers Need to Know (Webinar January 2025)</a></li> <li>• <a href="#">Trust Bank Reconciliations (October 2022)</a></li> <li>• <a href="#">Real estate transaction scams target multiple Alberta lawyers (ALIAAlert Jan 2025)</a></li> </ul>
<b>Law Society of Saskatchewan</b>	Practice Management Assessment Tool (member login required) Mandatory completion for all law firms to assist firms in identifying gaps in policies and procedures to manage risk and improve	<p><a href="#">Law Society Website: Client Identification and Verification Rules</a></p> <p>a) <a href="#">Additional Guidance – Monitoring Requirement</a></p> <p>a) <a href="#">Client Identification and Verification Flowchart</a></p>

	<p>practice management. Includes specific areas of focus on complying with AML and “know your client” requirements.</p> <p>Practice Management Course(member login required), launching fall 2024: Module 6– Client Identification and Verification, Module 12 – Client Screening, Module 16 - Avoiding Fraud, Module 17 – Avoiding Cyber fraud <a href="#">-Client Identification and Verification Rules</a></p> <p>Free Webinar: An Introduction to the Rule Amendments, Anti-Money Laundering &amp; Terrorist Financing, Client ID &amp; Verification (CPD 271)</p> <p>Practice Resources: <a href="#">Client Identification and Verification</a></p>	<ul style="list-style-type: none"> <li>b) <a href="#">Client Identification and Verification Rules</a></li> <li>c) <a href="#">Frequently asked Questions and Answers</a></li> <li>d) <a href="#">Summary of new Rules for Client Identification and Verification</a></li> <li>e) <a href="#">Video Conferencing Technology: Guidance and Professional Obligations</a></li> <li>f) <a href="#">Virtual Verification of Client Identity Using Authentication Technology</a></li> <li>g) <a href="#">New Client Identification and Verification Flowchart</a></li> <li>h) <a href="#">Client Identification and Verification Rules</a></li> <li>i) <a href="#">Frequently asked Questions and Answers</a></li> <li>j) <a href="#">Guidance for the Legal Profession – prepared by Federation Working Group</a></li> <li>k) <a href="#">Risk Assessment Case Studies for the Legal Profession – prepared by Federation Working Group</a></li> <li>l) <a href="#">Risk Advisories for the Legal Profession – prepared by Federation Working Group</a></li> <li>m) <a href="#">Additional Guidance – Monitoring Requirement</a></li> </ul> <p>Sample forms</p> <ul style="list-style-type: none"> <li>(1) <a href="#">Agreement with Agent</a></li> <li>(2) <a href="#">Verification of Individual’s Identity by an Agent</a></li> <li>(3) <a href="#">Identification of Organization</a></li> <li>(4) <a href="#">Identification of Individual</a></li> </ul>
<b>Law Society of Manitoba</b>	<p>Client ID Verification – <a href="#">Online Education</a></p> <p>Practice Resources: <a href="#">Dedicated AML website</a></p>	<p>Practice Resources: <a href="#">Dedicated AML website</a></p> <p><a href="#">Using an Agent to Verify Identity</a> (May 2024)</p> <p><a href="#">Verifying the Identity of Clients Who Don’t have Photo ID</a> (March 2024)</p> <p><a href="#">Source of Funds: How are You Paying for That?</a> (January 2024)</p> <p><a href="#">Don’t be a Dupe</a> (January 2024)</p> <p><a href="#">Do You Witness Financial Transaction Documents Remotely? Read This</a> (December 2023)</p> <p><b>Worksheets and Checklists:</b></p> <ul style="list-style-type: none"> <li>1) <a href="#">Checklist For Every File</a></li> <li>2) <a href="#">Exempt From Identification Checklist</a></li> </ul>

				<div>3) <a href="#">Exempt From Verification Checklist</a></div> <div><b>Identification Files</b><div>4) <a href="#">Client Is An Individual</a></div>5) <a href="#">Client Is A Financial Institution, Public Authority, Etc</a></div> 6) <a href="#">Client Is An Organization</a> <div><b>Verification Files</b><div>7) <a href="#">Client Is An Individual</a></div>8) <a href="#">Client Is An Organization Registered In Government</a></div> 9) <a href="#">Client Is An Organization Not Registered In Government</a> 10) <a href="#">Client Is A Trust</a> 11) <a href="#">Verification Where The Client Is Not Physically Present &amp; Sample Agent Agreement</a> 12) <a href="#">Client Verification Record Keeping and Retention Checklist</a> <div><b>Receipt of Cash</b><div>13) <a href="#">Receipt of Cash Checklist</a></div></div>																	
Law Society of Ontario	<table><tr><th>Program Name</th><th>Topic</th><th>Date</th></tr><tr><td><i>Wills and Estates Refresher 2024</i></td><td>Client Identification and Verification Requirements</td><td>March 27, 2024</td></tr><tr><td><i>Eight-Minute Commercial Leasing Lawyer 2024</i></td><td>Sanctions, Anti-Bribery &amp; Corruption, AML/ATF: The Legal Framework</td><td>February 28, 2024</td></tr><tr><td><i>10 Practice Management Highlights: 2022-2023</i></td><td>Client Identification and Verification; Rules &amp; Retainers</td><td>November 23, 2023</td></tr><tr><td><i>Six-Minute Real Estate Lawyer 2023</i></td><td>FINTRAC, Fraud and Client Authentication: A Discussion of the New Law Society \ Ontario Requirements for Verifying Client Identity</td><td>November 15, 2023</td></tr><tr><td><i>Safeguarding Real Estate Transactions 2023</i></td><td>Managing Initial Contact and Dealing with Prospective Clients; Two Reminders about Client</td><td>November 15, 2023</td></tr></table>	Program Name	Topic	Date	<i>Wills and Estates Refresher 2024</i>	Client Identification and Verification Requirements	March 27, 2024	<i>Eight-Minute Commercial Leasing Lawyer 2024</i>	Sanctions, Anti-Bribery & Corruption, AML/ATF: The Legal Framework	February 28, 2024	<i>10 Practice Management Highlights: 2022-2023</i>	Client Identification and Verification; Rules & Retainers	November 23, 2023	<i>Six-Minute Real Estate Lawyer 2023</i>	FINTRAC, Fraud and Client Authentication: A Discussion of the New Law Society \ Ontario Requirements for Verifying Client Identity	November 15, 2023	<i>Safeguarding Real Estate Transactions 2023</i>	Managing Initial Contact and Dealing with Prospective Clients; Two Reminders about Client	November 15, 2023		<div><div><div>- <a href="#">Professional Regulation Committee Report to Convocation (May 27, 2021)</a></div><div>- <a href="#">At a glance: Anti-money laundering and terrorist financing amendments</a></div><div>- <a href="#">Glossary of defined terms (AMLTF)</a></div><div>- <a href="#">Client identification and verification requirements</a></div><div>- <a href="#">Methods for verifying identity</a></div></div><div><div>Frequently asked questions</div><div><div>- <a href="#">Client identification and verification</a></div><div>- <a href="#">Source of funds requirement</a></div><div>- <a href="#">Monitoring requirement</a></div><div>- <a href="#">Cash and money laundering</a></div><div>- <a href="#">Trust accounts</a></div><div>- <a href="#">Worksheet: Red flags of fraud, money laundering, terrorist financing, and other illegal Aativity</a></div><div>- <a href="#">Risk assessment case studies: Anti-money laundering and terrorist financing</a></div><div>- <a href="#">Fraud watch – Corporate ID fraud (LAWPRO®)</a></div><div>- <a href="#">Fraud watch – Real estate scams (LAWPRO®)</a></div></div></div></div>
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		Identification and Verification		
	<i>Anti-Money Laundering: Protecting Your Litigation Practice</i>	Law Society AML Resources; 8 Tips to Help Verify the Identity of an Individual Money Laundering: Criminal Prosecutions	October 17, 2023	
	<i>Anti-Money Laundering Best Practices--Your Questions Answered</i>	Anti-Money Laundering (AML) Best Practices and Q&A	June 6, 2023	
	<i>20th Real Estate Law Summit. Day 1</i>	Client Identification and Verification Requirements: What is Next?	April 19, 2023	
	<i>Wills and Estates Refresher 2023</i>	Client Identification and Verification Requirements	March 30, 2023	
	<i>The Six-Minute Real Estate Lawyer 2022</i>	Virtual Verification of Client Identity: A discussion of the new Law Society requirements for verifying client identity	November 17, 2022	
	<i>Wills and Estates Refresher 2022</i>	Client Identification and Verification Requirements	April 29, 2022	
	<i>19th Real Estate Law Summit</i>	Navigating Closings in a Virtual Environment: Remote Signing and Witnessing, Verifying Identities, and Fraud Prevention	April 6, 2022	
	<i>Professionalism and Practice Management Issues for Real Estate Lawyers 2022</i>	Review of New Rules for Private Mortgages and Anti-Money Laundering	March 2, 2022	

	<i>Six-Minute Real Estate Lawyer 2021</i> Review of the Anti-Money Laundering (AML) Documents for a Mortgage Loan (What is a Beneficial Owner?) November 17, 2021	
	The New Anti-Money Laundering Requirements: What You Need to Know Before January 1, 2022 <i>Amendments to the Law Society's By-Laws 7.1 and 9--Anti-Money Laundering and Terrorist Financing:</i> November 12, 2021	
	<i>Professionalism and Practice Management Issues for Real Estate Lawyers, Toronto</i> <i>Understanding Who Your Client Is and Fulfilling Your Client Identification and Verification Obligations</i> March 9, 2021	
<b>Barreau du Québec</b>	<ul style="list-style-type: none"> <li>Monthly accounting training offered by the professional inspection of the Barreau du Québec: verification of identity, source of funds, rules surrounding the receipt of sums in cash, awareness of the risk of money laundering, etc.</li> <li><a href="#">Comptabilité et normes d'exercice – Se conformer à ses obligations professionnelles</a> : This webinar training is mandatory for all signatories of a trust account. Among the concepts covered: identity verification, cash sums, general trust account rules, accounting.</li> <li>Obligations professionnelles et meilleures pratiques en matière de protection des avocats contre la fraude, le blanchiment d'argent et le financement du terrorisme : Protecting lawyers from fraud, money laundering and terrorist financing. This webinar is being updated and will be available again spring 2025.</li> </ul>	<a href="#">Client ID and Verification – FAQs</a> (FR) <ul style="list-style-type: none"> <li>Also see the page <a href="#">Lutte au blanchiment d'argent - Obligation des membres   Le Barreau du Québec</a> (FR), which includes the FAQs, Federation guidance and advisory, and links to other resources including education initiatives.</li> </ul>
<b>Chambre des notaires du Québec</b>	Site réservé aux membres : espace dédié intitulé « Prévention – Blanchiment d'argent »	Site réservé aux membres : espace dédié intitulé « Prévention – Blanchiment d'argent »  <a href="#">Professional Responsibility Guidelines</a> (FR)

<b>Law Society of New Brunswick</b>	<p>Web page on Anti-Money Laundering Measures, <a href="#">click here</a>.</p> <p>Webinar: <a href="#">Understanding the AML Rules and Requirements</a></p>	<p>Webinar: <a href="#">Understanding the AML Rules and Requirements</a></p> <p><a href="#">Web page on Anti-Money Laundering Measures</a>, also containing reference to the Federation Guidance.</p>
<b>Nova Scotia Barristers' Society</b>	<ul style="list-style-type: none"> <li>• <a href="#">Website dedicated to AML</a></li> <li>• <a href="#">Anti-Money Laundering/Client ID and Verification Webinar</a></li> <li>• AML staff regularly present to members during Continuing Legal Education programming offered by the NSBS, the Lawyers' Insurance Association of NS, the CBA-NS and the Real Estate Lawyers Association of NS.</li> </ul>	<p>Sample <a href="#">Agent Agreement</a></p> <ul style="list-style-type: none"> <li>• See Federation Guidance</li> </ul>
<b>Law Society of Prince Edward Island</b>	<ul style="list-style-type: none"> <li>• <a href="#">AML guidance</a></li> <li>• <a href="#">Continuing Legal Education Committee is working on a trust account presentation by external CPAs to include AML considerations.</a></li> <li>• Also rely on Federation <a href="#">Education</a> and <a href="#">Guidance</a></li> </ul>	<p>AML <a href="#">guidance</a></p> <ul style="list-style-type: none"> <li>• Bar Admission Course – new session on trust accounts that includes AML introduced in 2024.</li> </ul> <p>Also Rely on <a href="#">Federation Guidance</a>.</p>
<b>Law Society of Newfoundland and Labrador</b>	<p>Webinar: <a href="#">Amendments to the AMLTF Rules</a></p> <p>AML <a href="#">Practice Resources</a></p> <p>Bar Course: Presentation on the AMLTF Rules</p>	<p>AML <a href="#">Practice Resources</a></p> <p><a href="#">Form – Client Identification and Verification for Individuals</a></p> <p><a href="#">Form – Client Identification and Verification for Organizations</a></p> <p>See Federation Guidance</p>
<b>Law Society of Yukon</b>	<p>Information is available on the website including links to materials provided by the Federation of Law Societies and precedent forms.</p> <p>The LSY also refers members to the on-line course provided by the Federation whenever a member goes into private practise or opens a trust account.</p> <p>The LSY provides CPD's on AMLTF both via Zoom and through in-person workshops with its auditors.</p>	<p>See <a href="#">Law Society of Yukon website</a> where information is provided by the LSY with links to Federation resources.</p>
<b>Law Society of the Northwest Territories</b>	<p><a href="#">Website updated specific to AML</a></p> <ul style="list-style-type: none"> <li>• Members applying to open a trust account and/or members starting a new firm are encouraged to complete the FLSC's online course.</li> <li>• LSNT working to establish new guidelines for members opening a new firm / new trust account that will require</li> </ul>	<p><a href="#">LSNT Guidance</a></p> <p>See Federation Guidance</p>

	<p>completion of AMLTF training. Workshops are being considered as a part of the requirements.</p> <ul style="list-style-type: none"> <li>2x CPD courses will be delivered in 2025 by a CPA. One specific to AMLTF and another for new firms/ trust accounts that will include AML guidelines.</li> </ul> <p>Also rely on Federation Education and Guidance</p>	
<b>Law Society of Nunavut</b>	Rely on Federation Education and Guidance	See Federation Guidance.

*Table 7 – Authority for Sanctions*

Law Society	Authority for Compliance Tools/Sanctions	Authority for Administrative Penalties
<b>Law Society of British Columbia</b>	<p><a href="#">Legal Profession Act</a>, s. 36(h) and Rule 4-52 to 4-54 of the <a href="#">Law Society Rules</a> provide for the ability to summarily suspend or disbar a lawyer convicted of an offence that proceeded by way of indictment.</p> <p><a href="#">Legal Profession Act</a>, s. 26.01, and Rule 3-10 of the <a href="#">Law Society Rules</a> allow for the law society to order interim measures after a hearing where the public is at risk which may include suspension or restrictions/conditions on practice.</p> <p><a href="#">Legal Profession Act</a>, s. 26.02, and Rule 3-11 of the <a href="#">Law Society Rules</a> allow for an Order for a medical examination.</p> <p><a href="#">Legal Profession Act</a>, s. 36(f) - authority to issue citation s.38 (5) for disciplinary sanctions available after a hearing of a citation:</p> <ul style="list-style-type: none"> <li>- Reprimand</li> <li>- Fine not exceeding \$50,000</li> <li>- Impose conditions or limitations on practice</li> <li>- Suspend from practice</li> <li>- Disbarment</li> <li>- Complete a remedial program</li> </ul>	<p><a href="#">Legal Profession Act</a>: s.11 - general rule-making authority.</p> <p><a href="#">Law Society Rules</a> Rules 3-8(3)(c) Rule 4-59 (1) If the Executive Director is satisfied on a balance of probabilities that a lawyer has breached a rule, the Executive Director may assess an administrative penalty.</p> <p>(2) The maximum administrative penalty that the Executive Director may assess is as follows: (a) if no previous administrative penalty has been assessed against the lawyer, \$5,000; (b) if one or more administrative penalties have previously been assessed against the lawyer, \$10,000.</p>



- Appear before a board of examiners or the practice standards committee to satisfy them of competence to practice law not impaired by health issue
- practice in approved setting

#### **Disciplinary Outcomes ordered by Discipline Committee**

Discipline Committee considers complaints referred to it after an investigation and has authority under Part 4, Div. 1 of the [Law Society Rules](#), including Rule 4-4(1) to order:

4-4 (1) After its consideration under Rule 4-3 [Consideration of complaints by Committee], the Discipline Committee must

(a) decide that no further action be taken on the complaint,

(b) authorize the chair or other Bench member of the Discipline Committee to send a letter to the lawyer concerning the lawyer's conduct, [Conduct letter, see also Rule 4-9]

(c) require the lawyer or law firm to attend a meeting with one or more Benchers or lawyers to discuss the conduct of the lawyer, [Conduct meeting, see also Rule 4-10]

(d) require the lawyer or law firm to appear before a Conduct Review Subcommittee, or [Conduct Review, see also Rule 4-11 to 4-13; These are published anonymously]

(e) direct that the Executive Director issue a citation against the lawyer under Rule 4-17 (1) [Direction to issue, expand or rescind citation].

(2) In addition to the determination made under subrule (1), the Discipline Committee may refer any matter or any lawyer to the Practice Standards Committee.

#### **Practice Standards Committee outcomes**

Legal Profession Act, s. 27 and Part 3, Div. 2 of the Law Society Rules (Rules 3-15 to 3-25) including actions set out in Rules 3-19 and 3-20:

Rule 3-19: (1) After its consideration of a report received under Rule 3-17 (3)

(c) [Consideration of complaints] or 3-18 (5) [Practice review], the Practice Standards Committee must

(a) decide that no further action be taken, or

(b) recommend that the lawyer do one or more of the following:

(i) undertake not to practise in specified areas of law;

(ii) complete a remedial program to the satisfaction of the Committee;

(iii) complete, to the satisfaction of the Committee, an examination approved by the Committee or its designate;

(iv) obtain a psychiatric or psychological assessment or counselling, or both, and, if the Committee requests, provide a report on that assessment or counselling to the Committee;

(v) obtain a medical assessment or assistance, or both, and if the Committee requests, provide a report on that assessment or assistance to the Committee;

- (vi) practise in a setting approved by the Committee, including under the supervision of a lawyer approved by the Committee;
- (vii) take other steps intended to improve the lawyer's practice of law or otherwise protect the public interest.

Rule 3-20: (1) If a lawyer refuses or fails to comply with a recommendation under Rule 3-19 (1) (b) [Action by Practice Standards Committee] by the time set by the Practice Standards Committee under Rule 3-19 (2), the Committee may make an order imposing conditions and limitations on the lawyer's practice, including but not limited to the following:

- (a) specifying areas of law in which the lawyer must not practise;
- (b) requiring that the lawyer satisfactorily complete a remedial program;
- (c) requiring that the lawyer satisfactorily complete an examination approved by the Committee or its designate;
- (d) requiring that the lawyer obtain a psychiatric or psychological assessment or counselling, or both, and, if the Committee requests, provide a report on that assessment or counselling to the Committee;
- (e) requiring that the lawyer obtain a medical assessment or assistance, or both, and if the Committee requests, provide a report on that assessment or assistance to the Committee;
- (f) requiring that the lawyer practise in a setting approved by the Committee, including under the supervision of a lawyer approved by the Committee;
- (g) requiring that the lawyer take other steps intended to improve the lawyer's practice of law or otherwise protect the public interest.

**Resolutions with undertakings to restrict or place conditions on practice.**

Rule 3-7 and 3-8(2) of the Law Society Rules. This includes undertakings that may be disclosed on the public Lawyer Directory.

**Consent Agreements**

Rules 3-7.1 to 3-7.4. These are published on [website](#) and on Lawyer Directory.

Rule 3-7.1 (1) At any time before a complaint is referred to a Committee or the chair of the Discipline Committee under Rule 3-8 [Action on a complaint], the Executive Director may resolve a complaint by agreement with the lawyer.

(2) A consent agreement under this rule must include admission by the lawyer of a discipline violation and one or more of the following:

- (a) a requirement that the lawyer complete a course of study or remedial program to the satisfaction of the Executive Director;

- (b) conditions or limitations on the practice of the lawyer;
- (c) payment of a fine permitted under section 38 [Discipline hearings];
- (d) suspension of the lawyer from the practice of law or from practice of law in one or more fields of law;
- (e) resignation of the lawyer from membership in the Society;
- (f) any other disciplinary action that could be ordered by a hearing panel under section 38.

**Administrative Penalties** for breach of CIV Rules, Cash transaction rule. Published on [website](#) and Lawyer Directory.

Rules 3-8(3)(c) of the Law Society Rules and Part 4, Div. 6 (Rules 4-58 to 4-60)

**Alternative Discipline Process (ADP)** - a diversion program for health issues that may result in an agreement for a recommended treatment plan, medical monitoring and reporting, practice conditions/limitations.

Rules 3-8(2.1) and Part 3, Div. 1.01 of the Law Society Rules

Rule 3-9.1(3) - The Executive Director may proceed under this division if

- (a) the lawyer acknowledges the existence of a health issue that may have contributed to an alleged discipline violation by the lawyer,
- (b) the lawyer consents in writing to the Executive Director proceeding under this division, and
- (c) the Executive Director is satisfied, in all the circumstances of the alleged discipline violation, including whether it involved substantial harm to the complainant or another person, that it is likely to be in the public interest to proceed under this division.

