

The Client Advisor



New Law Society Regulations

by Bill Lockington



“Lawyers by virtue of their trust accounts are targets for those wishing to launder money.”

Effective January 1st, 2009 The Law Society of Upper Canada has implemented a new by-law in support of the Federation of Law Societies of Canada’s initiative to fight fraud by implementing regulations to create a national, uniform standard for client identification and verification.

Lawyers are now required to obtain specific information in order to verify and confirm client identity when retained to provide legal services on a *new matter* (i.e. All files opened after January 1st, 2009 must comply with the identification requirements.)

(See over for requirement details)

LLF Lawyers LLP is a full service legal firm serving a wide range of private businesses, public sector institutions, professionals and individuals throughout Ontario. Providing timely and practical advice to its clients, the lawyers of the firm provide specific counsel and advocacy in matters of property, business, dispute resolution and estate planning and administration.

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HOW DOES THIS AFFECT YOU?

When you retain us on any new matter we are required to obtain certain information about you, your organization, or any party on whose behalf you may be acting. This requirement applies to all clients, even those of longstanding relationship with our firm. We are required to 'identify' you once and then maintain this record of identification for the longer of six (6) years or the length of your retainer with us.

The following is the information we require:

Individuals:

We require your full name, home address, telephone number, occupation and where applicable, your business address and telephone number.

Organizations:

(This applies to corporations, partnerships, funds, trusts, co-operatives or unincorporated associations.)

We require your full name, business address, business telephone number (if any), the general nature of the business (if other than a financial institution, public body or public company), and the name, position and contact information of the person or persons authorized on behalf of the organization to provide us with instructions on the matter. We may also be required to obtain confirmation of the authority of such person or persons. In certain circumstances, we also require the incorporation or business identification number and where it was issued (i.e. your Ontario incorporation number or federal incorporation number.)

Third Parties:

If you are acting for or representing another person or organization, in addition to your information, we require the same information for that person or organization (as indicated above), as if we are acting for them directly.



Identity Verification:

When we are retained to act or give instructions on your behalf on a matter which utilizes our trust account or necessitates the receiving, payment or transferring of money, or negotiable securities, we are now required to verify your identity (for individuals) and confirm the existence of your organization by reviewing one or more original identifying government documents such as a driver's licence, birth certificate or passport and retain a copy of each of the documents in our file.

Other verification documents are required for:

1. **Corporations** - the corporation's annual filing or a certificate of corporate status or corporate profile, to verify it is a private company and who are the publicly noted officers and directors;
2. **Partnerships** - the partnership agreement and any registrations;
3. **Trusts** – although it may depend on the nature of the trust, examples would be the trust agreement or other documents establishing the