Rule 3-9.2 Unless a consent agreement is in effect under this division, if the Executive Director is satisfied on reasonable grounds that interim measures are necessary to protect the public, the Executive Director may enter into an interim agreement under which the lawyer agrees to do one or more of the following:

- (a) not engage in the practice of law indefinitely or for a specific period of time;
- (b) restrict the lawyer's practice to a specific area of law or other type of practice;
- (c) accept practice supervision on terms approved by the Executive Director;

	(d) any other measure that the Executive Director considers necessary in the public interest.	
<b>Law Society of Alberta</b>	<p>Legal Profession Act:  s.72 - Order of the Hearing Committee  A Hearing Committee may order:</p> <ul style="list-style-type: none"> <li>- Disbarment</li> <li>- suspension</li> <li>- reprimand</li> <li>- Conditions on the members suspension or practice</li> <li>- A fine payable to the LSA of not more than \$10,000 for each act regarding the member's conduct</li> <li>- Payment of costs of proceedings</li> </ul> <p>s.72(1) - the sanctions identified may be applied if a Hearing Committee finds that a member is guilty of "conducting deserving of a sanction" defined in s. 49(1) as <i>"any conduct of a member, arising from incompetence or otherwise, that (a) is incompatible with the best interests of the public or of the members of the Society, or (b) tends to harm the standing of the legal profession generally."</i></p> <p>s.73 - Incompetence  Sanctions for incompetence include:</p> <ul style="list-style-type: none"> <li>- Reprimand</li> <li>- suspending a member until they complete a course or courses of study</li> <li>- directing the member to complete a course or courses of study</li> <li>- Restricting practice to a specified area of law or prohibiting a member from practicing in certain areas.</li> <li>- prohibition from practising in specified areas of law</li> <li>- condition that member's practice be carried on under the supervision of another named active member</li> </ul>	N/A
<b>Law Society of Saskatchewan</b>	<p><b>Legal Profession Act:</b>  s.45: Conduct Investigation Committee may suspend a member from practice in accordance with the rules.</p> <p>Under Part IV of the <a href="#">Legal Profession Act</a>, a member may be suspended in relation to conduct unbecoming or conduct that may display incompetence. «Conduct unbecoming» is defined in s. 2(1) as <i>"any act or conduct, whether or not disgraceful or dishonourable, that: (i) is inimical to the best interests of the public or the members; or (ii) tends to harm the standing of the legal profession generally; and includes the practice of law in an incompetent manner where it is within the scope of subclause (i) or (ii)."</i></p>	<p><a href="#">Legal Profession Act:</a></p> <p><b>S. 10</b> The benchers may make rules for the governing of the society, for the regulating of members, firms, articulated students-at-law and applicants, and for the carrying out of this Act, for the following purposes:</p> <p>(n) providing for the making, investigating, hearing and determining of complaints against members and</p>

	<p><b>Law Society Rules:</b></p> <p>s. 1102(13) After the investigation or other action pursuant to subrules (5) to (11), Professional Responsibility Counsel:</p> <p>(c) may issue a formal caution, providing advice to the member in relation to the member's conduct.</p> <p>s.1110(3) and 1111(4): Conduct Investigation Committee may:</p> <ul style="list-style-type: none"> <li>- issue a formal caution</li> <li>- refer complaint to ethics committee</li> <li>- impose conditions including up to a 5 year suspension</li> <li>- require completion of remedial education program</li> <li>- refrain from practising in specified areas of law</li> </ul> <p>s.1131(3) - Hearing committee may, upon a finding of conduct unbecoming:</p> <ul style="list-style-type: none"> <li>- assess any penalties or impose any requirements it considers appropriate including:</li> <li>- disbarment</li> <li>- suspension</li> <li>- require re-education</li> <li>- set conditions including limiting scope of work, not have exclusive control of trust account, practice only as a partner</li> <li>- imposing a fine (no limit)</li> <li>- pay restitution</li> <li>- reprimand</li> <li>- Any other direction or requirement it deems appropriate.</li> </ul>	<p>for any other matters necessary to carry out the discipline provisions of this Act;</p> <p>[...]</p> <p>(o) establishing criteria and procedures for taking disciplinary action against members for contraventions of rules;</p> <p>[...]</p> <p>(q) providing for:</p> <p>(i) the suspension from practice of members for contraventions of rules respecting the payment of fees or assessments levied, the filing of materials or the completion of continuing legal education requirements;</p> <p>[...]</p> <p>(cc) respecting any matter that is necessarily incidental to the matters set out in this section relating to the governance of the society and the legal profession</p>
<p><b>Law Society of Manitoba</b></p>	<p><b>The Legal Profession Act</b></p> <p><b>s. 68:</b> The complaints investigation committee may do one or more of the following:</p> <p>(a) issue a formal caution to the member;</p> <p>(b) direct that a charge be laid against the member and referred to the discipline committee;</p> <p>(c) if the committee considers it necessary for the protection of the public, and after direct that a charge be laid,</p> <p style="padding-left: 20px;">(i) impose restrictions on the member's practice of law or suspend him or her from practising law pending completion of the investigation and any disciplinary proceeding that may follow, and</p> <p style="padding-left: 20px;">(ii) direct publication of the name of the member, the nature of the matter being investigated and the suspension or practice restrictions imposed on the member;</p> <p>(d) take any other action permitted by the rules.</p> <p><b>s. 72(1) Consequences of professional misconduct or conduct unbecoming.</b> A panel of the discipline committee may do one or more of the following:</p>	<p><b>The Law Society Rules</b></p> <p><b>5-42.2(2)(c)</b> The chief executive officer may revoke an individual's approval to be a trust account supervisor.</p>

	<ul style="list-style-type: none"> <li>-disbar the member</li> <li>- expel a student</li> <li>- impose restrictions</li> <li>- suspend the member</li> <li>- order the member to pay a fine</li> <li>- reprimand the member</li> <li>- permit the member to resign</li> </ul>	
<b>Law Society of Ontario</b>	<p>Section 33(1) of the Law Society Act – A licensee shall not engage in professional misconduct or conduct unbecoming a licensee.</p> <p>Section 34(1) – With the authorization of the Proceedings Authorization Committee, the Society may apply to the Tribunal for a determination by the Hearing Division of whether the licensee has contravened section 33.</p> <p>Section 35 (1) – . . . if the Hearing Division determines that the licensee has contravened section 33, the Division shall make:</p> <ol style="list-style-type: none"> <li>1. An order revoking the licensee’s licence.</li> <li>2. An order permitting the licensee to surrender his or her licence.</li> <li>3. An order suspending the licensee’s licence, <ol style="list-style-type: none"> <li>i. for a definite period,</li> <li>ii. until terms and conditions specified by the Hearing Division are met to the satisfaction of the Society, or</li> <li>iii. for a definite period and, after that, until terms and conditions specified by the Hearing Division are met to the satisfaction of the Society.</li> </ol> </li> <li>4. An order imposing a fine on the licensee of not more than \$100,000, payable to the Society.</li> <li>5. An order that the licensee obtain or continue treatment or counselling, including testing and treatment for addiction to or excessive use of alcohol or drugs, or participate in other programs to improve his or her health.</li> <li>6. An order that the licensee participate in specified programs of legal education or professional training or other programs to improve his or her professional competence.</li> <li>7. An order restricting the areas of law that the licensee may practise or in which the licensee may provide legal services. <ol style="list-style-type: none"> <li>7.1 An order restricting the legal services that the licensee may provide.</li> </ol> </li> <li>8. An order that the licensee practise law or provide legal services only, <ol style="list-style-type: none"> <li>i. as an employee of a person approved by the Society,</li> <li>ii. as an employee or partner, and under the supervision, of a licensee approved by the Society, or</li> <li>iii. under the supervision of a licensee approved by the Society.</li> </ol> </li> <li>9. An order that the licensee co-operate in a review of the licensee’s professional business under section 42 and implement the recommendations made by the Society.</li> <li>10. An order that the licensee maintain a specified type of trust account.</li> </ol>	N/A in respect of AMLTF rules/requirements.

	<p>11. An order that the licensee accept specified co-signing controls on the operation of his or her trust accounts.</p> <p>12. An order that the licensee not maintain any trust account in connection with his or her professional business without leave of the Society.</p> <p>13. An order requiring the licensee to refund to a client all or a portion of the fees and disbursements paid to the licensee by the client.</p> <p>14. An order requiring the licensee to pay to the Society, for the Compensation Fund, such amount as the Hearing Division may fix that does not exceed the total amount of grants made from the Fund as a result of dishonesty on the part of the licensee.</p> <p>15. An order that the licensee give notice of any order made under this section to such of the following persons as the order may specify:</p> <ul style="list-style-type: none"> <li>i. The licensee's partners or employers.</li> <li>i.1 The licensee's firm.</li> <li>ii. Other licensees working for the same firm or employer as the licensee.</li> <li>iii. Clients affected by the conduct giving rise to the order.</li> </ul> <p>16., 17. Repealed: 2006, c. 21, Sched. C, s. 31 (7).</p> <p>18. An order that the licensee report on his or her compliance with any order made under this section and authorize others involved with his or her treatment or supervision to report thereon.</p> <p>19. An order that the licensee be reprimanded.</p> <p>20. Repealed: 2006, c. 21, Sched. C, s. 31 (10).</p> <p>21. Any other order that the Hearing Division considers appropriate</p>	
Barreau du Quebec	<p><u>Professional Code</u></p> <p><b>156.</b> The disciplinary council shall impose on a professional convicted of an offence referred to in section 116, one or more of the following penalties in respect of each count contained in the complaint:</p> <ul style="list-style-type: none"> <li>(a) reprimand;</li> <li>(b) temporary or permanent striking off the roll, even if he has not been entered thereon from the date of the offence;</li> <li>(c) a fine of not less than \$2,500 nor more than \$62,500 for each offence;</li> <li>(d) the obligation to remit to any person entitled to it a sum of money the professional is or should be holding for him;</li> <li>(d.1) the obligation to transmit a document or the information contained in any document, and the obligation to complete, delete, update or rectify any document or information;</li> <li>(e) revocation of his permit;</li> <li>(f) revocation of his specialist's certificate;</li> <li>(g) restriction or suspension of his right to engage in professional activities.</li> </ul>	<p>N/A</p> <p>The Barreau du Québec does not currently have the power to impose administrative monetary penalties (AMPs) when it finds breaches of obligations under the AMLA. The Barreau du Québec has nevertheless asked for the implementation of new mechanisms in order to better fulfill its mission of protecting the public, in particular through alternatives to the disciplinary process, such as administrative monetary penalties, warnings, etc.</p> <p>Also, when an accounting inspection visit is inconclusive (non-existent accounting, accounting records not accessible, visit cancelled at the last minute by the lawyer, etc.), the fees of the expert who will carry out the 2nd inspection visit are</p>

<p>The disciplinary council shall impose at least the following penalties on a professional found guilty of having engaged in a derogatory act referred to in section 59.1 or an act of a similar nature set out in the code of ethics of the members of the professional order:</p> <ul style="list-style-type: none"> <li>(a) in accordance with subparagraph <i>b</i> of the first paragraph, striking off the roll for at least five years, unless he convinces the council that striking off for a shorter time would be justified in the circumstances; and</li> <li>(b) a fine, in accordance with subparagraph <i>c</i> of the first paragraph.</li> </ul> <p>When determining the penalties to be imposed under the second paragraph, the council shall take into account</p> <ul style="list-style-type: none"> <li>(a) the seriousness of the facts of which the professional was found guilty;</li> <li>(b) the conduct of the professional during the syndic's inquiry and, if applicable, during the processing of the complaint;</li> <li>(c) the measures taken by the professional to facilitate his reintegration into the practice of his profession;</li> <li>(d) how the offence is related to what characterizes the practice of the profession; and</li> <li>(e) the impact of the offence on public trust in the order's members and in the profession itself.</li> </ul> <p>The disciplinary council shall impose at least temporary striking off the roll in accordance with subparagraph <i>b</i> of the first paragraph on a professional found guilty of having appropriated, without entitlement, sums of money or securities held by him on behalf of a client or of having used sums of money or securities for purposes other than those for which they were entrusted to him in the practice of his profession.</p> <p>For the purposes of subparagraph <i>c</i> of the first paragraph, when an offence is continuous, its continuity shall constitute a separate offence, day by day. In the case of a subsequent offence, the minimum and maximum fines prescribed in that subparagraph are doubled.</p> <p>The decision of the disciplinary council imposing one or more of such penalties may include terms and conditions. Where there is more than one penalty, it may also prescribe that the penalties apply consecutively. [...]</p> <p><b>180.</b> The secretary of the disciplinary council must send to each member of the order to which a professional belongs who is provisionally, temporarily or permanently struck off the roll, whose right to practise is restricted or suspended or whose permit or specialist's certificate is revoked, a notice of the final decision of the disciplinary council or the Professions Tribunal, as the case may be, imposing the striking off, restriction, suspension or revocation and, where applicable, a notice of any decision of the disciplinary council correcting such a decision or the tribunal correcting or revising such a decision. The notice shall contain the name of the professional, the place of his professional domicile, the name of the order of which he is a member, his specialty, if any, the nature and the date of the facts with which he is charged, in the case of provisional striking off or provisional restriction of the right to engage in professional activities, or of the offence committed and a summary and the date of the decision.</p>	<p>assumed by the lawyer. This information is clearly reflected in the notice of visit sent to the member.</p>
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	<p>In addition, where the professional has been permanently struck off or where he has had his right to practise permanently restricted or suspended or his permit or specialist's certificate revoked, the secretary of the disciplinary council must publish the notice in a newspaper having general circulation in the place where the professional had his professional domicile. The secretary of the council may also have a notice published in a newspaper having general circulation in any other place where the professional has practised or could practise. The secretary of the council shall choose the newspaper most likely to be read by the professional's clientele.</p> <p>The order may recover the expenses incurred for publication of the notices provided for in this section from the professional concerned.</p> <p><u>180.2.</u> The notices provided for in the first paragraph of section 180 may be published or inserted in an official or regular publication of the order sent to each of its members. If published, a notice must be presented within a delimited space, under a heading clearly stating that the notice concerns the restriction or suspension of a member's right to practise, a member's being struck off the roll or the revocation of a member's permit.</p>	
Chambre des notaires du Quebec	<p><b>Professional Code :</b></p> <p><u>156.</u> The disciplinary council shall impose on a professional convicted of an offence referred to in section 116, one or more of the following penalties in respect of each count contained in the complaint:</p> <ul style="list-style-type: none"> <li>(a) reprimand;</li> <li>(b) temporary or permanent striking off the roll, even if he has not been entered thereon from the date of the offence;</li> <li>(c) a fine of not less than \$2,500 nor more than \$62,500 for each offence;</li> <li>(d) the obligation to remit to any person entitled to it a sum of money the professional is or should be holding for him;</li> <li>(d.1) the obligation to transmit a document or the information contained in any document, and the obligation to complete, delete, update or rectify any document or information;</li> <li>(e) revocation of his permit;</li> <li>(f) revocation of his specialist's certificate;</li> <li>(g) restriction or suspension of his right to engage in professional activities.</li> </ul> <p>The disciplinary council shall impose at least the following penalties on a professional found guilty of having engaged in a derogatory act referred to in <b>section 59.1</b> or an act of a similar nature set out in the code of ethics of the members of the professional order:</p> <ul style="list-style-type: none"> <li>(a) in accordance with subparagraph <i>b</i> of the first paragraph, striking off the roll for at least five years, unless he convinces the council that striking off for a shorter time would be justified in the circumstances; and</li> </ul>	

(b) a fine, in accordance with subparagraph c of the first paragraph.

When determining the penalties to be imposed under the second paragraph, the council shall take into account

- (a) the seriousness of the facts of which the professional was found guilty;
- (b) the conduct of the professional during the syndic's inquiry and, if applicable, during the processing of the complaint;
- (c) the measures taken by the professional to facilitate his reintegration into the practice of his profession;
- (d) how the offence is related to what characterizes the practice of the profession; and
- (e) the impact of the offence on public trust in the order's members and in the profession itself.

The disciplinary council shall impose at least temporary striking off the roll in accordance with subparagraph b of the first paragraph on a professional found guilty of having appropriated, without entitlement, sums of money or securities held by him on behalf of a client or of having used sums of money or securities for purposes other than those for which they were entrusted to him in the practice of his profession.

For the purposes of subparagraph c of the first paragraph, when an offence is continuous, its continuity shall constitute a separate offence, day by day. In the case of a subsequent offence, the minimum and maximum fines prescribed in that subparagraph are doubled.

The decision of the disciplinary council imposing one or more of such penalties may include terms and conditions. Where there is more than one penalty, it may also prescribe that the penalties apply consecutively.

The disciplinary council shall, on rendering a decision imposing provisional striking off the roll or a provisional restriction or suspension of a professional's right to engage in professional activities, decide whether a notice of the decision must be published in a newspaper having general circulation in the place where the professional has his professional domicile and in any other place where the professional has practised or could practise. If the council orders the publication of a notice, it must, in addition, decide whether publication expenses are to be paid by the professional or by the order, or apportioned between them. The secretary of the council shall choose the newspaper most likely to be read by the professional's clientele.

A notice shall include the name of the professional found guilty, the place of his professional domicile, the name of the order of which he is a member, his specialty, if any, the date and nature of the offence committed by him and the date and a summary of the decision.

	A decision of the disciplinary council condemning the complainant or the professional to costs, or imposing a fine on the professional or ordering him or the order, or both, to pay the expenses referred to in the seventh paragraph may, in default of voluntary payment, be homologated by the Superior Court or the Court of Québec according to their respective jurisdictions, having regard to the amount involved, and such decision shall become enforceable as a judgment of that Court.	
<b>Law Society of New Brunswick</b>	<p><i>Law Society Act, 1996</i> Complaints Committee: Section 51(1); Section 52 and section 53. The sanctions are the following: caution, reprimand fines; order a financial audit; order a quality assurance review and interim suspension.</p> <p>Fines under our General Rules 82 &amp; LSA 52(c) fines not exceeding ten thousand dollars LSA 52(d) can order cost.</p> <p><i>Law Society Act, 1996</i> Discipline Committee: Section 59; 60(2) Reprimand; suspend, disbar, expel, fines (i.e., an amount decided by the panel of the Discipline Committee, in the case of respondents other than students-at law) and costs.</p> <ul style="list-style-type: none"> <li>Fines under General Rules 82 &amp; Law Society Act section 60(1)(b) fines not exceeding twenty-five thousand dollars.</li> </ul>	N/A
<b>Nova Scotia Barristers' Society</b>	<p><a href="#"><u>Legal Profession Act</u></a></p> <p><b>32</b> The Council may make regulations</p> <p>(a) requiring members of the Society to maintain certain books and records of accounts;</p> <p>(b) requiring members of the Society to establish and maintain trust accounts;</p> <p>(c) regulating the investment of funds held in trust by members of the Society;</p> <p>(d) prescribing the types of financial institutions in which members of the Society may deposit money held in trust;</p> <p>(e) requiring members of the Society to keep books and records of accounts with respect to money and other property entrusted to or received by them for the benefit of clients or other persons in the course of practising law, and to produce those books and records of accounts on demand, to the Executive Director or any other person designated by the Council;</p> <p>(f) requiring members of the Society to have their books, records of accounts and related files independently reviewed by an accountant or a person designated by the Council;</p> <p>(g) providing for the audit, review or examination of books, records of accounts and related files of a member of the Society by a person designated by the Council;</p> <p>(h) requiring a member of the Society to provide the Executive Director or any other person designated by the Council with a report on the review conducted under clause (e);</p> <p>(i) requiring a member of the Society to answer questions about the books, records of accounts and related files that were reviewed;</p> <p>(j) prescribing anything that is to be prescribed pursuant to this Act. 2004, c. 28, s. 32.</p>	N/A

**Actions by panel during and after hearing**

**45** (1) At any time during a hearing, or where a hearing panel finds a member of the Society, other than a law firm, guilty of professional misconduct, professional incompetence or conduct unbecoming a lawyer or articled clerk or makes a finding of incapacity, it may, before making an order pursuant to subsection (4) and upon application by a party, do one or more of the following:

- (a) order an audit of the member's practice to be carried out by such person or persons as directed by the hearing panel;
- (b) order the member to submit to a review of the practice of the member by a qualified person or persons designated by the hearing panel, and to provide a copy of the review to the hearing panel;
- (c) order the member to submit to an assessment or examination to determine whether the member is professionally competent to practise law, and to provide the assessment or the report of the examination to the hearing panel;
- (d) order a member to submit to a medical assessment to determine whether the member has the capacity to practise law, and to provide any medical assessment report to the hearing panel;
- (e) receive any reports from the medical assessments;
- (f) resolve to bring an application pursuant to Section 50.

(2) Where a member of the Society fails to comply with any order of a hearing panel made pursuant to subsection (1), the hearing panel may order that the member be suspended until the member complies.

(3) The costs of complying with an order made pursuant to subsection (1) shall be initially borne by the Society and may be awarded as costs against a member of the Society pursuant to subsection (4).

(4) Where a hearing panel finds a member of the Society, other than a law firm, guilty of professional misconduct, professional incompetence or conduct unbecoming a lawyer or articled clerk or makes a finding of incapacity, it shall, following an opportunity for the parties to present evidence and submissions respecting the proposed disposition by the hearing panel, do one or more of the following:

- (a) where the member is a lawyer, disbar the member;
- (b) where the member is an articled clerk,
  - (i) expel the articled clerk and order the articled clerk's name to be struck off the Register of Articled Clerks,
  - (ii) defer the articled clerk's call to the Bar, or
  - (iii) impose conditions on the articled clerk's call to the Bar;
- (c) permit the member to resign his or her membership;
- (d) for any period the hearing panel considers appropriate,
  - (i) suspend the member from practising law,
  - (ii) confirm, vary or impose restrictions on the member's practice;

(e) order the member to pay an amount not to exceed twenty thousand dollars to be paid into the Fund;

(f) order that restitution be made to any person;

(g) reprimand the member;

(h) order the member to pay all or any part of the costs incurred by the Society in connection with any investigation or proceedings relating to the matter in respect of which the member was found guilty and, in particular, to pay the costs of the proceedings authorized by Sections 36 to 38;

(i) order the member to submit to an assessment or examination, or both, as the hearing panel considers appropriate;

(ia) order the member to submit to a medical assessment;

(j) where the member is a director, officer or shareholder of a law corporation, revoke or suspend the corporation's permit, or impose conditions on the permit;

(k) apply for a variation of any custodial order;

(l) resolve to bring an application pursuant to Section 50;

(m) rescind or vary any order made or action taken under this subsection;

(n) make any other order or take any other action the hearing panel determines to be appropriate in the circumstances including an order to retain jurisdiction to monitor the enforcement of its order.

(5) Where a hearing panel finds a law firm guilty of professional misconduct, it may, following the opportunity for the parties to present evidence or submissions respecting the potential disposition, do one or more of the following:

(a) order the law firm to pay an amount not to exceed fifty thousand dollars into the Fund; or

(b) make any other order or take any other action the panel thinks is appropriate in the circumstances including an order to retain jurisdiction to monitor the enforcement of its order. 2004, c. 28, s. 45.

**Regulations made pursuant to the Act**

**1.1.1 (j) “discipline record”** includes any of the following unless reversed on appeal or review:

- (i) any action taken by a governing body as a result of discipline,
- (ii) disbarment,
- (iii) a lawyer's resignation or otherwise ceasing to be a member of a governing body as a result of disciplinary proceedings,
- (iv) restrictions or limits in a lawyer's entitlement to practice, other than those imposed as a result of failure to pay fees to a governing body, insolvency or bankruptcy or other administrative matter,
- (v) any interim suspension or restriction or limits on a lawyer's entitlement to practice imposed pending the outcome of a disciplinary hearing.

	<p><b>Decision on Sanction</b>  <b>9.14.12</b> Within 30 days of completion of the hearing pursuant to subregulations 9.14.11 or <b>9.15.3</b>, the Chair of the hearing panel must provide to the parties and the Executive Director:  a written decision on the sanction;  the reasons for that decision; and  a resolution incorporating the sanction signed by the Chair on behalf of the hearing panel.</p>	
<p><b>Law Society of Prince Edward Island</b></p>	<p>Legal Profession Act</p> <p>Section 38(1) finding of unprofessional conduct can result in cancellation of the member's registration/striking from the rolls, suspension, fine not exceeding \$10,000, imposition of restrictions on practice, reprimand, payment of Law society expenses for investigation and inquiry into matter, and payment of any amount ordered can be made a condition of membership.</p> <p>Section 38(6) authority to suspend pending completion of investigation or adjudication if in the public's interest.</p> <p>Section 38(10) member's failure to cooperate with an investigation/adjudication constitutes unprofessional conduct</p> <p>Section 41(1) requires the S/T to publish notice of all suspensions or striking from the rolls</p> <p>Section 56 states that a person who fails to comply with the Act or Regulations is guilty of an offence and upon summary conviction liable for up to \$10,000 if a member or law corporation</p> <p>Section 59 provides injunctive relief if satisfied a person has or will contravene the Act or Regulations</p> <p>Section 28 contains enforcement authority re visiting lawyers</p> <p>Section 29 enforcement for PEI lawyers practicing elsewhere</p> <p>Section 30 contains general enforcement provisions concerning members practicing in other jurisdictions bound by the National Mobility agreement including the requirement to share/provide information (subsection 5)</p>	<p>Legal Profession Act  Section 26(5)</p>

	<p>Section 56 and 57 contains authority for complaint process and specifically in section 57 the authority of the Secretary Treasurer to receive complaints and mediate, dismiss, dismiss with advice to the member or refer the matter for investigation</p> <p>Section 59(6) Investigation committee's authority following investigation includes dismissal, dismissal with advice to member and instruction to Secretary Treasurer to lay a formal complaint</p> <p>Section 60 deals with hearing of formal complaints with the hearing committee given the authority to dispose of the matter per section 38 of the Act referenced above</p> <p>Section 65(1) directs that a committee may at any time direct an investigation to be made by a chartered accountant or other person designated of the books, records and accounts of a member for the purpose of determining compliance with account requirements and</p> <p>section 65(7) provides that the findings can be made the subject of disciplinary proceedings against a member</p> <p>Section 79(1) Secretary Treasurer may initiate an investigation or audit of the books, records or accounts of a member or former member to determine compliance with the Act and Regs</p> <p>Section 79(5) requires the member to cooperate and provides that failure to do so constitutes unprofessional conduct</p> <p>Section 79(8) grants authority if Regs have not been complied with to order the member to fix the areas of noncompliance and to initiate any appropriate disciplinary action</p> <p>Sections 79(10) provides authority to suspend a member pending compliance</p> <p>Section 83(1) states that noncompliance with the Regs could result in a finding of unprofessional conduct that would expose a member to discipline as noted above</p>	
<b>Law Society of Newfoundland and Labrador</b>	<p>Law Society Act, 1999</p> <p><b>45. (3)</b> Where the complaints authorization committee is of the opinion that there are reasonable grounds to believe that a respondent has engaged in conduct deserving of sanction, the allegation shall be considered as constituting a complaint, and the committee may</p> <ul style="list-style-type: none"> <li>(a) counsel or caution the respondent;</li> <li>(b) instruct the vice-president to file the complaint against the respondent and refer it to the disciplinary panel;</li> </ul>	<p>Law Society Rules</p> <p><b><u>Cash Transactions</u> and Record Keeping Requirements</b></p> <p>15.04 (1) Where the Executive Director determines that, on a balance of probabilities, a member has not complied with the record keeping requirements outlined in this Rule, the Executive Director may:</p>

	<p>(c) make an application under Part III for the appointment of a custodian of the member's practice or of a professional law corporation of which the member is a voting shareholder; and</p> <p>(d) suspend or restrict the respondent's licence.</p> <p>Under <b>49. (2)</b> Where a respondent pleads guilty, and following submissions under subsection (1), the adjudication tribunal may:</p> <p>And</p> <p><b>50. (3)</b> Where an adjudication tribunal decides that a respondent is guilty, it may:</p> <p>The options are as follows:</p> <p>(a) reprimand the respondent;</p> <p>(b) order that the respondent be suspended for a fixed period that it considers appropriate, until conditions which it may impose are fulfilled, or until further order of the adjudication tribunal;</p> <p>(c) allow or direct the respondent to resign from the society upon those conditions that may be considered appropriate;</p> <p>(d) order that the respondent be disbarred;</p> <p>(e) strike the respondent's name from the roll of students;</p> <p>(f) refuse the respondent's admission to usual examinations or refuse to grant a certificate of fitness, either absolutely or for the period of time that it considers appropriate;</p> <p>(g) order that the respondent's right to practice law under rules made under subsection 39(1) be suspended for a fixed period, or revoked;</p> <p>(h) order that the permission granted under subsection 39(2) be suspended for a fixed period, or revoked;</p> <p>(i) order that permission for members to practise with a respondent that is an interjurisdictional law firm be revoked, or suspended for a fixed period;</p> <p>(j) order the respondent to pay to the society for the assurance fund the amount that the adjudication panel may fix;</p> <p>(k) impose a fine, not to exceed \$10,000, to be paid to the society;</p> <p>(l) order that the respondent pay the costs or a part of the costs incurred by the society in the investigation and hearing of the complaint;</p> <p>(m) order that the society publish a summary of the decision including the information set out in subsection 51(7) and other information that the tribunal may specify;</p> <p>(n) order that the respondent comply with one or more of the following:</p> <p>(i) make restitution to the complainant or other person affected by the conduct of the respondent,</p>	<p>a) refer the member to the disciplinary process set out in Part II of the Act; and</p> <p>b) assess an administrative penalty as follows:</p> <p>i. if no previous administrative penalty has been assessed against the member, up to \$2,500 plus applicable taxes; or</p> <p>ii. if one or more administrative penalties have previously been assessed against the member, up to \$5,000 plus applicable taxes.</p> <p>(2) A member has 30 days to pay the administrative penalty or arrange for the payment of the administrative penalty.</p> <p>(3) If a member fails to pay the administrative penalty, the Executive Director may:</p> <p>(a) impose an administrative suspension until the member pays the administrative penalty; and/or</p> <p>(b) engage the disciplinary process set out in Part II of the Act.</p> <p>(4) If an administrative penalty is assessed, the society shall advise its members of the failure to comply with the record keeping requirements giving rise to the penalty but omitting information that may disclose the identity of the member(s) assessed the penalty.</p> <p><b><u>Client Identification and Verification Requirements</u></b></p> <p>16.12 (1) Where the Executive Director determines that, on a balance of probabilities, a member has not complied with the record keeping and retention requirements outlined in this Rule, the Executive Director may:</p> <p>a) refer the member to the disciplinary process set out in Part II of the Act; and</p> <p>b) assess an administrative penalty as follows:</p> <p>i. if no previous administrative penalty has been assessed against the member, up to \$2,500 plus applicable taxes; or</p>
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	<ul style="list-style-type: none"> <li>(ii) obtain medical treatment,</li> <li>(iii) obtain counselling,</li> <li>(iv) obtain substance abuse counselling or treatment, until the respondent can demonstrate to the adjudication tribunal or other body or person designated by the adjudication tribunal that the respondent is fit to resume practice,</li> <li>(v) engage in continuing education programs,</li> <li>(vi) report on his or her compliance with an order made under this section and authorize others involved with his or her treatment or supervision to report on it,</li> <li>(vii) restrict his or her professional practice or continue his or her practice under specified conditions,</li> <li>(viii) permit periodic inspection of his or her practice,</li> <li>(ix) permit periodic inspection of records relating to his or her practice,</li> <li>(x) maintain a specific type of trust account or a trust account for limited purposes, or</li> <li>(xi) accept specific co-signing controls on trust accounts; and</li> <li>(o) impose other requirements that are just and reasonable in the circumstances.</li> </ul>	<p>ii. if one or more administrative penalties have previously been assessed against the member, up to \$5,000 plus applicable taxes.</p> <p>(2) A member has 30 days to pay the administrative penalty or arrange for the payment of the administrative penalty.</p> <p>(3) If a member fails to pay the administrative penalty, the Executive Director may:</p> <ul style="list-style-type: none"> <li>a) impose an administrative suspension until the member pays the administrative penalty; and/or</li> <li>b) engage the disciplinary process set out in Part II of the Act.</li> </ul> <p>(4) If an administrative penalty is assessed, the society shall advise its members of the failure to comply with the record keeping requirements giving rise to the penalty but omitting information that may disclose the identity of the member(s) assessed the penalty.</p>
<b>Law Society of Yukon</b>	<p>Part 4 of the Legal Profession Act, 2017 sets out the powers of the Investigator and Sanctions.</p> <p>s.64 sets out the powers of an Investigator to dispose of a complaint which includes any sanctions set out in Section 80 of the Act</p> <p>s.80 sets out possible sanctions after a hearing.</p>	N/A
<b>Law Society of the Northwest Territories</b>	<p><a href="#">Legal Profession Act</a></p> <p>29.1. (1) Where a member is found by a Sole Inquirer to be guilty of unprofessional conduct, the Sole Inquirer shall reprimand the member.</p> <p>(2) In addition to reprimanding a member, the Sole Inquirer may</p> <ul style="list-style-type: none"> <li>(a) impose one or more conditions on the member's practice, including but not limited to a condition that the member practise under supervision or report on matters specified in the order to the Discipline Committee or another body or person;</li> <li>(b) impose one or more other conditions or requirements permitted by the rules;</li> <li>(c) order the member to pay to the Society, within the time fixed by the order, a fine not exceeding \$2,000 for each act or matter regarding the member's conduct in respect of which the Sole Inquirer has made a finding of guilt; and</li> <li>(d) order the member to pay the costs of the inquiry in an amount and within the time fixed by the order.</li> </ul>	N/A

	<p>30. (1) Where a member is found by a Committee of Inquiry to be guilty of unprofessional conduct, the Committee of Inquiry shall</p> <ul style="list-style-type: none"> <li>(a) order that the name of the member be struck from the Roll;</li> <li>(b) order that the member be suspended for a specified period of time; or</li> <li>(c) reprimand the member.</li> </ul> <p>(2) In addition to reprimanding or ordering the suspension of a member, the Committee of Inquiry may</p> <ul style="list-style-type: none"> <li>(a) impose one or more conditions on the member's suspension or practice, including but not limited to a condition that the member practise under supervision or report on matters specified in the order to the Discipline Committee or another body or person; and</li> <li>(b) impose one or more other conditions or requirements permitted by the rules.</li> </ul> <p>(3) In addition to reprimanding or ordering the suspension of a member, or ordering that the name of a member be struck from the Roll, the Committee of Inquiry may</p> <ul style="list-style-type: none"> <li>(a) order the member to pay to the Society, within the time fixed by the order, a fine not exceeding \$10,000 for each act or matter regarding the member's conduct in respect of which the Committee of Inquiry has made a finding of guilt; and</li> <li>(b) order the member to pay the costs of the inquiry in an amount and within the time fixed by the order.</li> </ul>	
Law Society of Nunavut	<p><a href="#">Legal Profession Act</a></p> <p><b>Discipline of member by Sole Inquirer</b></p> <p>29.1(1) Where a member is found by a Sole Inquirer to be guilty of professional misconduct or conduct unbecoming a barrister and solicitor, the Sole Inquirer shall reprimand the member.</p> <p><b>Fine and costs</b></p> <p>(2) In addition to reprimanding a member under subsection (1), the Sole Inquirer may</p> <ul style="list-style-type: none"> <li>(a) order the member to pay to the Society a fine not exceeding \$2,000 for each offence of which the member is found guilty, within the time fixed by the order; and</li> <li>(b) order the member to pay the costs of the inquiry in an amount and within the time fixed by the order.</li> </ul> <p><b>Discipline of member</b></p> <p>30(1) Where a member is found by a Committee of Inquiry to be guilty of professional misconduct or conduct unbecoming a barrister and solicitor, the Committee of Inquiry shall</p> <ul style="list-style-type: none"> <li>(a) order that the name of the member be struck from the Roll;</li> </ul>	N/A

	<p>(b) order that the member be suspended for a specified period of time; or</p> <p>(c) reprimand the member.</p> <p><b>Fine and costs</b></p> <p>(2) In addition to an order of suspension or reprimand under subsection (1), the Committee of Inquiry may</p> <p>(a) order the member to pay to the Society a fine not exceeding \$10,000 for each offence of which the member is found guilty, within the time fixed by the order; and</p> <p>(b) order the member to pay the costs of the inquiry in an amount and within the time fixed by the order.</p>	
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## Appendix A – Harmonization of overarching public interest principle across law societies

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
<b>Law Society of British Columbia</b>	<p>Code of Professional Conduct for British Columbia (the BC Code)</p> <p>Published under the authority of the Benchers for the guidance of BC lawyers</p> <p>Effective January 1, 2013; updated July 2024</p>	<p><b>Legal Profession Act [SBC 1998] Chapter 9</b></p> <p><b>Definitions</b></p> <p>1 (1)In this Act:</p> <p>...</p> <p>"bencher" means a person elected or appointed under Part 1 to serve as a member of the governing body of the society.</p> <p>...</p> <p><b>Object and duty of society</b></p> <p><b>3</b> It is the object and duty of the society to uphold and protect the public interest in the administration of justice by</p> <p>...</p> <p>(c) establishing standards and programs for the education, professional responsibility and competence of lawyers and of applicants for call and admission,</p>	<p>Dishonesty, fraud by client</p> <p>3.2-7 A lawyer must not engage in any activity that the lawyer knows or ought to know assists in or encourages any dishonesty, crime or fraud.</p> <p>Commentary</p> <p>[1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p> <p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these, and other criminal activities, may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p>[3] If lawyers have suspicions or doubts about whether they might be assisting a client in any dishonesty, crime or fraud, before accepting a retainer, or during the retainer, the lawyers should make reasonable inquiries to obtain information about the client and about the subject matter and objectives of the retainer. These should include making reasonable attempts to verify the legal or beneficial ownership of property and business entities and who has</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>...</p> <p><b>Law Society Rules</b></p> <p><b>Effective July 1, 2015; updated July 2024</b></p> <p><b>Division 3 – Law Society Rules Act, Rules and Code</b></p> <p>1-52 The Executive Director must provide each lawyer and each articulated student with a copy of the Legal Profession Act, all rules made by the Benchers, and the Code of Professional Conduct.</p>	<p>the control of business entities, and to clarify the nature and purpose of a complex or unusual transaction where the nature and purpose are not clear.</p> <p>[3.1] The lawyer should also make inquiries of a client who:</p> <p>(a) may be seeking, contrary to the prohibition in <a href="#">Rule 3-58.1(1)</a> of the Law Society Rules, the use of the lawyer's trust account without requiring any substantial legal services from the lawyer in connection with the trust matter, or</p> <p>(b) promises unrealistic returns on their investment to third parties who have placed money in trust with the lawyer or have been invited to do so.</p> <p>[3.2] The lawyer should make a record of the results of these inquiries.</p> <p>[4] A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case.</p>
<b>Law Society of Alberta</b>	Code of Conduct June 7, 2024	<p><b>Legal Profession Act</b></p> <p><b>Revised Statutes of Alberta 2000 Chapter L-8</b></p> <p><b>Definitions</b></p> <p>1 In this Act,</p>	<p>Fraud by Client or Others</p> <p>3.2-13 A lawyer must never:</p> <p>(a) assist in or encourage any fraud, crime, or illegal conduct,</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>...</p> <p>(b) "Bencher" means a person who holds office as a Bencher of the Society, but does not include an honorary Bencher;</p> <p>...</p> <p><b>Benchers</b></p> <p>5(1) There shall be a governing body of the Society called the Benchers.</p> <p>(2) The Benchers shall manage and conduct the business and affairs of the Society and exercise the powers of the Society in the name of or on behalf of the Society.</p> <p>...</p> <p><b>Powers of Benchers</b></p> <p>6 The Benchers may by resolution</p> <p>...</p>	<p>(b) do or omit to do anything that assists in or encourages any fraud, crime, or illegal conduct by a client or others, or</p> <p>(c) instruct a client or others on how to violate the law and avoid punishment.</p> <p>Commentary</p> <p>[1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p> <p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client or others engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these, and other criminal activities, may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p>[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of the client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		(l) authorize or establish a code of ethical standards for members and students-at-law and provide for its publication;	<p>[4] This rule does not apply to conduct the legality of which is supportable by a reasonable and good faith argument. A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case.</p> <p>[5] This rule is not intended to prevent a lawyer from fully explaining the options available to a client, including the consequences of various means of proceeding, or from representing after the fact a client accused of wrongful conduct. However, a lawyer may not act in furtherance of a client's improper objective. An example would be assisting a client to implement a transaction that is clearly a fraudulent preference. Nor may a lawyer purport to set forth alternatives without making a direct recommendation if the lawyer's silence would be construed as an indirect endorsement of an illegal action.</p> <p>[6] The mere provision of legal information must be distinguished from rendering legal advice or providing active assistance to a client. If a lawyer is reasonably satisfied on a balance of probabilities that the result of advice or assistance will be to involve the lawyer in a criminal or fraudulent act, then the advice or assistance should not be given. In contrast, merely providing legal information that could be used to commit a crime or fraud is not improper since everyone has a right to know and understand the law. Indeed, a lawyer has a positive obligation to provide such information or ensure that alternative competent legal advice is available to the client. Only if there is reason to believe beyond a reasonable doubt, based on familiarity with the client or information received from other reliable sources, that a client intends to use legal information to commit a crime should a lawyer decline to provide the information sought</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
<b>Law Society of Saskatchewan</b>	<p>Code of Professional Conduct</p> <p>The Law Society of Saskatchewan</p> <p>Adopted by the Benchers of the Law Society of Saskatchewan on February 10, 2012 to be effective on July 1, 2012</p>	<p><b>The Legal Profession Act, 1990 being Chapter L-10.1 of the Statutes of Saskatchewan, 1990-91 (effective October 1, 1991)</b></p> <p><b>Interpretation</b></p> <p>2(1) In this Act:</p> <p>...</p> <p>(a.1) "bencher" means a bencher of the society who is elected, constituted or appointed in accordance with this Act</p> <p>...</p> <p><b>Benchers</b></p> <p>6(1) The benchers constitute the governing body of the society and:</p> <p>(a) are responsible for the governance of the society and the legal profession;</p> <p>(b) shall manage and conduct the business and affairs of the society; and</p>	<p>Dishonesty, Fraud by Client or Others</p> <p>3.2-7 A lawyer must never:</p> <p>(a) knowingly assist in or encourage any dishonesty, fraud, crime or illegal conduct;</p> <p>(b) do or omit to do anything that the lawyer ought to know assists in or encourages any dishonesty, fraud, crime, or illegal conduct by a client or others; or</p> <p>(c) instruct a client or others on how to violate the law and avoid punishment</p> <p>Commentary</p> <p>[1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p> <p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client or others engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these, and other criminal activities, may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging</p>



REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>(c) shall perform the duties imposed, and exercise the powers conferred, on the society or the benchers pursuant to this Act or otherwise</p> <p>...</p> <p><b>Rules</b></p> <p>10 The benchers may make rules for the governing of the society, for the regulating of members, firms, articulated students-at-law and applicants, and for the carrying out of this Act, for the following purposes</p> <p>...</p> <p>(c) prescribing a code of professional conduct for members</p> <p>...</p> <p><b>Rules to be filed</b></p> <p>88(1) The society shall file with the Director of Corporations two copies, certified by the executive director to be true copies, of:</p> <p>(a) all rules and all amendments to those rules made pursuant to this Act; and</p>	<p>financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p>[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of a client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p> <p>[4] A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>(b) all amendments to rules or bylaws made pursuant to The Legal Profession Act prior to the day on which this Act comes into force; within 30 days after the day on which they are made.</p> <p>(2) Where the society adopts a code of professional conduct governing its members, and subscription to or observance of the code is a condition of membership, the code of professional conduct is, for the purpose of this section and <a href="#">sections 89 to 92</a>, deemed to be a rule.</p> <p>(3) Where a rule or bylaw is amended, the society shall file two copies of the rule or bylaw with the amendment</p> <p><b>Law Society of Saskatchewan Rules</b></p> <p>101(1) In these Rules:</p> <p>...</p> <p>“Code” means The Code of Professional Conduct adopted by the Benchers in 2012, as amended;</p>	

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>...</p> <p>503</p> <p>(12) Subject to subrule (13), a resolution to add to, amend or delete from these Rules or the Code is not valid unless:</p> <p>(a) the resolution is read twice; and</p> <p>(b) a majority of Benchers voting on each reading vote in favour of the resolution</p>	
<b>Law Society of Manitoba</b>	<p>Code of Professional Conduct Adopted by the Benchers of the Law Society of Manitoba on December 29, 2010</p> <p>Effective January 1, 2011</p>	<p><b>The Legal Profession Act C.C.S.M. c. L107</b></p> <p><b>Definitions</b></p> <p>1 The following definitions apply in this Act.</p> <p>...</p> <p>“bencher” means a member of the governing body of the society, except when used in reference to a life bencher or honorary bencher. (« conseiller »)</p> <p>...</p> <p><b>Practice standards</b></p>	<p>Dishonesty, Fraud by Client or Others</p> <p>3.2-7 A lawyer must never:</p> <p>(a) knowingly assist in or encourage any dishonesty, fraud, crime, or illegal conduct;</p> <p>(b) do or omit to do anything that the lawyer ought to know assists in or encourages any dishonesty, fraud, crime, or illegal conduct by a client or others; or</p> <p>(c) instruct a client or others on how to violate the law and avoid punishment.</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>43 The benchers may</p> <p>...</p> <p>(b) establish or adopt a code of conduct for lawyers, law firms and students;</p>	<p>Commentary</p> <p>[1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p> <p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client or others engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these, and other criminal activities, may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p>[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of a client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p> <p>[4] A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer</p>

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			should ensure that the client appreciates the consequences of bringing a test case.
<b>Law Society of Ontario</b>	<p>Rules of Professional Conduct</p> <p>Adopted by Convocation on June 22, 2000, effective November 1, 2000</p> <p>Amendments based on the Federation of Law Societies Model Code of Professional Conduct adopted by Convocation October 24, 2013, effective October 1, 2014</p> <p>Amendments current to June 28, 2022</p>	<p><b>Law Society Act R.S.O. 1990, c. L.8</b></p> <p><b>Interpretation</b></p> <p><b>1</b> (1) In this Act,</p> <p>...</p> <p>"Convocation" means a regular or special meeting of the benchers convened for the purpose of transacting business of the Society; ("Conseil")</p> <p>...</p> <p><b>Function of the Society</b></p> <p><b>4.1</b> It is a function of the Society to ensure that,</p> <p>(a) all persons who practise law in Ontario or provide legal services in Ontario meet standards of learning, professional competence and professional conduct that are appropriate for the legal services they provide; and</p>	<p>Dishonesty, Fraud, etc. by Client or Others</p> <p>3.2-7 A lawyer shall not</p> <p>(a) knowingly assist in or encourage any dishonesty, fraud, crime, or illegal conduct;</p> <p>(b) do or omit to do anything that the lawyer ought to know assists in, encourages or facilitates any dishonesty, fraud, crime, or illegal conduct by a client or any other person; or</p> <p>(c) advise a client or any other person on how to violate the law and avoid punishment.</p> <p>3.2-7.1 - <i>[Deleted - September 2017]</i></p> <p>3.2-7.2 When retained by a client, a lawyer shall make reasonable efforts to ascertain the purpose and objectives of the retainer and to obtain information about the client necessary to fulfill this obligation.</p> <p>3.2-7.3 A lawyer shall not use their trust account for purposes not related to the provision of legal services.</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>(b) the standards of learning, professional competence and professional conduct for the provision of a particular legal service in a particular area of law apply equally to persons who practise law in Ontario and persons who provide legal services in Ontario.</p> <p>...</p> <p><b>Government of the Society</b></p> <p><b>10</b> The benchers shall govern the affairs of the Society.</p> <p>...</p> <p><b>62</b> (0.1) Convocation may make by-laws,</p> <p>...</p> <p>10. authorizing and providing for the preparation, publication and distribution of a code of professional conduct and ethics;</p> <p>...</p> <p><b>Interpretation of by-laws</b></p> <p>(2) The by-laws made under this section shall be interpreted as if they formed part of this Act.</p>	<p>Commentary</p> <p>[1] Rule 3.2-7 which states that a lawyer must not knowingly assist in or encourage dishonesty, fraud, crime or illegal conduct, applies whether the lawyer's knowledge is actual or in the form of wilful blindness or recklessness. A lawyer should also be on guard against becoming the tool or dupe of an unscrupulous client or persons associated with such a client or any other person. Rules 3.2-7.2 to 3.2-7.3 speak to these issues.</p> <p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client or any other person who is engaged in criminal activity such as mortgage fraud or money laundering. Vigilance is required because the means for these and other criminal activities may be transactions for which lawyers commonly provide services such as</p> <p>(a) establishing, purchasing or selling business entities;</p> <p>(b) arranging financing for the purchase or sale or operation of business entities;</p> <p>(c) arranging financing for the purchase or sale of business assets; and</p> <p>(d) purchasing and selling real estate.</p> <p>[3] To obtain information about the client and about the subject matter and objectives of the retainer, the lawyer may, for example, need to verify who are the legal or beneficial owners of property and business entities, verify who has</p>

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			<p>the control of business entities, and clarify the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries. It is especially important to obtain this information where a lawyer has suspicions or doubts about whether he or she might be assisting a client or any other person in dishonesty, fraud, crime or illegal conduct.</p> <p>[3.1] Lawyers should be vigilant in identifying the presence of "red flags" in their areas of practice and make inquiries to determine whether a proposed retainer relates to a <i>bona fide</i> transaction. Information on "<a href="#">Red Flags in Real Estate Transactions</a>" appears below.</p> <p>[3.2] A client or another person may attempt to use a lawyer's trust account for improper purposes, such as hiding funds, money laundering or tax sheltering. These situations highlight the fact that when handling trust funds, it is important for a lawyer to be aware of their obligations under these rules and the Law Society's by-laws that regulate the handling of trust funds.</p> <p>[4] A <i>bona fide</i> test case is not necessarily precluded by rule 3.2-7 and, so long as no injury to the person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case.</p> <p>Red Flags in Real Estate Transactions</p> <p>[4.1] A lawyer representing any party in a real estate transaction should be vigilant in identifying the presence of "red flags" and make inquiries to</p>

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			<p>determine whether it is a bona fide transaction. Red flags include such things as</p> <p>(a) purchase price manipulations (revealed by, for example, deposits purportedly paid directly to the vendor, price escalations and "flips" in which a property is sold and re-sold within a short period of time for a substantially higher price, reductions in the balance due on closing in consideration of extra credits or deposits not required by the purchase agreement, amendments to the purchase price not disclosed to the mortgage lender, the acceptance on closing of an amount less than the balance due, a mortgage advance which approximates or exceeds the balance due resulting in surplus mortgage proceeds, and so on);</p> <p>(b) a nominal role for one or more parties (fraud is sometimes effected through the use of "straw people", who may not exist or whose identities have either been purchased or stolen, as well as through the suspicious use of powers of attorney);</p> <p>(c) the purchaser contributes no funds or only a nominal amount towards the purchase price or the balance due on closing;</p> <p>(d) signs that the parties are concealing a non-arm's length relationship or are colluding with respect to the purchase price;</p> <p>(e) suspicious or repeated third-party involvement (for example, giving instructions, supplying client directions or identification, and providing or receiving funds on closing); and</p>



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			<p>(f) the proceeds of sale are disbursed or directed to be paid to parties who are unrelated to the transaction.</p> <p>[4.2] The red flags listed above are not an exhaustive list. Further information regarding red flags is available from many sources, including the "Fighting Real Estate Fraud" page within the "Practice Resources" section of the website of the Law Society. Fraudulent real estate schemes and the red flags associated with such schemes are numerous and evolving. Lawyers who practise real estate law have a professional obligation therefore to educate themselves on an ongoing basis regarding the red flags of real estate fraud.</p>
<b>Barreau du Québec</b>	Code of Professional Conduct of Lawyers  chapter B-1, r. 3.1 (regulation)	<p><b>Professional Code</b> (chapter C-26, s. 87).</p> <p>DEFINITIONS AND APPLICATION</p> <p><u>1.</u> In this Code and in the regulations made thereunder, unless the context indicates a different meaning, the following terms mean:</p> <p>(a) "order" or "professional order" : any professional order listed in Schedule I to this Code or constituted in accordance with this Code;<sup>42</sup></p> <p>...</p> <p><u>3.</u> There shall be a body called the "Office des professions du Québec"</p>	<p><u>14.</u> A lawyer must not help or, through encouragement or advice, facilitate conduct by a client that the lawyer knows or should know is unlawful or fraudulent.</p> <p><u>14.1.</u> A lawyer must not under any circumstances participate in an act involving collusion, corruption, malfeasance, breach of trust or influence peddling.</p>

<sup>42</sup> Schedule 1 includes (6) the Ordre professionnel des avocats du Québec

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		<p>...</p> <p><a href="#">12.</a> The function of the Office shall be to see that each order ensures the protection of the public. ...</p> <p>The Office must, in particular,</p> <p>(1) ensure that the board of directors of each order adopts every regulation or by-law which it is required to adopt under this Code or, as the case may be, under the Act constituting the professional order;</p> <p>(2) recommend that the Government adopt, by regulation, any regulation or by-law which the board of directors is required to adopt under this Code or, as the case may be, under the Act constituting the professional order, if the board of directors fails to do so within the time fixed by the Office;</p> <p>...</p> <p><a href="#">59.1.1.</a> The following acts engaged in by a professional also constitute acts derogatory to the dignity of the profession:</p> <p>(1) committing an act involving collusion, corruption, malfeasance, breach of trust or influence peddling;</p>	

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		<p>(2) attempting to commit such an act or counselling another person to do so; and</p> <p>(3) conspiring to commit such an act.</p> <p>...</p> <p><a href="#">87.</a> The board of directors must make, by regulation, a code of ethics governing the general and special duties of the professional towards the public, his clients and his profession, particularly the duty to discharge his professional obligations with integrity. Such code must contain, <i>inter alia</i>:</p> <p>...</p> <p>provisions expressly stating that any act involving collusion, corruption, malfeasance, breach of trust or influence peddling is forbidden;</p> <p>...</p>	
Chambre des notaires du Québec	<p>Code of ethics of notaries</p> <p>chapter N-3, r. 2 (regulation)</p>	<p><b>Professional Code</b></p> <p>(chapter C-26, s. 87).</p> <p>DEFINITIONS AND APPLICATION</p> <p><a href="#">1.</a> In this Code and in the regulations made thereunder, unless the context indicates a</p>	<p><a href="#">56.</a> In addition to the acts referred to in sections 57, 58, 59.1, and 59.2 of the Professional Code (chapter C-26), the following acts performed by a notary constitute acts derogatory to the dignity of the profession:</p> <p>...</p> <p>(8) giving the character of authenticity to illegal or fraudulent acts;</p>

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		<p>different meaning, the following terms mean:</p> <p>(a) "order" or "professional order" : any professional order listed in Schedule I to this Code or constituted in accordance with this Code;<sup>43</sup></p> <p>...</p> <p><u>3.</u> There shall be a body called the "Office des professions du Québec"</p> <p>...</p> <p><u>12.</u> The function of the Office shall be to see that each order ensures the protection of the public. ...</p> <p>The Office must, in particular,</p> <p>(1) ensure that the board of directors of each order adopts every regulation or by-law which it is required to adopt under this Code or, as the case may be, under the Act constituting the professional order;</p> <p>(2) recommend that the Government adopt, by regulation, any regulation or by-law which the board of directors is required to adopt under this Code or, as the case may be, under the Act constituting the</p>	<p>(9) participating in, agreeing to render services enabling the commission of, or committing an illegal or fraudulent act;</p>

<sup>43</sup> Schedule 1 includes (19) the Ordre professionnel des notaires du Québec

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		<p>professional order, if the board of directors fails to do so within the time fixed by the Office;</p> <p>...</p> <p><a href="#">59.1.1.</a> The following acts engaged in by a professional also constitute acts derogatory to the dignity of the profession:</p> <p>(1) committing an act involving collusion, corruption, malfeasance, breach of trust or influence peddling;</p> <p>(2) attempting to commit such an act or counselling another person to do so; and</p> <p>(3) conspiring to commit such an act.</p> <p>...</p> <p><a href="#">87.</a> The board of directors must make, by regulation, a code of ethics governing the general and special duties of the professional towards the public, his clients and his profession, particularly the duty to discharge his professional obligations with integrity. Such code must contain, <i>inter alia</i>:</p> <p>...</p> <p>a. provisions expressly stating that any act involving collusion, corruption,</p>	

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		malfeasance, breach of trust or influence peddling is forbidden; ...	
<b>Law Society of New Brunswick</b>	Law Society of New Brunswick Code of Professional Conduct  As amended July 1, 2023	<b>Law Society Act, 1996 S.N.B. 1996, chapter 89</b>  16(1) Council shall govern and administer the affairs of the Society.  16(2) Without limiting the generality of the foregoing, Council may  ...  (r) approve a Code of Professional Conduct and require members, students-at-law, applicants for membership and persons referred to in subsections 33(4) and (5) to comply with it,  ...  17(3) The Code of Professional Conduct approved by Council under paragraph 16(2)(r) shall be deemed to be a rule.  ...	Dishonesty, Fraud by Client or Others  3.2-7 A lawyer must never:  (a) knowingly assist in or encourage any dishonesty, fraud, crime or illegal conduct;  (b) do or omit to do anything that the lawyer ought to know assists in or encourages any dishonesty, fraud, crime, or illegal conduct by a client or others; or  (c) instruct a client or others on how to violate the law and avoid punishment.  Commentary  [1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.  [2] A lawyer should be alert to and avoid unwittingly becoming involved with a client or others engaged in criminal activities such as mortgage fraud or money

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		<p>17(5) The rules are binding on the Society, its members and former members, Council, students-at-law, applicants, law firms and persons referred to in subsections 33(4) and (5).</p> <p>17(6) A new rule or the amendment or repeal of a rule is not effective unless a majority of the Members of Council then in office vote in favour of it, and it comes into force upon approval by Council or such later date as provided in the rule.</p>	<p>laundering. Vigilance is required because the means for these and other criminal activities may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or 36 operation of business entities; arranging financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p>[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of a client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p> <p>[4] A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case.</p>
<b>Nova Scotia Barristers' Society</b>	<p>Nova Scotia Barristers' Society Code Of Professional Conduct Approved By Council September 23, 2011</p> <p>Effective January 1, 2012</p>	<p><b>Legal Profession Act S.N.S. 2004, c 28</b>, as amended by S.N.S. 2010, c 56</p> <p><b>Purpose of Society</b></p>	<p>Dishonesty, Fraud by Client or others</p> <p>3.2-7 A lawyer must never:</p>

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	As Amended January 20, 2012; July 20, 2012; February 22, 2013; September 19, 2014; January 23, 2015; May 22, 2015; February 26, 2016; April 22, 2016; May 27, 2016; May 26, 2017 ; July 20, 2018; January 24, 2020, January 27, 2023	<p>4 (1) The purpose of the Society is to uphold and protect the public interest in the practice of law.</p> <p>(2) In pursuing its purpose, the Society shall ...</p> <p>(b) establish standards for the professional responsibility and competence of members in the Society;</p> <p>...</p> <p>6(5) In addition to any specific power or requirement to make regulations under this Act, the Council may make regulations to manage the Society's affairs, pursue its purpose and carry out its duties.</p> <p><b>Regulations made pursuant to the Legal Profession Act, S.N.S. 2004, c. 28</b></p> <p><b>8.1 STANDARDS</b></p> <p><b>Code of Professional Conduct</b></p>	<p>(a) knowingly assist in or encourage any dishonesty, fraud, crime, or illegal conduct;</p> <p>(b) do or omit to do anything that the lawyer ought to know assists in or encourages any dishonest, fraud, crime, or illegal conduct by a client or others; or</p> <p>(c) instruct a client or others on how to violate the law.</p> <p>Commentary</p> <p>[1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p> <p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client or others engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these, and other criminal activities, may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p>[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of a client, about the subject matter and</p>



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		8.1.1 The ethical standards contained in the rules and commentaries of the Code of Professional Conduct, as amended, are adopted as ethical standards for all members of the Society, including Articled Clerks, law firms and lawyers who are subject to the rules governing members.	<p>objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p> <p>[4] A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case.</p>
<b>Law Society of Prince Edward Island</b>	<p>Code of Professional Conduct Adopted: June 21, 2014 Implementation Date: January 1, 2015</p> <p>Amended: June 25, 2016 Further Amended: October 6, 2020 Further Amended: October 6, 2023</p>	<p><b>Legal Profession Act, RSPEI 1988, c L-6.1,</b></p> <p>4. Objects</p> <p>The objects of the society are</p> <p>...</p> <p>(b) to establish standards for the education, professional responsibility and competence of its members and applicants for membership;</p> <p>...</p>	<p>Dishonesty, Fraud by Client or Others</p> <p>3.2-7 A lawyer must never:</p> <p>(a) knowingly assist in or encourage any dishonesty, fraud, crime, or illegal conduct,</p> <p>(b) do or omit to do anything that the lawyer ought to know assists in or encourages any dishonesty, fraud, crime, or illegal conduct by a client or others, or</p> <p>(c) instruct a client or others on how to violate the law and avoid punishment.</p> <p>Commentary</p>

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		<p>6. Council</p> <p>(1) The council shall manage the affairs of the society.</p> <p>...</p> <p>55. Regulations</p> <p>(1) The society may make regulations for the better carrying out of the intent and purpose of this Act and, in particular, respecting</p> <p>...</p> <p>(d) all matters relating to the discipline and honour of the bar;</p> <p><b>NOTE:</b> <i>The Code of Professional Conduct does not appear to be a regulation made under the Act.</i></p>	<p>[1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p> <p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client or others engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these, and other criminal activities, may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p>[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of a client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p> <p>[4] A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case.</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
<b>Law Society of Newfoundland and Labrador</b>	<p>Code of Professional Conduct Adopted by Benchers;</p> <p>Effective January 1, 2013 Amended: January 1, 2014, February 28, 2014, October 20, 2014, January 15, 2016, November 14, 2016, October 23, 2017, January 1, 2020, February 1, 2023, June 7, 202</p>	<p><b>Law Society Act, 1999</b></p> <p><b>SNL1999 Chapter L-9.1</b></p> <p><b>Definitions</b></p> <p>2. (1) In this Act</p> <p>(a) "bencher" refers to a person who serves on the governing body of the society and the expression "the benchers" refers to the governing body of the society;</p> <p>...</p> <p>(g) "rules" means rules, regulations or by-laws made by the benchers of the society under authority vested in them under this Act;</p> <p>...</p> <p><b>Powers of benchers</b></p> <p>...</p> <p>18(2) The benchers may</p> <ul style="list-style-type: none"> <li>• make rules for the exercise of the powers, privileges and rights of the society;</li> </ul>	<p>Dishonesty, Fraud by Client or Others</p> <p>3.2-7 A lawyer must never:</p> <p>(a) knowingly assist in or encourage any dishonesty, fraud, crime, or illegal conduct,</p> <p>(b) do or omit to do anything that the lawyer ought to know assists in or encourages any dishonesty, fraud, crime, or illegal conduct by a client or others, or</p> <p>(c) instruct a client or others on how to violate the law and avoid punishment.</p> <p>Commentary</p> <p>[1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p> <p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client or others engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these, and other criminal activities, may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>...</p> <p>(p) establish or adopt rules of professional ethics or conduct;</p> <p>(s) prescribe the consequences of non-compliance with the act or rules and enforce penalties and orders.</p> <p><b>The Rules of the Law Society Of Newfoundland &amp; Labrador</b></p> <p><b>Part VIII – Professional Practice Rules</b></p> <p>...</p> <p><b>Traditions and ethics</b></p> <p>8.02 (1) Every member shall be bound by the traditions and general ethics of the profession.</p> <p>(2) Every member shall be bound by and shall adhere to such Code of Professional Conduct as may be adopted by the Benchers.</p>	<p>financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p>[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of a client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p> <p>[4] A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case.</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		(3) In the event of a conflict between any Code of Professional Conduct adopted by the Benchers and the Law Society Rules, the Law Society Rules prevail.	
<b>Law Society of Yukon</b>	<p>Code of Conduct Law Society of Yukon</p> <p>The Code of Conduct, as adopted by the Executive on January, 2020 was amended by resolution of the Executive passed on July 24, 2023</p>	<p><b>Legal Profession Act, 2017</b></p> <p><b>SY 2017, c. 12</b></p> <p>4 Executive</p> <p>(1) The affairs of the Society are to be managed and conducted by a body, known as the Executive, ...</p> <p>...</p> <p>21 Power to make rules</p> <p>(1) The Executive may make rules for the governance of the Society, for the regulation of the conduct of members, applicants or other persons with respect to the provision of legal services and generally for the carrying out of this Act, as long as the rules are not inconsistent with this Act and the regulations.</p> <p>...</p>	<p>Dishonesty, Fraud by Client or Others</p> <p>3.2-7</p> <p>A lawyer must never:</p> <p>(a) knowingly assist in or encourage any dishonesty, fraud, crime, or illegal conduct,</p> <p>(b) do or omit to do anything that the lawyer ought to know assists in or encourages any dishonesty, fraud, crime, or illegal conduct by a client or others, or</p> <p>(c) instruct a client or others on how to violate the law and avoid punishment.</p> <p>Commentary</p> <p>[1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>50 Code of Conduct</p> <p>(1) The Society must have in force a Code of Conduct for lawyers.</p>	<p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client or others engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these and other criminal activities may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p>[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of a client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p> <p>[4] A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case.</p>
<b>Law Society of Northwest Territories</b>	<p>Code of Professional Conduct</p> <p>As amended March 16, 202</p>	<b>Legal Profession Act RSNWT 1988, c.L-2</b>	<p>Dishonesty, Fraud by Client or Others</p> <p>3.2-7 A lawyer must never:</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>3. (1) There shall be an Executive that shall manage and conduct the affairs of the Society.</p> <p>...</p> <p>7. The Executive, for and on behalf of the Society, may</p> <p>...</p> <p>(k) authorize the distribution to members of memoranda or publications relating to ethical standards of professional conduct in the practice of law.</p> <p>...</p> <p>8. (1) The Executive shall make rules for the regulation of the Society, the management and conduct of its business affairs and for the exercise of the powers conferred or the performance of the duties imposed on the Society or the Executive by or under this Act and, without restricting the generality of these powers to make rules, may make rules</p> <p>...</p> <p>(o) respecting matters relating to the discipline and honour of the legal profession, the discipline of barristers and solicitors and students-at-law, the making of investigations and inquiries concerning</p>	<p>(a) knowingly assist in or encourage any dishonesty, fraud, crime, or illegal conduct,</p> <p>(b) do or omit to do anything that the lawyer ought to know assists in or encourages any dishonesty, fraud, crime, or illegal conduct by a client or others, or</p> <p>(c) instruct a client or others on how to violate the law and avoid punishment.</p> <p>Commentary</p> <p>[1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p> <p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client or others engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these and other criminal activities may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging financing for the purchase or sale of business assets; and purchasing and selling real estate.</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>the conduct of barristers and solicitors and students-at-law, including the procedure to be followed by and the powers and duties of the Discipline Committee or a Sole Inquirer or a Committee of Inquiry and the giving of public notice of disbarments, expulsions and suspensions of barristers and solicitors and students-at-law;</p> <p>...</p> <p><b>Rules of the Law Society of the Northwest Territories R-044-2012</b></p> <p><b>CODE OF PROFESSIONAL CONDUCT</b></p> <p>86.1. (1) The Law Society of the Northwest Territories, Code of Professional Conduct (March 16, 2021), is adopted as amended from time to time.</p> <p>(2) Each provision of the code adopted under subrule (1) is a rule and has the same legal effect as a rule</p>	<p>[3] If a lawyer has suspicions or doubts about whether he or she might be assisting a client or others in dishonesty, fraud, crime or illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client or others and, in the case of a client, about the subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p> <p>[4] A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case.</p>
<b>Law Society of Nunavut</b>	Code of Professional Conduct May 2016	<p><b>Legal Profession Act</b></p> <p><b>R.S.N.W.T. (Nu) 1988, c. L-2</b></p>	<p>Dishonesty, Fraud by Client or Others</p> <p>3.2-7 A lawyer must never:</p>



REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
	Amendments were approved in June 2022	<p><b>Executive</b></p> <p>3(1) There shall be an Executive that shall manage and conduct the affairs of the Society.</p> <p>...</p> <p>7 The Executive, for and on behalf of the Society, may</p> <p>...</p> <p>(k) authorize the distribution to members of memoranda or publications relating to ethical standards of professional conduct in the practice of law</p> <p><b>Rules</b></p> <p>8(1) The Executive shall make rules for the regulation of the Society, the management and conduct of its business affairs and for the exercise of the powers conferred or the performance of the duties imposed on the Society or the Executive by or under this Act and, without restricting the generality of these powers to make rules, may make rules</p> <p>...</p>	<p>(a) knowingly assist in or encourage any dishonesty, fraud, crime, or illegal conduct.</p> <p>(b) do or omit to do anything that the lawyer ought to know assists in or encourages any dishonesty, fraud, crime, or illegal conduct by a client or others, or</p> <p>(c) instruct a client or others on how to violate the law and avoid punishment.</p> <p>Commentary</p> <p>[1] A lawyer should be on guard against becoming the tool or dupe of an unscrupulous client, or of others, whether or not associated with the unscrupulous client.</p> <p>[2] A lawyer should be alert to and avoid unwittingly becoming involved with a client engaged in criminal activities such as mortgage fraud or money laundering. Vigilance is required because the means for these, and other criminal activities, may be transactions for which lawyers commonly provide services such as: establishing, purchasing or selling business entities; arranging financing for the purchase or sale or operation of business entities; arranging financing for the purchase or sale of business assets; and purchasing and selling real estate.</p> <p>[3] Before accepting a retainer, or during a retainer, if a lawyer has suspicions or doubts about whether they might be assisting a client in fraud, crime or</p>

REGULATOR	CODES OR RULES OF CONDUCT	LEGISLATIVE OR OTHER AUTHORITY FOR CODES OR RULES OF CONDUCT	DUTY IN CODES OR RULES WITH RESPECT TO CLIENTS' ILLEGAL CONDUCT
		<p>(o) respecting matters relating to the discipline and honour of the legal profession, the discipline of members and students-at-law, the making of investigations and inquiries concerning the conduct of members and students-at-law, including the procedure to be followed by and the powers and duties of the Discipline Committee or a Sole Inquirer or a Committee of Inquiry and the giving of public notice of disbarments, expulsions and suspensions of members and students-at-law;</p> <p><b>NOTE:</b> <i>It appears that there is no rule made by the Law Society of Nunavut similar to the LSNWT's rule respecting a code of professional conduct.</i></p>	<p>illegal conduct, the lawyer should make reasonable inquiries to obtain information about the client and about subject matter and objectives of the retainer. These should include verifying who are the legal or beneficial owners of property and business entities, verifying who has the control of business entities, and clarifying the nature and purpose of a complex or unusual transaction where the purpose is not clear. The lawyer should make a record of the results of these inquiries.</p> <p>[4] A bona fide test case is not necessarily precluded by this rule and, so long as no injury to a person or violence is involved, a lawyer may properly advise and represent a client who, in good faith and on reasonable grounds, desires to challenge or test a law and the test can most effectively be made by means of a technical breach giving rise to a test case. In all situations, the lawyer should ensure that the client appreciates the consequences of bringing a test case.</p> <p>[5] While this rule and Rule 3.2-8 are only intended to cover conduct that could lead to criminal, penal or administrative penalties or punishment, or contempt of court, or conduct of similar gravity, it may also be appropriate to advise a client that certain provisions of a legal document may be invalid or ineffective when a client persists in including them.</p>

## Appendix B – Comparison of Federation AML Model Rules and the PCMLTFA Regulations

In this table, in addition to the legal professionals described in the definition of “lawyer” in the Model Rule on Client Identification and Verification, reference to “lawyer” or “lawyers” should be read to include Ontario licensed paralegals who are also subject to the provisions of the Model Rules as implemented by the law societies in Canada.

PART 1 - MODEL RULE ON CLIENT IDENTIFICATION AND VERIFICATION			
Provision	Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Model Rule - Adopted by the Council of the Federation March 20, 2008; amended December 12, 2008; amended October 19, 2018; amended March 14, 2023	Comment/Explanatory Notes
Definition of “cash”	<p>1(2)</p> <p><b>cash</b> means coins referred to in section 7 of the <i>Currency Act</i>, notes issued by the Bank of Canada under the <i>Bank of Canada Act</i> that are intended for circulation in Canada or coins or bank notes of countries other than Canada.</p> <p>(<i>espèces</i>)</p>	No definition	The definition of “cash” in subsection 1(2) of the Regulations appears in the Model Rule on Cash Transactions, described in Part 2 of this table.
Definition of “credit union central”	<p>1(2)</p> <p><b>credit union central</b> means a central cooperative credit society, as defined in section 2 of the <i>Cooperative Credit Associations Act</i>, or a credit union central or a Federation of credit unions or caisses populaires that is regulated by a provincial Act other than one enacted by the legislature of</p>	<p><b>Definitions</b></p> <p>1. In this rule,</p> <p>“credit union central” means a central cooperative credit society, as defined in section 2 of the <i>Cooperative Credit Associations Act</i>, or a credit union central or</p>	The definitions in the Regulations and Model Rule are identical.

PART 1 - MODEL RULE ON CLIENT IDENTIFICATION AND VERIFICATION			
Provision	Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Model Rule - Adopted by the Council of the Federation March 20, 2008; amended December 12, 2008; amended October 19, 2018; amended March 14, 2023	Comment/Explanatory Notes
	Quebec. ( <i>centrale de caisses de crédit</i> )	a Federation of credit unions or caisses populaires that is regulated by a provincial or territorial Act other than one enacted by the legislature of Quebec.	
Definition of "disbursements"	No definition	1. In this rule,  "disbursements" means amounts paid or required to be paid to a third party by the lawyer or the lawyer's firm on a client's behalf in connection with the provision of legal services to the client by the lawyer or the lawyer's firm which will be reimbursed by the client;	
Definition of "electronic funds transfer"	1(2)  <b>electronic funds transfer</b> means the transmission — by any electronic, magnetic or optical means — of instructions for the transfer of funds, including a transmission of instructions that is initiated and finally received by the same person or entity. In the case of SWIFT messages, only SWIFT MT-103 messages and their equivalent are included. It does not include a transmission of instructions for the transfer of funds  (a) {Repealed, SOR/2022-76, s. 1);	1. In this rule,  "electronic funds transfer" means an electronic transmission of funds conducted by and received at a financial institution or a financial entity headquartered in and operating in a country that is a member of the Financial Action Task Force, where neither the sending nor the receiving account holders handle or transfer the funds, and where the transmission record contains a reference number, the date, transfer amount, currency and the names of the sending and receiving account holders and the conducting and receiving entities	The Model Rule's definition is specific to wire bank-to-bank transfers (transmission of instructions for transfer)

PART 1 - MODEL RULE ON CLIENT IDENTIFICATION AND VERIFICATION			
Provision	Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Model Rule - Adopted by the Council of the Federation March 20, 2008; amended December 12, 2008; amended October 19, 2018; amended March 14, 2023	Comment/Explanatory Notes
	<p>(b) that involves a beneficiary withdrawing cash from their account;</p> <p>(c) that is carried out by means of a direct deposit or a pre-authorized debit;</p> <p>(d) that is carried out by cheque imaging and presentment;</p> <p>(e) that is both initiated and finally received by persons or entities that are acting to clear or settle payment obligations between themselves; or</p> <p>(f) that is initiated or finally received by a person or entity referred to in paragraphs 591) to (h.1) of the Act for the purpose of internal treasury management, including the management of their financial assets and liabilities, if one of the parties to the transaction is a subsidiary of the other or if they are subsidiaries of the same corporation. (télévirement)</p>		

PART 1 - MODEL RULE ON CLIENT IDENTIFICATION AND VERIFICATION			
Provision	Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Model Rule - Adopted by the Council of the Federation March 20, 2008; amended December 12, 2008; amended October 19, 2018; amended March 14, 2023	Comment/Explanatory Notes
Definition of "expenses"	No definition	<p>1. In this rule,</p> <p>"expenses" means costs incurred by a lawyer or law firm in connection with the provision of legal services to a client which will be reimbursed by the client including such items as photocopying, travel, courier/postage, and paralegal costs;</p>	
Definition of "financial institution/ entity"	<p>1(2)</p> <p><b>financial entity</b> means</p> <p>(a) an entity that is referred to in any of paragraphs 5(a), (b) and (d) to (f) of the Act;</p> <p>(b) a financial services cooperative;</p> <p>(c) a life insurance company, or an entity that is a life insurance broker or agent, in respect of loans or prepaid payment products that it offers to the public and accounts that it maintains with respect to those loans or prepaid payment products, other than:</p> <p>(i) loans that are made by the insurer to a policy holder if the insured person has a terminal illness that significantly reduces</p>	<p>1. In this rule,</p> <p>"financial institution" means</p> <p>a) a bank that is regulated by the Bank Act;</p> <p>b) an authorized foreign bank within the meaning of section 2 of the <i>Bank Act</i> in respect of its business in Canada,</p> <p>c) a cooperative credit society, savings and credit union or caisse populaire that is regulated by a provincial or territorial Act,</p> <p>d) an association that is regulated by the <i>Cooperative Credit Associations Act</i> (Canada),</p>	<p>Prior to the June 25, 2019 amendments to the Regulations (<i>Canada Gazette</i> July 10, 2019), the definitions in the Regulations and the Model Rule were virtually identical. A specific exception was paragraph (j) which appears only in the Model Rule.</p> <p>The Federation's Standing Committee on Anti-Money and Terrorist Financing intends to recommend that the definition in the Model Rule be updated to incorporate the June 25, 2019 amendments.</p>

PART 1 - MODEL RULE ON CLIENT IDENTIFICATION AND VERIFICATION			
Provision	Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Model Rule - Adopted by the Council of the Federation March 20, 2008; amended December 12, 2008; amended October 19, 2018; amended March 14, 2023	Comment/Explanatory Notes
	<p>their life expectancy and the loan is secured by the value of an insurance policy;</p> <p><b>(ii)</b> loans that are made by the insurer to the policy holder for the sole purpose of funding the life insurance policy; and</p> <p><b>(iii)</b> advance payments to which the policy holder is entitled that are made to them by the insurer;</p> <p><b>(d)</b> a credit union central when it offers financial services to a person, or to an entity that is not a member of that credit union central; and</p> <p><b>(e)</b> a department, or an entity that is an agent of Her Majesty in right of Canada or an agent or mandatary of Her Majesty in right of a province, when it carries out an activity referred to in section 76. (<i>entité financière</i>)</p>	<p>(e) a financial services cooperative</p> <p>(f) a credit union central</p> <p>g) a company that is regulated by the <i>Trust and Loan Companies Act</i> (Canada),</p> <p>(h) a trust company or loan company that is regulated by a provincial or territorial Act;</p> <p>(i) a department or an entity that is an agent of Her Majesty in right of Canada or of a province or territory when it accepts deposit liabilities in the course of providing financial services to the public; or</p> <p>(j) a subsidiary of the financial institution whose financial statements are consolidated with those of the financial institution.</p>	
Definition of "financial services cooperative"	<p>1(2)</p> <p><b><i>financial services cooperative</i></b> means a financial services cooperative that is regulated by An</p>	1. In this rule,	The definitions in the Regulations and Model Rule are identical.

PART 1 - MODEL RULE ON CLIENT IDENTIFICATION AND VERIFICATION			
Provision	Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Model Rule - Adopted by the Council of the Federation March 20, 2008; amended December 12, 2008; amended October 19, 2018; amended March 14, 2023	Comment/Explanatory Notes
	<i>Act respecting Financial services cooperatives</i> , CQLR, c. C-67.3, or <i>An Act Respecting the Mouvement Desjardins</i> , S.Q. 2000, c. 77, other than a <i>caisse populaire</i> . ( <i>coopérative de services financiers</i> )	“financial services cooperative” means a financial services cooperative that is regulated by <i>An Act respecting financial services cooperatives</i> , CQLR, c. C-67.3, or <i>An Act respecting the Mouvement Desjardins</i> , S.Q. 2000, c.77, other than a <i>caisse populaire</i> .	
Definition of “funds”	<p>1(2)</p> <p><b>funds</b> means</p> <p>(a) cash and other fiat currencies, and securities, negotiable instruments or other financial instruments that indicate a title or right to or interest in them; or</p> <p>(b) a private key of a cryptographic system that enables a person or entity to have access to a fiat currency other than cash.</p> <p>For greater certainty, it does not include virtual currency. (<i>fonds</i>)</p>	<p>1. In this rule,</p> <p>“funds” means cash, currency, securities and negotiable instruments or other financial instruments that indicate the person’s title or right to or interest in them;</p>	<p>Prior to the June 25, 2019 amendments to the Regulations, the definitions in the Regulations and the Model Rule were identical.</p> <p>The Federation’s Standing Committee on Anti-Money and Terrorist Financing intends to recommend that the definition in the Model Rule be updated to incorporate the June 25, 2019 amendments.</p>
Definition of “lawyer”	No definition	1. In this rule,	The definition of “lawyer” is identical to the definition of “legal counsel” in the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> .



PART 1 - MODEL RULE ON CLIENT IDENTIFICATION AND VERIFICATION			
Provision	Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Model Rule - Adopted by the Council of the Federation March 20, 2008; amended December 12, 2008; amended October 19, 2018; amended March 14, 2023	Comment/Explanatory Notes
		"lawyer" means, in the Province of Quebec, an advocate or a notary and, in any other province, a barrister or solicitor.	
Definition of "legal firm"	1(2) <b>legal firm</b> means an entity that is engaged in the business of providing legal services to the public ( <i>cabinet d'avocats</i> )	No definition	
Definition of "organization"	No definition	1. In this rule,  "organization" means a body corporate, partnership, fund, trust, co-operative or an unincorporated association;	This definition clarifies the scope of this term used in the Model Rule.
Definitions of "prepaid payment product" and "prepaid payment product account"	1(2) <b>prepaid payment product</b> means a product that is issued by a financial entity and that enables a person or entity to engage in a transaction by giving them electronic access to funds or virtual currency paid to a prepaid payment product account held with the financial entity in advance of the transaction. It excludes a product that  (a) enables a person or entity to access a credit or debit account or one that is issued	No definition	The Federation's Standing Committee on Anti-Money and Terrorist Financing intends to recommend that the definition in the Model Rule be updated to incorporate these definitions from the Regulations (added in the June 25, 2019 amendments).

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	<p>for use only with particular merchants; or</p> <p>(b) is issued for single use for the purposes of a retail rebate program. (<i>produit de paiement prépayé</i>)</p> <p><b>prepaid payment product account</b> means an account — other than an account to which only a public body or, if doing so for the purposes of humanitarian aid, a registered charity as defined in subsection 248(1) of the <i>Income Tax Act</i>, can add funds or virtual currency — that is connected to a prepaid payment product and that permits</p> <p>(a) funds or virtual currency that total \$1,000 or more to be added to the account within a 24-hour period; or</p> <p>(b) a balance of funds or virtual currency of \$1,000 or more to be maintained. (<i>compte de produit de paiement prépayé</i>)</p>		
Definition of “professional fees”	No definition	<p>1. In this rule,</p> <p>“professional fees” means amounts billed or to be billed to a client for legal services provided or to be provided to the client by the lawyer or the lawyer’s firm;</p>	

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Definition of "public body"	<p>1(2)</p> <p><b>public body</b> means</p> <p>(a) a department or an agent of Her Majesty in right of Canada or an agent or mandatary of Her Majesty in right of a province;</p> <p>(b) an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body in Canada or an agent or mandatary in Canada of any of them; and</p> <p>(c) an organization that operates a public hospital and that is designated by the Minister of National Revenue as a hospital authority under the <i>Excise Tax Act</i>, or any agent or mandatary of such an organization. (<i>organisme public</i>)</p>	<p>1. In this rule,</p> <p>"public body" means</p> <p>(a) a department or agent of Her Majesty in right of Canada or of a province or territory,</p> <p>(b) an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body in Canada or an agent in Canada of any of them,</p> <p>(c) a local board of a municipality incorporated by or under an Act of a province or territory of Canada including any local board as defined in the <i>Municipal Act</i> (Ontario) [or equivalent legislation] or similar body incorporated under the law of another province or territory,</p> <p>(d) an organization that operates a public hospital authority and that is designated by the Minister of National Revenue as a hospital under the <i>Excise Tax Act</i> (Canada) or an agent of the organization,</p>	<p>Prior to the June 25, 2019 amendments to paragraph (a) of the Regulations, this paragraph in the Regulations and the Model Rule were virtually identical.</p> <p>Paragraphs (b) and (d) in the Model Rule are nearly identical to paragraphs (b) and (c) in the Regulations.</p> <p>The Federation's Standing Committee on Anti-Money and Terrorist Financing intends to recommend that the definition in the Model Rule be updated to incorporate the June 25, 2019 amendments.</p>

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		<p>(e) a body incorporated by or under an Act of a province or territory of Canada for a public purpose; or</p> <p>(f) a subsidiary of a public body whose financial statements are consolidated with those of the public body.</p>	
Definition of "receipt of funds record"	<p>1(2)</p> <p><b>receipt of funds record</b> means a record that indicates the receipt of an amount of funds and that contains the following information:</p> <p>(a) the date of the receipt;</p> <p>(b) if the amount is received from a person, their name, address and date of birth and the nature of their principal business or their occupation;</p> <p>(c) if the amount is received from or on behalf of an entity, the entity's</p>	No definition	<p>See also section 45 of the Regulations noted later in this table.</p> <p>Pursuant to section 3 of the Model Rule, lawyers are required to obtain and record the information described in paragraph 1(2)(b) of the Regulations, with the exception of the date of birth, and the information described in paragraph 1(2)(c) upon being retained by a client as part of the client identification requirements.</p> <p>Under law societies' rules, lawyers in Canada are required to keep various detailed financial records, including a cash transactions record for all cash received, and a record of all trust receipts and disbursements.</p>

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	<p>name and address and the nature of its principal business;</p> <p><b>(d)</b> the amount of the funds received and of any part of the funds that is received in cash;</p> <p><b>(e)</b> the method by which the amount is received;</p> <p><b>(f)</b> the type and amount of each fiat currency involved in the receipt;</p> <p><b>(g)</b> if applicable, the exchange rates used and their source;</p> <p><b>(h)</b> the number of every account that is affected by the transaction in which the receipt occurs, the type of account and the name of each account holder;</p> <p><b>(i)</b> the name and address of every other person or entity that is involved in the transaction, the nature of their principal business or their occupation</p>		<p>See also section 46 of the Regulations noted later in this table which exempts lawyers from certain requirements in paragraphs (b), (c) and (h) in the case of inter-law firm trust fund transfers.</p>

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	<p>and, in the case of a person, their date of birth;</p> <p>(j) every reference number that is connected to the transaction and has a function equivalent to that of an account number; and</p> <p>(k) the purpose of the transaction. (<i>relevé de réception de fonds</i>)</p>		
Definition of "reporting issuer"	No definition	<p>1. In this rule,</p> <p>"reporting issuer" means an organization that is a reporting issuer within the meaning of the securities laws of any province or territory of Canada, or a corporation whose shares are traded on a stock exchange that is designated under section 262 of the <i>Income Tax Act</i> (Canada) and operates in a country that is a member of the Financial Action Task Force, and includes a subsidiary of that organization or corporation whose financial statements are consolidated with those of the organization or corporation.</p>	<p>This definition, rather than "public company" or other similar term, is used to describe entities subject to certain exemptions from the Model Rule's requirements.</p> <p>Section 154 of the Regulations noted later in this table includes a description of certain entities that are subject to similar exemptions in the Regulations.</p>
Definition of "securities dealer"	<p>1(2)</p> <p><b>securities dealer</b> means a person or entity that is referred to in paragraph</p>	<p>1. In this rule,</p> <p>"securities dealer" means persons and entities authorized under provincial or</p>	<p>Paragraph 5(g) of the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i>, which the Model Rule has adopted almost verbatim for its definition, reads:</p>

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	5(g) of the Act. ( <i>courtier en valeurs mobilières</i> )	territorial legislation to engage in the business of dealing in securities or any other financial instruments or to provide portfolio management or investment advising services, other than persons who act exclusively on behalf of such an authorized person or entity.	(g) persons and entities authorized under provincial legislation to engage in the business of dealing in securities or any other financial instruments or to provide portfolio management or investment advising services, other than persons who act exclusively on behalf of such an authorized person or entity;
Definition of "virtual currency"	<p>1(2)</p> <p><b>virtual currency</b> means</p> <p>(a) a digital representation of value that can be used for payment or investment purposes, that is not a fiat currency and that can be readily exchanged for funds or for another virtual currency that can be readily exchanged for funds; or</p> <p>(b) a private key of a cryptographic system that enables a person or entity to have access to a digital representation of value referred to in paragraph (a). (<i>monnaie virtuelle</i>)</p>	No definition	The Federation's Standing Committee on Anti-Money and Terrorist Financing intends to recommend that the Model Rule be updated to add the definition of virtual currency in the Regulations (added in the June 25, 2019 amendments).
Description of "business relationship"	4.1 For the purposes of these Regulations, a person or entity to which section 5 of the Act applies enters into a business relationship with	<b>Requirement to Identify Client</b>	Law societies' regulations, including those specific to anti-money laundering and terrorist financing and financial management/record keeping, are premised on the lawyer-client relationship as a professional

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	<p>a client at the earliest of the following events:</p> <p>(a) the time when the person or entity opens an account for the client, except in the circumstances set out in any of paragraphs 154(1)(a) to (d) and (2)(a) to (l) and (p) and subsection 154(3),</p> <p>(b) the second time that the person or entity is required to verify the identity of the client under these Regulations,</p> <p>(c) if the person or entity is a real estate broker or sales representative or a real estate developer, the first time that the person or entity is required to verify the identity of the client under these Regulations,</p> <p>(d) if the person or entity is a money services business and the client is an entity, the time when the person or entity enters into a service agreement with the client to provide a service referred to in any of subparagraphs 5(h)(i) to (v) of the Act, and</p> <p>(e) if the person or entity is a foreign money services business and the client is an entity in Canada, the time when the person or entity enters into a</p>	<p>2. (1) Subject to subsection (3), a lawyer who is retained by a client to provide legal services must comply with the requirements of this Rule in keeping with the lawyer's obligation to know their client, understand the client's financial dealings in relation to the retainer with the client and manage any risks arising from the <u>professional business relationship</u> with the client.</p> <p>(emphasis added)</p> <p>See also complete section 2 later in this table.</p>	business relationship, based on a retainer for legal services.



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	service agreement with the client to provide a service referred to in any of subparagraphs 5(h.1)(i) to (v) of the Act.		
Requirement to identify all clients	No stand-alone provision	<p><b>Requirement to Identify Client</b></p> <p>...</p> <p>3. A lawyer who is retained by a client as described in subsection 2(1) must obtain and</p> <p>record, with the applicable date, the following information:</p> <p>(1) for individuals:</p> <p>(a) the client's full name,</p> <p>(b) the client's home address and home telephone number,</p> <p>(c) the client's occupation or occupations, and</p>	The Model Rule requires the <b>identification</b> of clients for all legal retainers and the <b>verification of client identity</b> for retainers involving certain funds transactions – with no threshold amount - as defined. The record-keeping requirements in section 7 apply to the information obtained to identify and verify the identity of clients.

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		<p>(d) the address and telephone number of the client's place of work or employment, where applicable;</p> <p>(2) for organizations:</p> <p>(a) the client's full name, business address and business telephone number,</p> <p>(b) other than a financial institution, public body or reporting issuer, the organization's incorporation or business identification number and the place of issue of its incorporation or business identification number, if applicable,</p> <p>(c) other than a financial institution, public body or a reporting issuer, the general nature of the type of business or businesses or activity or activities engaged in by the client, where applicable, and</p> <p>(d) the name and position of and contact information for the individual who is authorized to provide and gives</p>	

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		<p>instructions to the lawyer with respect to the matter for which the lawyer is retained.</p> <p>(3) if the client is acting for or representing a third party, information about the third party as set out in subsections (1) or (2) as applicable.</p>	
Reporting of financial transactions and record-keeping - Legal counsel and legal firms	<p>44 (1) Subject to subsection (2), every legal counsel and every legal firm is subject to Part 1 of the Act when they engage in any of the following activities on behalf of any person or entity:</p> <p>(a) receiving or paying funds, other than those received or paid in respect of professional fees, disbursements, expenses or bail; or</p> <p>(b) giving instructions in respect of any activity referred to in paragraph (a).</p> <p>(2) Subsection (1) does not apply in respect of legal counsel when they engage in any of the activities</p>	<p><b>Requirement to Identify Client</b></p> <p>2. (1) Subject to subsection (3), a lawyer who is retained by a client to provide legal services must comply with the requirements of this Rule in keeping with the lawyer's obligation to know their client, understand the client's financial dealings in relation to the retainer with the client and manage any risks arising from the professional business relationship with the client.</p> <p>(2) A lawyer's responsibilities under this Rule may be fulfilled by any member, associate or employee of the lawyer's firm, wherever located.</p> <p>(3) Sections 3 through 10 do not apply to</p>	<p>The Model Rule applies whenever a lawyer provides legal services to a client. As noted above, there are two aspects to the Rule: the identification requirements in section 3 (above) and the identity verification requirements in section 6 triggered under section 4 where the lawyer receives, pays or transfers funds.</p> <p>Similar to paragraph 44(1)(a) of the Regulations, subsection 5(2) of the Model Rule exempts the lawyer from verification and source of funds requirements when certain funds are received.</p> <p>The Model Rule exempts certain lawyers from the identification and verification requirements as set out in subsection 2(3). As in the Regulations, the Model Rule includes the employed lawyer exemption, but the Model Rule also includes exemptions for lawyer's agents who are lawyers, referrals between lawyers where compliance has been completed by the referring lawyer and lawyers acting as duty counsel in a specified program.</p>

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	<p>referred to in that subsection on behalf of their employer.</p> <p>45 Subject to subsection 62(2), every legal counsel and every legal firm shall, when engaging in an activity described in section 33.3, keep the following records:</p> <p>(a) a receipt of funds record in respect of every amount of \$3,000 or more that they receive in the course of a single transaction, unless the amount is received from a financial entity or a public body; and</p> <p>(b) where the receipt of funds record is in respect of a client that is a corporation, a copy of the part of the official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the legal counsel or legal firm.</p> <p>46 A legal counsel or legal firm that, in connection with a transaction, receives funds from the trust account of a legal firm or from the trust account of a legal counsel who is not acting on behalf of their employer,</p>	<p>(a) a lawyer when he or she provides legal services or engages in or gives instructions in respect of any of the activities described in section 4 on behalf of his or her employer,</p> <p>(b) a lawyer</p> <p>(i) who is engaged as an agent by the lawyer for a client to provide legal services to the client, or</p> <p>(ii) to whom a matter for the provision of legal services is referred by the lawyer for a client,</p> <p>when the client's lawyer has complied with sections 3 through 10, or</p> <p>(c) a lawyer providing legal services as part of a duty counsel program sponsored by a non-profit organization, except where the lawyer engages in or gives instructions in respect of the receiving, paying or transferring of funds other than an electronic funds transfer.</p> <p>...</p>	<p>With respect to financial records (for example, the "receipt of funds record" is defined in the Regulations noted in this table), lawyers in Canada are required by law societies' regulations to keep various financial records, including a cash transactions record for all cash received, and a record of all trust receipts and disbursements.</p> <p>The Regulations exempt lawyers from the receipt of funds record keeping requirements where funds are received from a financial institution or public body (paragraph 45(a)). These exemptions are included in the Model Rule with respect to the verification requirements (see the list in section 5). Under law societies' regulations, funds received in trust from these entities must be deposited in a trust account and the receipt recorded.</p>

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	<p>(a) must keep and retain a record of that fact; and</p> <p>(b) is not required to include in the receipt of funds record that is kept in respect of those funds</p> <p style="padding-left: 40px;">(i) the number and type of any account that is affected by the transaction, or</p> <p style="padding-left: 40px;">(ii) the full name of the person or entity that is the holder of that account.</p>	<p><b>When Verification of Client Identity Required</b></p> <p>4. Subject to section 5, section 6 applies where a lawyer who has been retained by a client to provide legal services engages in or gives instructions in respect of the receiving, paying or transferring of funds.</p> <p><b>Exemption re: Certain Funds</b></p> <p>5. Section 6 does not apply</p> <p>...</p> <p>(2) in respect of funds</p> <p>...</p> <p style="padding-left: 40px;">(d) paid or received to pay a fine, penalty or bail;</p> <p style="padding-left: 40px;">(e) paid or received for professional fees, disbursements or expenses;</p>	
Verifying identity - Legal	97(1) Subject to subsections (2) and 62(2) and section 63, every legal counsel and every legal firm shall, in respect of a transaction for which a	<b>Requirement to Verify Identity</b>	The Regulation's identification and verification requirements in section 97 are linked to the transaction record ("receipt of funds record") in section 45 and the \$3000 threshold. There is no

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counsel and legal firms	<p>record is required to be kept under subsection 33.4,</p> <p>(a) in accordance with subsection 64(1), ascertain the identity of every person who conducts the transaction;</p> <p>(b) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation on whose behalf the transaction is conducted and the names of the corporation's directors; and</p> <p>(c) in accordance with section 66, confirm the existence of every entity, other than a corporation, on whose behalf the transaction is conducted.</p> <p>(2) Subsection (1) does not apply in respect of a transaction for which funds are received by a legal</p>	<p>6. (1) When a lawyer is engaged in or gives instructions in respect of any of the activities described in section 4, the lawyer must</p> <p>(a) obtain from the client and record, with the applicable date, information about the source of funds described in section 4, and</p> <p>(b) verify the identity of the client, including the individual(s) described in paragraph 3(2)(d), and, where appropriate, the third party using the</p> <p>documents or information described in subsection (6).</p> <p><b>Exemptions re: Certain Funds</b></p> <p>5. Section 6 does not apply</p> <p>...</p> <p>(2) in respect of funds,</p> <p>...</p> <p>(b) received by a lawyer from the trust account of another lawyer;</p>	<p>monetary threshold in the Model Rule for the verification and source of funds requirements.</p> <p>The Regulations include an exemption from the verification requirements in subsection 97(2) for inter-law firm trust funds transfers. The Model Rule includes a similar exemption from the verification requirements, for funds received from the trust account of another lawyer.</p> <p>The Federation's Standing Committee on Anti-Money and Terrorist Financing intends to recommend that the Model Rule be updated to add a definition of "source of funds", a term included in paragraph 6(1)(a).</p>

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	counsel or legal firm from the trust account of a legal firm or from the trust account of a legal counsel who is not acting on behalf of their employer.		
Ongoing Monitoring	<p>98. Any legal counsel or legal firm that is required to ascertain the identity of any person or confirm the existence of any entity in accordance with section 59.4 shall</p> <p>(a) conduct ongoing monitoring of its business relationship with that person or entity; and</p> <p>(b) keep a record of the measures taken and the information obtained under paragraph (a).</p> <p>99 If, as a result of its ongoing monitoring of a business relationship under paragraph 59.41(a), the legal counsel or legal firm considers that the risk of a money laundering offence</p>	<p><b>Monitoring</b></p> <p>10. During a retainer with a client in which the lawyer is engaged in or gives instructions in respect of any of the activities described in section 4, the lawyer must:</p> <p>(1) monitor on a periodic basis the professional business relationship with the client for the purposes of:</p> <p>(a) determining whether</p> <p>(i) the client's information in respect of their activities,</p> <p>(ii) the client's information in respect of the source of the</p>	<p>Section 98 of the Regulations imposes a requirement on legal counsel and legal firms to monitor and document monitoring of the business relationship with the person with whom they have the relationship. Section 123.1 of the Regulations includes particulars of ongoing monitoring. The Model Rule in section 10 includes a similar requirement that the lawyer monitor the professional business relationship with a client.</p> <p>In <a href="#">Guidance</a> published by the Federation, lawyers are advised that the measures taken to monitor the professional relationship with the client should be commensurate with the risk associated with the legal matter and the advice the client is seeking. The Guidance states that more thorough or frequent monitoring may be required when the circumstances indicate an elevated risk.</p> <p>Lawyers also have a duty to withdraw from representation of a client if, while retained, including when fulfilling the monitoring requirements, they</p>

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	<p>or terrorist activity financing offence is high, it shall treat that person or entity as high risk for the purpose of subsection 9.6(3) of the Act and apply the prescribed special measures in accordance with section 71.1 of these Regulations.</p> <p>...</p> <p>123.1 A person or entity referred to in section 5 of the Act that enters into a business relationship with a client shall periodically conduct, based on a risk assessment referred to in subsection 9.6(2) of the Act that is undertaken in accordance with paragraph 156(1)(c) of these Regulations, ongoing monitoring of that business relationship for the purpose of</p> <p>(a) detecting any transactions that are required to be reported in accordance with section 7 of the Act;</p> <p>(b) keeping client identification information and the information referred to in sections 138 and 145 of these Regulations up to date;</p>	<p>funds described in section 4, and</p> <p>(iii) the client's instructions in respect of transactions</p> <p>are consistent with the purpose of the retainer and the information obtained about the client as required by this Rule, and</p> <p>(b) assessing whether there is a risk that the lawyer may be assisting in or encouraging fraud or other illegal conduct; and</p> <p>(2) keep a record, with the applicable date, of the measures taken and the information obtained with respect to the requirements of paragraph (1)(a) above.</p>	<p>know or ought to know that they are or would be assisting a client in fraud or other illegal conduct (see section 11 of the Model Rule). This duty and the required steps of the monitoring requirement are designed to mitigate risks of involvement in or facilitation of money laundering or terrorist financing.</p>



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	<p>(c) reassessing the level of risk associated with the client's transactions and activities; and</p> <p>(d) determining whether transactions or activities are consistent with the information obtained about their client, including the risk assessment of the client</p>		
Measures for verifying identity	<p>PART 3 Measures for Verifying Identity</p> <p>105 (1) A person or entity that is required to verify a person's identity shall do so</p> <p>(a) by referring to an identification document that contains the person's name and photograph and that is issued by the federal government or a provincial government or by a foreign government that is not a municipal government, and by confirming that the name and photograph are those of the person;</p> <p>(b) by referring to information concerning the person that the person or entity that is verifying their identity</p>	<p><b>Documents and Information for Verification</b></p> <p>6. (6) For the purposes of paragraph (1)(b), the client's identity must be verified by referring to the following documents, which must be valid, authentic and current, or the following information, which must be valid and current.</p> <p>(a) if the client or third party is an individual,</p> <p>(i) an identification document containing the individual's name and photograph that is issued by the federal government, a provincial or territorial government or a foreign government, other than a municipal government, that is used in the presence of the individual to verify</p>	<p>The Regulations and Model Rule include very similar measures to verify client identity. Both also provide that agents by written agreement may verify identity.</p> <p>For individual clients, the time at which identity must be verified is the same in the Model Rule and Regulations. For organizational clients the period for verifying identity in the Model Rule is 30 days.</p> <p>The Model Rule's record-keeping requirements in section 7 require the lawyer to keep a copy of every document used to verify client identity under subsection 6(1).</p> <p>The Federation's Standing Committee on Anti-Money and Terrorist Financing intends to recommend that the Model Rule be updated to add certain words that were modified or added in the Regulations in the June 25, 2019 amendments. These include:</p> <ul style="list-style-type: none"> <li>The phrase in paragraph 105(1)(c) – "<u>and the information is derived from more than one source</u>"</li> </ul>

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	<p>receives, on request, from a federal or provincial government body — or an agent or mandatary of that body — that is authorized in Canada to verify the identity of persons, and by confirming that either the name and address or the name and date of birth included in the information are those of the person;</p> <p>(c) by referring to information that is in the person's credit file — if that file is located in Canada and has been in existence for at least three years and the information is derived from more than one source — and by confirming that the name, address and date of birth in the credit file are those of the person;</p> <p>(d) by doing any two of the following:</p> <ol style="list-style-type: none"> <li>referring to information from a reliable source that includes the person's name and address, and confirming that the name and address are those of the person,</li> <li>referring to information from a reliable source that includes the person's name</li> </ol>	<p>that the name and photograph are those of the individual;</p> <p>(ii) information that is in the individual's credit file if that file is located in Canada and has been in existence for at least three years that is used to verify that the name, address and date of birth in the credit file are those of the individual;</p> <p>(iii) any two of the following with respect to the individual:</p> <p>(A) Information from a reliable source that contains the individual's name and address that is used to verify that the name and address are those of the individual;</p> <p>(B) Information from a reliable source that contains the individual's name and date of birth that is used to verify that the name and date of birth are those of the individual, or</p>	<ul style="list-style-type: none"> <li>The phrase in subsection 105(4) – <u>"If information in a credit file is referred to, the credit file must have been in existence for at least six months."</u></li> <li>The phrase in paragraph 106(3)(b) – <u>"as soon as feasible"</u></li> <li>The phrase in subsection 109(1) and subsection 112(1) – <u>"to the most recent version of"</u></li> </ul>

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	<p>and date of birth, and confirming that the name and date of birth are those of the person,</p> <p>iii. referring to information that includes the person's name and confirms that they hold a deposit account, a prepaid payment product account or a credit card or other loan account with a financial entity, and confirming that information; or</p> <p>(e) by confirming that one of the following entities previously verified the person's identity in accordance with any of paragraphs (a) to (d) or previously ascertained the person's identity in accordance with these Regulations, as they read at the time, and that the name, address and date of birth in the entity's record are those of the person:</p> <p>(i) an entity that is referred to in any of paragraphs 5(a) to (g) of the Act and that is affiliated with the entity that is verifying the person's identity,</p> <p>(ii) an entity that carries out activities outside Canada that</p>	<p>(C) Information that contains the individual's name and confirms that they have a deposit account or a credit card or other loan amount with a financial institution that is used to verify that information.</p> <p>(b) For the purposes of clauses (6)(a)(iii)(A) to (C), the information referred to must be from different sources, and the individual, lawyer and agent cannot be a source.</p> <p>(c) To verify the identity of an individual who is under 12 years of age, the lawyer must verify the identity of one of their parents or their guardian.</p> <p>(d) To verify the identity of an individual who is at least 12 years of age but not more than 15 years of age, the lawyer may refer to information under clause (6)(a)(iii)(A) that contains the name and address of one of the individual's parents or their guardian and verifying that the address is that of the individual.</p>	

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	<p>are similar to the activities of a person or entity referred to in any of paragraphs 5(a) to (g) of the Act and that is affiliated with the entity that is verifying the person's identity,</p> <p>(iii) a financial entity that is subject to the Act and that is a member of the same financial services cooperative or credit union central as the entity that is verifying the person's identity.</p> <p>(2) The identity of a person who is under 12 years of age shall be verified for the purposes of subsection (1) by verifying the identity of one of their parents or their guardian or tutor.</p> <p>(3) The identity of a person who is at least 12 years of age but not more than 15 years of age may be verified by referring under subparagraph (1)(d)(i) to information that includes the name and address of one of the person's parents or their guardian or tutor, and by confirming that the address is that of the person.</p>	<p>(e) if the client or third party is an organization such as a corporation or society that is created or registered pursuant to legislative authority, a written confirmation from a government registry as to the existence, name and address of the organization, including the names of its directors, where applicable, such as</p> <p>(i) a certificate of corporate status issued by a public body,</p> <p>(ii) a copy obtained from a public body of a record that the organization is required to file annually under applicable legislation, or</p> <p>(iii) a copy of a similar record obtained from a public body that confirms the organization's existence; and</p> <p>(f) if the client or third party is an organization, other than a corporation or society, that is not registered in any government registry, such as a trust or partnership, a copy of the</p>	

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	<p>(4) For the purposes of subparagraphs (1)(d)(i) to (iii), the information that is referred to must not be from, or derived from, the same source, and neither the person whose identity is being verified nor the person or entity that is verifying their identity can be a source. If information in a credit file is referred to, the credit file must have been in existence for at least six months.</p> <p>(5) A document that is used by a person or entity to verify identity under subsection (1) must be authentic, valid and current. Other information that is used for that purpose must be valid and current.</p> <p>(6) In the case of a retail deposit account referred to in subsection 627.17(1) of the Bank Act, if a person or entity cannot verify a person's identity in accordance with one of paragraphs (1)(a) to (e) of this section, they are deemed to comply with subsection (1) if the person who requests that the account be opened meets the conditions set out in</p>	<p>organization's constating documents, such as a trust or partnership agreement, articles of association, or any other similar record that confirms its existence as an organization.</p> <p>...</p> <p><b>Timing of Verification for Individuals</b></p> <p>(11) A lawyer must verify the identity of</p> <p>(a) a client who is an individual, and</p> <p>(b) the individual(s) authorized to provide and giving instructions on behalf of an organization with respect to the matter for which the lawyer is retained,</p> <p>upon engaging in or giving instructions in respect of any of the activities described in section 4.</p> <p>...</p>	

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	<p>subsections 627.17(1) and (3) of the <i>Bank Act</i>.</p> <p>(7) The identity shall be verified</p> <p>(a) in the cases referred to in section 84, subparagraphs 86(a)(iii) and 88(a)(iii), paragraphs 95(1)(a) to (f), 96(a), 97(1)(a), 100(a), 101(1)(a) and 102(a), subparagraphs 103(a)(iii) to (vii) and paragraph 104(a), at the time of the transaction;</p> <p>(b) subject to paragraph (j), in the cases referred to in subparagraphs 86(a)(i) and (ii) and paragraph 94(a), before the first transaction, other than an initial deposit, is carried out on the account;</p> <p>(c) in the case referred to in section 85, before the transaction or attempted transaction is reported under section 7 of the Act;</p> <p>(d) in the case referred to in paragraph 87(a), before any credit</p>	<p><b>Timing of Verification for Organizations</b></p> <p>(13) A lawyer must verify the identity of a client that is an organization upon engaging in or giving instructions in respect of any of the activities described in section 4, but in any event no later than 30 days thereafter.</p> <p><b>Use of Agent</b></p> <p>6(2) A lawyer may rely on an agent to obtain the information described in subsection (6) to verify the identity of an individual client, third party or individual described in paragraph 3(2)(d) provided the lawyer and the agent have an</p> <p>agreement or arrangement in writing for this purpose as described in subsection (4).</p> <p>(3) Revoked March 14, 2023.</p> <p><b>Agreement for Use of Agent</b></p>	

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	<p>card issued on the account is activated;</p> <p>(e) in the case referred to in subparagraph 88(a)(i), before the prepaid payment product account is activated;</p> <p>(f) in the case referred to in subparagraph 88(a)(ii), before the first transaction is carried out by the authorized user on the prepaid payment product account;</p> <p>(g) in the cases referred to in paragraphs 89(a) and (d) and subparagraph 89(e)(i), within 15 days after the day on which the trust company becomes the trustee;</p> <p>(h) subject to paragraph (j), in the case referred to in paragraph 92(a), within 30 days after the day on which the information record is created;</p>	<p>(4) A lawyer who enters into an agreement or arrangement referred to in subsection (2) must:</p> <p>(a) obtain from the agent the information obtained by the agent under that agreement or arrangement; and</p> <p>(b) satisfy themselves that the information is valid and current and that the agent verified identity in accordance with subsection (6).</p> <p>(5) A lawyer may rely on the agent's previous verification of an individual client, third party or an individual described in paragraph 3(2)(d) if the agent was, at the time they verified the identity,</p> <p>(a) acting in their own capacity, whether or not they were required to verify identity under this Rule, or</p> <p>(b) acting as an agent under an agreement or arrangement in writing, entered into with another lawyer who is required to verify identity under this</p>	

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	<p>(h.1) in the case referred to in paragraph 95(1)(g), at the time the information record is created;</p> <p>(h.2) in the case referred to in paragraph 95(1)(h), at the time of the donation;</p> <p>(i) in the cases referred to in subparagraphs 103(a)(i) and (ii), before any funds are disbursed; and</p> <p>(j) in the case of a group plan account, at the time a contribution in respect of a member of the group plan is made to the plan.</p> <p>106 (1) A person or entity that is required to verify a person's identity in accordance with subsection 105(1) may rely on an agent or mandatary to take the measures to do so.</p> <p>(2) The person or entity may rely on measures that were previously taken by an agent or mandatary to verify the person's identity if the agent or</p>	<p>Rule, for the purpose of verifying identity under subsection (6).</p>	



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	<p>mandatary was, at the time they took the measures,</p> <p>(a) acting in their own capacity, whether or not they were required to take the measures under these Regulations; or</p> <p>(b) acting as an agent or mandatary under a written agreement or arrangement that was entered into with another person or entity that is required to verify a person's identity, for the purposes of verifying identity in accordance with subsection 105(1) or, if the measures were taken before the coming into force of this subsection, that was entered into, with another person or entity that was required to ascertain a person's identity, for the purposes of ascertaining identity in accordance with these Regulations, as they read at the time the measures were taken.</p> <p>(3) In order to rely, under subsection (1) or (2), on measures taken by an agent or mandatary, the person or entity shall</p>		

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	<p>(a) have entered into a written agreement or arrangement with the agent or mandatary for the purposes of verifying a person's identity in accordance with subsection 105(1);</p> <p>(b) as soon as feasible, obtain from the agent or mandatary the information that the agent or mandatary referred to in order to verify the person's identity and the information that the agent or mandatary confirmed as being that of the person; and</p> <p>(c) be satisfied that the information that the agent or mandatary confirmed as being that of the person is valid and current and that the agent or mandatary verified the person's identity in the manner described in one of paragraphs 105(1)(a) to (d) or, if the measures were taken before the coming into force of this section, that the agent or mandatary ascertained the person's identity in accordance with these Regulations, as they read at the time the measures were taken.</p>		

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	<p>...</p> <p>108 A person or entity that is required to verify a person's identity under these Regulations shall keep a record that sets out the person's name and the following information:</p> <p>(a) if the person or entity verified the person's identity in accordance with paragraph 105(1)(a), the date on which they did so, the type of document referred to, its number, the jurisdiction and country of issue of the document and, if applicable, its expiry date;</p> <p>(b) if the person or entity verified the person's identity in accordance with paragraph 105(1)(b), the date on which they did so, the source of the information, the type of information referred to and a number associated with the information;</p> <p>(c) if the person or entity verified the person's identity in accordance with paragraph 105(1)(c), the date on which they did so, the source of the information and the number of the person's credit file;</p> <p>(d) if the person or entity verified the person's identity in accordance with paragraph 105(1)(d), the date on which they did so, the source of the information, the type of</p>		

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	<p>information referred to and the account number included in it or, if there is no account number included in it, a number associated with the information;</p> <p>(e) if the entity verified the person's identity in accordance with paragraph 105(1)(e), the date on which it did so, the name of the entity that had previously verified that person's identity, the manner in which the person's identity had previously been verified under one of paragraphs 105(1)(a) to (d) and the applicable information referred to in one of paragraphs (a) to (d) of this section that is associated with that manner of verifying identity;</p> <p>(f) if the entity verified the person's identity in accordance with paragraph 105(1)(e) and the other entity had previously ascertained the person's identity before the coming into force of this section, the date on which the entity verified the person's identity in accordance with paragraph 105(1)(e), the name of the other entity, the manner in which the other entity had previously ascertained the person's identity in accordance with these Regulations, as they read at the time the other entity ascertained the person's identity, and the applicable information referred to</p>		

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	<p>in the record-keeping provision that is related to that manner, as it read at that time;</p> <p>(g) if, under subsection 105(6), the person or entity is deemed to have complied with subsection 105(1), the reasons why the person's identity could not be verified in the manner set out in one of paragraphs 105(1)(a) to (e) and the date on which the conditions set out in subsections 627.17(1) and (3) of the <i>Bank Act</i> were met;</p> <p>(h) if, in accordance with subsection 106(1) or (2), the person or entity relied on measures taken by an agent or mandatary, all of the information that they obtain under paragraph 106(3)(b); or</p> <p>(i) if, in accordance with subsection 107(1), the person or entity relied on measures taken by another person or entity, all of the information that is provided to them under paragraph 107(3)(b).</p> <p>109 (1) A person or entity that is required to verify a corporation's identity shall do so by referring to its certificate of incorporation, to a record that it is required to file annually under</p>		

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	<p>applicable provincial securities legislation or to the most recent version of any other record that confirms its existence as a corporation and contains its name and address and the names of its directors.</p> <p>(2) A record that is used to verify identity under subsection (1) must be authentic, valid and current.</p> <p>(3) The names of a corporation's directors do not need to be confirmed if the corporation is a securities dealer.</p> <p>(4) The corporation's identity shall be verified</p> <p>(a) in the cases referred to in section 84 and subparagraph 88(b)(ii), at the time of the transaction;</p> <p>(b) in the case referred to in section 85, before the transaction or attempted transaction is reported under section 7 of the Act;</p> <p>(c) in the cases referred to in paragraphs 86(b) and 103(b), before the first transaction, other than the initial deposit, is carried out on the account;</p>		

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	<p>(d) in the case referred to in paragraph 87(b), before any credit card issued on the account is activated;</p> <p>(e) in the case referred to in subparagraph 88(b)(i), before the prepaid payment product account is activated;</p> <p>(f) in the cases referred to in paragraph 89(b) and subparagraph 89(e)(ii), within 15 days after the day on which the trust company becomes the trustee;</p> <p>(g) in the cases referred to in paragraphs 92(b), 95(3)(b) and 104(b), within 30 days after the day on which the information record is created;</p> <p>(h) in the case referred to in paragraph 94(b), within 30 days after the day on which the account is opened;</p> <p>(h.1) in the case referred to in paragraph 95(3)(a), at the time the information record is created:</p> <p>(h.2) in the case referred to in paragraph 95(3)(c), at the time of the donation; and</p> <p>(i) in the cases referred to in paragraphs 96(b), 97(1)(b), 100(b),</p>		

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	<p>101(1)(b) and 102(b), within 30 days after the day on which the transaction is conducted.</p> <p>(5) If a person or entity that is required to verify a corporation's identity does so by referring to an electronic version of a record that is contained in a database that is accessible to the public, they shall keep a record that sets out the corporation's registration number, the type of record referred to and the source of the electronic version of the record. In any other case, they shall keep the record or a copy of it.</p> <p>...</p> <p>112 (1) A person or entity that is required to verify the identity of an entity other than a corporation shall do so by referring to a partnership agreement, to articles of association or to the most recent version of any other record that confirms its existence and contains its name and address.</p> <p>(2) A record that is used to verify identity under subsection (1) must be authentic, valid and current.</p> <p>(3) The entity's identity shall be verified</p>		



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	<p>(a) in the cases referred to in section 84 and subparagraph 88(c)(ii), at the time of the transaction;</p> <p>(b) in the case referred to in section 85, before the transaction or attempted transaction is reported under section 7 of the Act;</p> <p>(c) in the cases referred to in paragraphs 86(c) and 103(c), before the first transaction, other than the initial deposit, is carried out on the account;</p> <p>(d) in the case referred to in paragraph 87(c), before any credit card issued on the account is activated;</p> <p>(e) in the case referred to in subparagraph 88(c)(i), before the prepaid payment product account is activated;</p> <p>(f) in the cases referred to in paragraph 89(c) and subparagraph 89(e)(ii), within 15 days after the</p>		

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	<p>day on which the trust company becomes the trustee;</p> <p>(g) in the cases referred to in paragraphs 92(c), 95(4)(b) and 104(c), within 30 days after the day on which the information record is created;</p> <p>(h) in the case referred to in paragraph 94(c), within 30 days after the day on which the account is opened;</p> <p>(h.1) in the case referred to in paragraph 95(4)(a), at the time the information record is created:</p> <p>(h.2) in the case referred to in paragraph 95(4)(c), at the time of the donation; and</p> <p>(i) in the cases referred to in paragraphs 96(c), 97(1)(c), 100(c), 101(1)(c) and 102(c), within 30 days after the day on which the transaction is conducted.</p> <p>(4) If the person or entity that is required to verify an entity's identity does so by referring to an electronic version of a record that is contained in a database that is accessible to the</p>		

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	public, they shall keep a record that sets out the entity's registration number, the type of record referred to and the source of the electronic version of the record. In any other case, they shall keep the record or a copy of it.		
Other Businesses and Professions – Politically Exposed Persons and Heads of International Organizations (PEPs and HIOs)	<p>120.1 (1) A British Columbia notary public, British Columbia notary corporation, accountant, accounting firm, real estate broker or sales representative, real estate developer, dealer in precious metals and precious stones or department or agent of Her Majesty in right of Canada or agent or mandatary of Her Majesty in right of a province shall take reasonable measures to determine whether a person with whom they enter into a business relationship is a politically exposed foreign person, a politically exposed domestic person, a head of an international organization, a family member — referred to in subsection 2(1) — of one of those persons or a person who is closely associated with a politically exposed foreign person.</p> <p>(2) A British Columbia notary public, British Columbia notary corporation, accountant, accounting firm, real estate broker or sales representative,</p>	No similar provisions	<p>These requirements (and sections 122.1 and 123 that follow below) added in the May 20, 2020 amendments to the Regulations (<i>Canada Gazette</i> June 10, 2020) make additional reporting entities – certain businesses and professions - subject to the PEP/HIO requirements.</p> <p>To ensure an awareness of and responsibility to manage the risks that PEPs and HIOs may present as clients seeking legal services, the Federation has published extensive <a href="#">Guidance</a> for lawyers on this subject with advice on addressing the risks associated with these individuals. The introduction to the Guidance includes the following:</p> <p>“There are no specific law society AML rules or requirements related to PEPs or HIOs. However, when dealing with PEPs and HIOs, or family members or close associates of such people, a legal professional may determine that enhanced due diligence - reasonable, appropriate and proportionate in the circumstances – should be taken to</p>

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	<p>real estate developer, dealer in precious metals and precious stones or department or agent of Her Majesty in right of Canada or agent or mandatary of Her Majesty in right of a province shall periodically take reasonable measures to determine whether a person with whom they have a business relationship is a politically exposed foreign person, a politically exposed domestic person, a head of an international organization, a family member — referred to in subsection 2(1) — of one of those persons or a person who is closely associated with a politically exposed foreign person.</p> <p>(3) A British Columbia notary public, British Columbia notary corporation, accountant, accounting firm, real estate broker or sales representative, real estate developer, dealer in precious metals and precious stones or department or agent of Her Majesty in right of Canada or agent or mandatary of Her Majesty in right of a province shall take reasonable measures to determine whether a person from whom they receive an amount of \$100,000 or more, in cash or in virtual currency, is a politically exposed foreign person, a politically exposed domestic person or a head</p>		<p>satisfy themselves that they have sufficiently verified the identity of the client in a retainer involving a financial transaction, that the transaction is for a legitimate purpose and consistent with the known profile of the client and their financial means, and that the source of funds or, in some cases, source of wealth, has been ascertained.”</p>

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	<p>of an international organization, or a family member — referred to in subsection 2(1) — of, or a person who is closely associated with, one of those persons.</p> <p>(4) If a British Columbia notary public, British Columbia notary corporation, accountant, accounting firm, real estate broker or sales representative, real estate developer, dealer in precious metals and precious stones or department or agent of Her Majesty in right of Canada or agent or mandatary of Her Majesty in right of a province — or any of their employees or officers — detects a fact that constitutes reasonable grounds to suspect that a person with whom they have a business relationship is a politically exposed foreign person, a politically exposed domestic person or a head of an international organization, or a family member — referred to in subsection 2(1) — of, or a person who is closely associated with, one of those persons, the person or entity shall take reasonable measures to determine whether they are such a person.</p>		
Other Businesses and Professions –	122.1 (1) A person or entity that determines under subsection 120(3), (4) or (5) or 120.1(1), (2) or (4) that a	No similar provisions	

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Politically Exposed Persons and Heads of International Organizations (PEPs and HIOs)	<p>person is a politically exposed foreign person or a family member — referred to in subsection 2(1) — of, or a person who is closely associated with, a politically exposed foreign person shall</p> <p>(a) take reasonable measures to establish the source of the person's wealth; and</p> <p>(b) take the special measures referred to in section 157.</p> <p>(2) A person or entity that determines under subsection 120.1(3) that a person is a politically exposed foreign person or a family member — referred to in subsection 2(1) — of, or a person who is closely associated with, a politically exposed foreign person shall</p> <p>(a) take reasonable measures to establish the source of the funds or virtual currency used for the transaction and the source of the person's wealth; and</p> <p>(b) ensure that a member of senior management reviews the transaction.</p>		

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	<p>(3) A person or entity shall also take the measures referred to in paragraphs (1)(a) and (b) if</p> <p>(a) they determine under subsection 120(3), (4) or (5) or 120.1(1), (2) or (4) that a person is a politically exposed domestic person, a head of an international organization or a family member — referred to in subsection 2(1) — of one of those persons or they determine under subsection 120(5) or 120.1(4) that a person is closely associated with a politically exposed domestic person or a head of an international organization; and</p> <p>(b) they consider, based on a risk assessment referred to in subsection 9.6(2) of the Act, that there is a high risk of a money laundering offence or terrorist activity financing offence.</p> <p>(4) A person or entity shall also take the measures referred to in paragraphs (2)(a) and (b) if</p> <p>(a) they determine under subsection 120.1(3) that a person is a politically exposed domestic person, a head of an international organization</p>		

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	<p>or a family member — referred to in subsection 2(1) — of one of those persons or is a person who is closely associated with a politically exposed domestic person or a head of an international organization; and</p> <p>(b) they consider, based on risk assessment referred to in subsection 9.6(2) of the Act, that there is a high risk of a money laundering offence or terrorist activity financing offence.</p> <p>(5) The person or entity shall take the reasonable measures referred to in subsections 120(3) and (5) and 120.1(1) and (4) — and, if applicable, shall take the measures referred to in paragraph (1)(a) — within 30 days after the day on which they enter into the business relationship or the fact is detected, as the case may be.</p> <p>(6) The person or entity shall take the reasonable measures referred to in subsection 120.1(3) — and, if applicable, shall take the measures referred to in paragraphs (2)(a) and (b) — within 30 days after the day on which the transaction is conducted.</p>		



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Record keeping respecting PEPs and HIOs	<p>123...</p> <p>(4) If a person or entity takes any of the measures referred to in subsection 122.1(1) or (3), the person or entity shall keep a record of</p> <p style="padding-left: 40px;">(a) the office or position and the organization or institution in respect of which the person is determined to be a politically exposed foreign person, a politically exposed domestic person or a head of an international organization, or a family member — referred to in subsection 2(1) — of, or a person who is closely associated with, one of those persons;</p> <p style="padding-left: 40px;">(b) the date of the determination; and</p> <p style="padding-left: 40px;">(c) the source, if known, of the person's wealth.</p> <p>(5) If a transaction that is conducted with a person or entity is reviewed under subsection 122.1(2) or (4), the person or entity shall keep a record of</p>	No similar provisions	

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	<p>(a) the office or position and the organization or institution in respect of which the person is determined to be a politically exposed foreign person, a politically exposed domestic person or a head of an international organization, or a family member — referred to in subsection 2(1) — of, or a person who is closely associated with, one of those persons;</p> <p>(b) the date of the determination;</p> <p>(c) the source, if known, of the funds or virtual currency used for the transaction;</p> <p>(d) the source, if known, of the person's wealth;</p> <p>(e) the name of the member of senior management who reviewed the transaction; and</p> <p>(f) the date of that review.</p>		
General – Foreign currency	125. If a transaction is conducted in a foreign currency or virtual currency, the amount of the transaction shall be converted into Canadian dollars using	No provision	The Federation's Model Rule on Cash Transactions, described in Part 2 of this table, includes a similar provision without the inclusion of virtual currency.

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	<p>(a) the exchange rate that is published by the Bank of Canada for that foreign currency or virtual currency and that is in effect at the time of the transaction; or</p> <p>(b) if no exchange rate is published by the Bank of Canada for that foreign currency or virtual currency, the exchange rate that the person or entity would use in the normal course of business at the time of the transaction.</p>		
Third party determination	134 (1) A person or entity that is required under these Regulations to report the receipt from a person or entity of an amount of \$10,000 or more in cash or in virtual currency or to keep a large cash transaction record or a large virtual currency transaction record shall, when they receive the amount in cash or virtual currency, take reasonable measures to determine whether the person from whom the cash or virtual currency is received is acting on behalf of a third party.	No similar provision	<p>By exemptions in the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i>, lawyers are not subject to the reporting or record-keeping requirements described in subsection 134(1). As noted in Part 2 of this table, lawyers are prohibited from accepting more than \$7500 in cash except in limited circumstances.</p> <p>The Model Rule's requirements to identify and verify the identity of clients extend to third parties, as described in sections 3 and 6 noted earlier. See specifically subsection 3(3) and paragraph 6(1)(b).</p>

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	<p>(2) If the person or entity determines that the person from whom the cash or virtual currency is received is acting on behalf of a third party, the person or entity shall take reasonable measures to obtain the following information and shall keep a record of the information obtained:</p> <p>(a) if the third party is a person, their name, address and date of birth and the nature of their principal business or their occupation;</p> <p>(b) if the third party is an entity, its name, address, the nature of its principal business, its registration or incorporation number and the jurisdiction and country of issue of that number; and</p> <p>(c) the relationship between the third party and the person from whom the cash or virtual currency is received.</p> <p>(3) If the person or entity is not able to determine whether the person from whom the cash or virtual currency is received is acting on behalf of a third</p>		

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	<p>party but there are reasonable grounds to suspect that they are, the person or entity shall keep a record that</p> <p>(a) indicates whether, according to the person from whom the cash or virtual currency is received, they are acting on their own behalf only; and</p> <p>(b) describes the reasonable grounds to suspect that they are acting on behalf of a third party.</p>		
Information on directors or partners or on persons who own or control 25 per cent or more of a corporation or other entity	<p>138(1) Every person or entity that is required to verify an entity's identity in accordance with these Regulations shall, at the time the entity's identity is verified, obtain the following information:</p> <p>(a) in the case of a corporation, the names of all directors of the corporation and the names and addresses of all persons who own or control, directly or indirectly, 25% or more of the shares of the corporation;</p>	<p><b>Requirement to Identify Directors, Shareholders and Owners</b></p> <p>6. (7) When a lawyer is engaged in or gives instructions in respect of any of the activities in section 4 for a client or third party that is an organization referred to in paragraph (6)(e) or (f), the lawyer must:</p> <p>(a) obtain and record, with the applicable date, the names of all directors of the organization, other than an organization that is a securities dealer; and</p>	<p>The Model Rule provision does not include widely held trusts or publicly traded trusts.</p> <p>Publicly traded trusts would be included in the Model Rule's definition of "reporting issuer".</p> <p>The Federation's Standing Committee on Anti-Money and Terrorist Financing intends to recommend that the Model Rule be updated to incorporate widely held trusts.</p>

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	<p>(a.1) in the case of a widely held or publicly traded trust, the names of all trustees of the trust and the names and addresses of all persons who own or control, directly or indirectly, 25% or more of the units of the trust;</p> <p>(b) in the case of a trust, the names and addresses of all trustees and all known beneficiaries and settlors of the trust:</p> <p>(c) in the case of an entity other than a corporation or trust, the names and addresses of all persons who own or control, directly or indirectly, 25% or more of the entity; and</p> <p>(d) in all cases, information establishing the ownership, control and structure of the entity.</p> <p>(2) Every person and entity that is subject to subsection (1) shall take reasonable measures to confirm the accuracy of the information when it is first obtained under that subsection</p>	<p>(b) make reasonable efforts to obtain, and if obtained, record with the applicable date,</p> <p>(i) the names and addresses of all persons who own, directly or indirectly, 25 per cent or more of the organization, or of the shares of the organization,</p> <p>(ii) the names and addresses of all trustees and all known beneficiaries and settlors of the trust, and</p> <p>(iii) in all cases, information establishing the ownership, control and structure of the organization.</p> <p>(8) A lawyer must take reasonable measures to confirm the accuracy of the information obtained under subsection (7).</p> <p>(9) A lawyer must keep a record, with the applicable date(s), that sets out the information obtained and the measures taken to confirm the accuracy of that information.</p>	

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	<p>and in the course of ongoing monitoring of business relationships.</p> <p>(3) The person or entity shall keep a record that sets out the information and the measures taken to confirm the accuracy of the information.</p> <p>(4) If the person or entity is not able to obtain the information, to keep it up to date in the course of ongoing monitoring of business relationships or to confirm its accuracy, the person or entity shall take</p> <p>(a) reasonable measures to verify the identity of the entity's chief executive officer or the person who performs that function; and</p> <p>(b) the special measures referred to in section 157.</p> <p>...</p>	<p>(10) If a lawyer is not able to obtain the information referred to in subsection (7) or to confirm the accuracy of that information in accordance with subsection (8), the lawyer must</p> <p>(a) take reasonable measures to ascertain the identity of the most senior managing officer of the organization;</p> <p>(b) determine whether</p> <p>(i) the client's information in respect of their activities,</p> <p>(ii) the client's information in respect of the source of the funds described in section 4, and</p> <p>(iii) the client's instructions in respect of the transaction,</p> <p>are consistent with the purpose of the retainer and the information obtained</p>	

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		<p>about the client as required by this Rule;</p> <p>(c) assess whether there is a risk that the lawyer may be assisting in or encouraging fraud or other illegal conduct; and</p> <p>(d) keep a record, with the applicable date, of the results of the determination and assessment under paragraphs (b) and (c).</p>	
Record of business relationship	145. Every person and entity that enters into a business relationship shall keep a record that sets out the purpose and intended nature of the business relationship.	No similar provision	While the Model Rule does not include this provision from the Regulations, operation of a lawyer's professional business necessitates a retainer agreement with a client that sets out the purpose and particulars of the legal work to be conducted by the lawyer or law firm on behalf of the client.
Retention of records	<p>147. If a record is required to be kept under these Regulations, the record or a copy of it may be kept in a machine readable or electronic form if a paper copy can be readily produced from it.</p> <p>148 (1) A person or entity that is required to keep records under these</p>	<p><b>Record Keeping and Retention</b></p> <p>7. (1) A lawyer must obtain and retain a copy of every document used to verify the identity of any individual or organization for the purposes of subsection 6(1).</p> <p>(2) The documents referred to in subsection (1) may be kept in a machine readable or</p>	<p>The Model Rule requires a record of the required information for client identification (section 3) and verification (section 6).</p> <p>The Model Rule has a longer period of record retention than the Regulations for the information the lawyer is required to ascertain. This period is based on current law societies' record-keeping regulations.</p>



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	<p>Regulations shall keep those records for a period of at least five years after</p> <p>(a) the day on which the account to which they relate is closed, in the case of signature cards, account operating agreements, account applications, credit card applications, records setting out the intended use of the account and records that are required to be kept under paragraph 12(k) or subsection 123(1);</p> <p>(b) the day on which the last business transaction is conducted, in the case of information records, certificates of incorporation, records that are required to be filed annually under applicable provincial securities legislation and similar records that prove a corporation's existence, partnership agreements, articles of association and similar records that prove the existence of an entity other than a corporation, records that are required to be kept under any of subsections 16(2), 123(2) and (3) and 138(3) and (5) and lists and records, other than information records, that are required to be kept under section 37; and</p>	<p>electronic form, if a paper copy can be readily produced from it.</p> <p>(3) A lawyer must retain a record of the information, with the applicable date, and any documents obtained for the purposes of section 3, subsection 6(7) and subsection 10(2) and copies of all documents received for the purposes of subsection 6(1) for the longer of</p> <p>(a) the duration of the lawyer and client relationship and for as long as is necessary for the purpose of providing service to the client, and</p> <p>(b) a period of at least six years following completion of the work for which the lawyer was retained.</p>	<p>The Regulations and Model Rule set out similar requirements for electronic and paper records.</p>

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	<p>(c) the day on which they were created, in the case of all other records.</p> <p>(2) For greater certainty, if a record that is kept under these Regulations is the property of a person's employer or of a person or entity with which the person is in a contractual relationship, the person is not required to keep the record after the end of their employment or the contractual relationship.</p> <p>149 Every record that is required to be kept under these Regulations shall be kept in such a way that it can be provided to an authorized person within 30 days after the day on which a request is made to examine it under section 62 of the Act.</p>		
Requirement to include information in a record	153 A person or entity that is required to keep a record under these Regulations is not required to include information in that record that is readily obtainable from other records	No similar provision	

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	that they are required to keep under these Regulations.		
Exceptions to record-keeping and ascertaining identity	<p>154. (2) Sections 12 to 14, 22, 29, 43, 45 and 52, subsection 58(1), sections 64, 74, 82, 86 to 89, 92, 94, 96, 97 and 100, subsection 101(1) and sections 102 to 104, 116, 117, 119 to 120.2 and 123 to not apply in respect of ...</p> <p>(m) a public body;</p> <p>(n) a corporation or trust that has minimum net assets of \$75 million on its last audited balance sheet, whose shares or units are traded on a Canadian stock exchange or a stock exchange designated under subsection 262(1) of the <i>Income Tax Act</i> and that operates in a country that is a member of the Financial Action Task Force;</p> <p>(o) a subsidiary of a public body referred to in paragraph (m) or a corporation or trust referred to in paragraph (n) whose financial statements are consolidated with the financial</p>	<p><b>Exemptions re: certain funds</b></p> <p>5. Section 6 does not apply</p> <p>(1) where the client is a financial institution, public body or reporting issuer.</p> <p>(2) in respect of funds</p> <p>(a) paid by or to a financial institution, public body or a reporting issuer;</p> <p>(b) received by a lawyer from the trust account of another lawyer;</p> <p>(c) received from a peace officer, law enforcement agency or other public official acting in their official capacity;</p> <p>(d) paid or received to pay a fine, penalty or bail;</p> <p>(e) paid or received for professional fees, disbursements or expenses;</p>	<p>The subjects of the paragraphs noted under subsection 154(2) of the Regulations have been incorporated in section 5 of the Model Rule (for paragraph (n), publicly traded entities are reporting issuers under the Model Rule's definition).</p> <p>As indicated elsewhere in this table, the Model Rule includes other exemptions based on the Regulation's exemptions with respect to legal counsel or a legal firm.</p>

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	statements of that public body, corporation or trust; or ...	(3) to an electronic funds transfer.	
Same	<p>155.(1) If a person or entity verifies a person's identity in accordance with subsection 105(1) and complies with section 108 – or if, before the coming into force of this subsection, they ascertained a person's identity in accordance with These Regulations, and complied with the related record-keeping provisions, as they read at the time - they are not required to verify the person's identity again unless they have doubts about the information that was used for that purpose..</p> <p>(2) If a person or entity verifies a corporation's identity in accordance with subsection 109(1) – or if, before the coming into force of this subsection, they confirmed the corporation's existence and ascertained its name and address and the names of its directors in accordance with these Regulations, and complied with the related record-keeping provisions, as they read at the time — they are not required to verify it again unless they have doubts about the information that was used for that purpose.</p>	<p><b>Timing for Verification of Individuals</b></p> <p>...</p> <p>6. (12) Where a lawyer has verified the identity of an individual, the lawyer is not required to subsequently verify that same identity unless the lawyer has reason to believe the information, or the accuracy of it, has changed.</p> <p><b>Timing for Verification of Individuals</b></p> <p>...</p> <p>6. (14) Where the lawyer has verified the identity of a client that is an organization and obtained information pursuant to subsection (7), the lawyer is not required to subsequently verify that identity or obtain that information, unless the lawyer has</p>	The Model Rule includes provisions similar to the Regulations on not having to re-verify the identity of clients as specified.

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	<p>(3) If a person or entity verifies the identity of an entity other than a corporation in accordance with subsection 112(1) — or if, before the coming into force of this subsection, they confirmed the entity's existence in accordance with these Regulations, and complied with the related record-keeping provisions, as they read at the time — they are not required to verify it again unless they have doubts about the information that was used for that purpose.</p> <p>...</p>	reason to believe the information, or the accuracy of it, has changed.	
Compliance	<p>156 (1) For the purposes of subsection 9.6(1) of the Act, a person or entity referred to in that subsection shall implement the compliance program referred to in that subsection by</p> <p>(a) appointing a person who is to be responsible for implementing the program or, in the case of a person, taking responsibility for implementing the program;</p> <p>(b) developing and applying written compliance policies and procedures that are kept up to date and, in the case of an entity, are approved by a senior officer;</p> <p>(c) assessing and documenting the risk referred to in subsection 9.6(2) of the Act, taking into consideration</p>	No similar provisions	<p>The Model Rule does not include requirement for a compliance program or scheme.</p> <p>With respect to compliance:</p> <ul style="list-style-type: none"> <li>As part of the regulatory framework for lawyers in Canada, lawyers licensed by provincial and territorial law societies are bound by and must comply with all law societies' rules and regulations. As part of the compliance regime, lawyers must attest to compliance with the anti-money laundering rules and regulations in mandated annual reports to law societies, which also include financial reporting on trust and general accounts. Lawyers are also subject to law society audit, practice review and, if required, investigation. Formal discipline that may result from an</li> </ul>

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	<p>(i) their clients and business relationships,</p> <p>(ii) their products, services and delivery channels,</p> <p>(iii) the geographic location of their activities,</p> <p>(iv) in the case of an entity that is referred to in any of paragraphs 5(a) to (g) of the Act, any risk resulting from the activities of an entity that is affiliated with it and that either is referred to in any of those paragraphs or carries out activities outside Canada that are similar to those of a person or entity referred to in any of those paragraphs, and</p> <p>(v) any other relevant factor;</p> <p>(d) if the person or entity has employees, agents or mandataries or other persons who are authorized to act on their behalf, developing and maintaining a written, ongoing compliance training program for those employees, agents or mandataries or other persons;</p> <p>(e) instituting and documenting a plan for the ongoing compliance training</p>		<p>investigation into the conduct of a lawyer is a matter of public record. Lawyers may be sanctioned for breaches of regulatory requirements. Sanctions include, <i>inter alia</i>, revocation of the license to practise law, suspended licenses and fines.</p> <ul style="list-style-type: none"> <li>The Federation has published detailed <a href="#">Guidance</a> to assist lawyers in instituting within a legal practice processes and procedures to comply with the identity verification requirements of the Model Rule and to assess risk. The Guidance focusses on taking action to ensure a systematic approach to risk to support compliance with law societies' anti-money laundering requirements.</li> </ul>

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	<p>program and delivering the training; and</p> <p>(f) instituting and documenting a plan for a review of the compliance program for the purpose of testing its effectiveness.</p> <p>(2) If the person or entity intends to carry out a new development or introduce a new technology that may have an impact on their clients, business relationships, products, services or delivery channels or the geographic location of their activities, they shall, in accordance with paragraph (1)(c), assess and document the risk referred to in subsection 9.6(2) of the Act before doing so.</p> <p>(3) A review referred to in paragraph (1)(f) shall be carried out and the results documented every two years by an internal or external auditor of the person or entity, or by the person or entity if they do not have an auditor.</p> <p>(4) An entity shall report the findings of the review, any updates made to the policies and procedures within the reporting period and the status of the</p>		

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	<p>implementation of those updates in writing to a senior officer within 30 days after the day on which the review is completed.</p> <p>157. The prescribed special measures that are required to be taken by a person or entity referred to in subsection 9.6(1) of the Act for the purposes of subsection 9.6(3) of the Act are the development and application of written policies and procedures for</p> <p>(a) taking enhanced measures, based on an assessment of the risk, to verify the identity of any person or entity; and</p> <p>(b) taking any other enhanced measure to mitigate the risks, including</p> <p>(i) ensuring, at a frequency appropriate to the level of risk, that client identification information and information collected under section 138 is up to date, and</p> <p>(ii) conducting, at a frequency appropriate to the level of risk, the</p>		



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	ongoing monitoring of business relationships referred to in section 123.1.		
Application of Model Rule	No similar provision	<b>Application</b>  8. Sections 2 through 7 of this Rule do not apply to matters in respect of which a lawyer was retained before this Rule comes into force but they do apply to all matters for which he or she is retained after that time regardless of whether the client is a new or existing client.	
Duty to withdraw and commencement of application of withdrawal provisions	No similar provisions.	<b>Criminal activity, duty to withdraw at time of taking information</b>  9. (1) If in the course of obtaining the information and taking the steps required in section 3 and subsections 6(1), (7) or (10), a lawyer knows or ought to know that he or she is or would be assisting a client in fraud or other illegal conduct, the lawyer must withdraw from representation of the client.  (2) This section applies to all matters, including new matters for existing clients, for which a lawyer is retained after this Rule comes into force.	Section 9, as it relates to the client identification and verification requirements, applies on a going forward basis. Section 11, which mirrors current law societies' rules of professional conduct for lawyers, applies generally and is not tied to the in force date of the Model Rule.

PART 1 - MODEL RULE ON CLIENT IDENTIFICATION AND VERIFICATION			
Provision	Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Model Rule - Adopted by the Council of the Federation March 20, 2008; amended December 12, 2008; amended October 19, 2018; amended March 14, 2023	Comment/Explanatory Notes
		<p>...</p> <p><b>Duty to withdraw</b></p> <p>11. (1) If while retained by a client, including when taking the steps required in section 10, a lawyer knows or ought to know that he or she is or would be assisting the client in fraud or other illegal conduct, the lawyer must withdraw from representation of the client.</p> <p><b>Application</b></p> <p>(2) This section applies to all matters for which a lawyer was retained before this Rule comes into force and to all matters for which he or she is retained after that time.</p>	

PART 2 – MODEL RULE ON CASH TRANSACTIONS AND MODEL RULE ON RECORDKEEPING REQUIREMENTS FOR CASH TRANSACTIONS			
Provision	Related subject in the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Adopted by the Council of the Federation September 11, 2004; amended October 19, 2018	Comment/Explanatory Notes
Definitions	<p><b>cash</b> means coins referred to in section 7 of the <a href="#">Currency Act</a>, notes issued by the Bank of Canada under the <a href="#">Bank of Canada Act</a> that are intended for circulation in Canada or coins or bank notes of countries other than Canada. (<i>espèces</i>)</p> <p><b>financial entity</b> means</p> <p>(a) an entity that is referred to in any of paragraphs 5(a), (b) and (d) to (f) of the Act;</p> <p>(b) a financial services cooperative;</p> <p>(c) a life insurance company, or an entity that is a life insurance broker or agent, in respect of loans or prepaid payment products that it offers to the public and accounts that it maintains with respect to those loans or prepaid payment products, other than</p> <p>(i) loans that are made by the insurer to a policy holder if the insured person has a terminal illness that significantly reduces their life expectancy and the loan is secured by the value of an insurance policy;</p> <p>(ii) loans that are made by the insurer to the policy holder for the</p>	<p>Definitions:</p> <p>“cash” means coins referred to in section 7 of the <i>Currency Act</i>, notes issued by the Bank of Canada pursuant to the <i>Bank of Canada Act</i> that are intended for circulation in Canada and coins or bank notes of countries other than Canada;</p> <p>“financial institution” means</p> <p>(a) a bank that is regulated by the Bank Act,</p> <p>(b) an authorized foreign bank within the meaning of section 2 of the Bank Act in respect of its business in Canada,</p> <p>(c) cooperative credit society, savings and credit union or caisse populaire that is regulated by a provincial or territorial Act,</p> <p>(d) an association that is regulated by the Cooperative Credit Associations Act (Canada),</p>	<p>These definitions, also noted in Part 1 of this table, appear in both the Regulations and the Model Rule. See Part 1 for the applicable Comment/Explanatory Notes.</p>

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Provision	Related subject in the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Adopted by the Council of the Federation September 11, 2004; amended October 19, 2018	Comment/Explanatory Notes
	<p>sole purpose of funding the life insurance policy; and</p> <p>(iii) advance payments to which the policy holder is entitled that are made to them by the insurer;</p> <p>(d) a credit union central when it offers financial services to a person, or to an entity that is not a member of that credit union central; and</p> <p>(e) a department, or an entity that is an agent of Her Majesty in right of Canada or an agent or mandatary of Her Majesty in right of a province, when it carries out an activity referred to in section 76. (<i>entité financière</i>)</p> <p><b>financial services cooperative</b> means a financial services cooperative that is regulated by <i>An Act respecting financial services cooperatives</i>, CQLR, c. C-67.3, other than a <i>caisse populaire</i>. (<i>coopérative de services financiers</i>)</p> <p><b>funds</b> means</p> <p>(a) cash and other fiat currencies, and securities, negotiable instruments or other financial instruments that indicate a title or right to or interest in them; or</p>	<p>(e) a financial services cooperative,</p> <p>(f) a credit union central,</p> <p>(g) a company that is regulated by the Trust and Loan Companies Act (Canada),</p> <p>(h) a trust company or loan company that is regulated by a provincial or territorial Act,</p> <p>(i) a department or an entity that is an agent of Her Majesty in right of Canada or of a province or territory when it accepts deposit liabilities in the course of providing financial services to the public, or</p> <p>(j) a subsidiary of the financial institution whose financial statements are consolidated with those of the financial institution.</p> <p>“financial services cooperative” means a financial services cooperative that is regulated by An Act respecting financial services cooperatives, CQLR, c. C-67.3, or An Act respecting the Mouvement</p>	

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	<p>(b) a private key of a cryptographic system that enables a person or entity to have access to a fiat currency other than cash.</p> <p>For greater certainty, it does not include virtual currency. (<i>fonds</i>)</p> <p><b>public body</b> means</p> <p>(a) a department or an agent of Her Majesty in right of Canada or an agent or mandatary of Her Majesty in right of a province;</p> <p>(b) an incorporated city or town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body in Canada or an agent or mandatary in Canada of any of them; and</p> <p>(c) an organization that operates a public hospital and that is designated by the Minister of National Revenue as a hospital authority under the <u>Excise Tax Act</u>, or an agent or mandatary of such an organization. (<i>organisme public</i>)</p>	<p>Desjardins, S.Q. 2000, c.77, other than a caisse populaire.</p> <p>“funds” means cash, currency, securities and negotiable instruments or other financial instruments that indicate the person’s title or right to or interest in them;</p> <p>“public body” means</p> <p>(a) a department or agent of Her Majesty in right of Canada or of a province or territory,</p> <p>(b) an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body in Canada or an agent in Canada of any of them,</p> <p>(c) a local board of a municipality incorporated by or under an Act of a province or territory of Canada including any local board as defined in the Municipal Act (Ontario) [or equivalent legislation] or similar body incorporated under the law of another province or territory,</p>	

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Provision	Related subject in the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Adopted by the Council of the Federation September 11, 2004; amended October 19, 2018	Comment/Explanatory Notes
		<p>(d) an organization that operates a public hospital authority and that is designated by the Minister of National Revenue as a hospital under the Excise Tax Act (Canada) or an agent of the organization,</p> <p>(e) a body incorporated by or under an Act of a province or territory of Canada for a public purpose, or</p> <p>(f) a subsidiary of a public body whose financial statements are consolidated with those of the public body.</p>	
	No similar definitions	<p>Definitions:</p> <p>“disbursements” means amounts paid or required to be paid to a third party by the lawyer or the lawyer’s firm on a client’s behalf in connection with the provision of legal services to the client by the lawyer or the lawyer’s firm which will be reimbursed by the client;</p> <p>“expenses” means costs incurred by a lawyer or law firm in connection with the provision of legal services to a client which will be reimbursed by the client including</p>	These definitions noted in Part 1 of this table also apply to the Model Rule on Cash Transactions.

PART 2 – MODEL RULE ON CASH TRANSACTIONS AND MODEL RULE ON RECORDKEEPING REQUIREMENTS FOR CASH TRANSACTIONS			
Provision	Related subject in the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Adopted by the Council of the Federation September 11, 2004; amended October 19, 2018	Comment/Explanatory Notes
		such items as photocopying, travel, courier/postage, and paralegal costs;  “professional fees” means amounts billed or to be billed to a client for legal services provided or to be provided to the client by the lawyer or the lawyer’s firm;	
Prohibition on receipt of cash	No similar subject	1. A lawyer must not receive or accept cash in an aggregate amount greater than \$7,500 Canadian in respect of any one client matter.	As noted in Part 1 of this table, as part of the compliance regime to which lawyers are subject through law societies’ regulation, lawyers must attest to compliance with the anti-money laundering rules and regulations in annual reports to law societies, including compliance with the prohibition on receipt of cash.
Foreign currency	125. If a transaction is conducted in a foreign currency or virtual currency, the amount of the transaction shall be converted into Canadian dollars using  (a) the exchange rate that is published by the Bank of Canada for that foreign currency or virtual currency and that is in effect at the time of the transaction; or  (b) if no exchange rate is published by the Bank of Canada for that foreign currency or virtual currency,	2. For the purposes of this rule, when a lawyer receives or accepts cash in a foreign currency the lawyer will be deemed to have received or accepted the cash converted into Canadian dollars at  (a) the official conversion rate of the Bank of Canada for the foreign currency as published in the Bank of Canada’s Daily Noon Rates that is in effect at the time the lawyer receives or accepts the cash, or  (b) if the day on which the lawyer receives or accepts cash is a holiday,	

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Provision	Related subject in the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Adopted by the Council of the Federation September 11, 2004; amended October 19, 2018	Comment/Explanatory Notes
	the exchange rate that the person or entity would use in the normal course of business at the time of the transaction.	the official conversion rate of the Bank of Canada in effect on the most recent business day preceding the day on which the lawyer receives or accepts the cash.	
When prohibition applies and exceptions	<p>44 (1) Subject to subsection (2), every legal counsel and every legal firm is subject to Part 1 of the Act when they engage in any of the following activities on behalf of any person or entity:</p> <p>(a) receiving or paying funds, other than those received or paid in respect of professional fees, disbursements, expenses or bail; or</p> <p>(b) giving instructions in respect of any activity referred to in paragraph (a).</p>	<p>3. Section 1 applies when a lawyer engages on behalf of a client or gives instructions on behalf of a client in respect of the following activities:</p> <p>(a) receiving or paying funds;</p> <p>(b) purchasing or selling securities, real properties or business assets or entities;</p> <p>(c) transferring funds by any means.</p> <p>4. Despite section 3, section 1 does not apply when the lawyer receives cash in connection with the provision of legal services by the lawyer or the lawyer's firm</p> <p>(a) from a financial institution or public body,</p>	<p>The activities that engage the requirements of the Model Rule, beyond receiving or paying funds, are similar to the business activities that make certain reporting entities under the Regulations subject to Part 1 of the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> (for example, British Columbia notaries).</p> <p>Certain exceptions to the application of the Model Rule mirror those in subsection 44(1) of the Regulations in the context of the application of Part 1 of the Act for legal counsel, and the exemptions in the Regulations related to a public body or a financial entity when funds are received from them.</p>



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		<p>(b) from a peace officer, law enforcement agency or other agent of the Crown acting in his or her official capacity,</p> <p>(c) to pay a fine, penalty, or bail, or</p> <p>(d) for professional fees, disbursements, or expenses, provided that any refund out of such receipts is also made in cash.</p>	
Model Rule on Recordkeeping Requirement for Cash Transactions			
Record-keeping requirements	<p>45 Subject to subsection 62(2), every legal counsel and every legal firm shall, when engaging in an activity described in section 33.3, keep the following records:</p> <p>(a) a receipt of funds record in respect of every amount of \$3,000 or more that they receive in the course of a single transaction, unless the amount is received from a financial entity or a public body; and</p> <p>(b) where the receipt of funds record is in respect of a client</p>	<p>“cash” means coins referred to in section 7 of the Currency Act, notes issued by the Bank of Canada pursuant to the Bank of Canada Act that are intended for circulation in Canada and coins or bank notes of countries other than Canada;</p> <p>“money” includes cash, cheques, drafts, credit card sales slips, post office orders and express and bank money orders.</p> <p>1. Every lawyer, in addition to existing financial recordkeeping requirements to record all money and other property</p>	<p>The definition of the receipt of funds record in the Regulations, noted in Part 1 of this table, requires a record of the type and manner of receipt of the funds, including cash.</p> <p>Similarly, as noted in Part 1 above, under law societies’ rules, lawyers in Canada are required to keep various detailed financial records, including the cash transactions record described in section 2 of the Model Rule for all cash received, and a record of all trust receipts and disbursements.</p>

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	<p>that is a corporation, a copy of the part of the official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the legal counsel or legal firm.</p> <p>...</p> <p>148 (1) A person or entity that is required to keep records under these Regulations shall keep those records for a period of at least five years after</p> <p>(a) the day on which the account to which they relate is closed, in the case of signature cards, account operating agreements, account applications, credit card applications, records setting out the intended use of the account and records that are required to be kept under paragraph 12(k) or subsection 123(1);</p> <p>(b) the day on which the last business transaction is conducted, in the case of information records, certificates of incorporation, records that are required</p>	<p>received and disbursed in connection with the lawyer's practice, shall maintain</p> <p>(a) a book of original entry identifying the method by which money is received in trust for a client, and</p> <p>(b) a book of original entry showing the method by which money, other than money received in trust for a client, is received.</p> <p>2. Every lawyer who receives cash for a client shall maintain, in addition to existing financial recordkeeping requirements, a book of duplicate receipts, with each receipt identifying the date on which cash is received, the person from whom cash is received, the amount of cash received, the client for whom cash is received, any file number in respect of which cash is received and containing the signature authorized by the lawyer who receives cash and of the person from whom cash is received.</p> <p>3. The financial records described in paragraphs 1 and 2 may be entered and posted by hand or by mechanical or electronic means, but if the records are</p>	

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	<p>to be filed annually under applicable provincial securities legislation and similar records that prove a corporation's existence, partnership agreements, articles of association and similar records that prove the existence of an entity other than a corporation, records that are required to be kept under any of subsections 16(2), 123(2) and (3) and 138(3) and (5) and lists and records, other than information records, that are required to be kept under section 37; and</p> <p>(c) the day on which they were created, in the case of all other records.</p>	<p>entered and posted by hand, they shall be entered and posted in ink.</p> <p>4. The financial records described in paragraphs 1 and 2 shall be entered and posted so as to be current at all times.</p> <p>5. A lawyer shall keep the financial records described in paragraphs 1 and 2 for at least the six year period immediately preceding the lawyer's most recent fiscal year end. [This paragraph does not apply to lawyers in Québec as the Barreau du Québec requires that such records be retained without any limitation.]</p>	

PART 3 – MODEL TRUST ACCOUNTING RULE			
Provision	Related subject in the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations SOR/2002-184	Adopted by the Council of the Federation October 19, 2018	Comment/Explanatory Notes
Definition of “money”	No similar subject	<b>Definitions</b>  “money” includes cash, cheques, drafts, credit card transactions, post office orders, express and bank money orders, and electronic transfer of deposits at financial institutions	
Obligations with respect to trust accounts	No similar subject	1. A lawyer must pay into and withdraw from, or permit the payment into or withdrawal from, a trust account only money that is directly related to legal services that the lawyer or the lawyer’s law firm is providing.  2. A lawyer must pay out money held in a trust account as soon as practicable upon completion of the legal services to which the money relates.	This rule is part of extensive mandated requirements lawyers must fulfill when handling client funds, including record-keeping of receipts and disbursements, other transaction records and annual reports to law societies on trust holdings. Lawyers are also subject to law societies’ audit programs which review law office accounting processes and procedures for compliance.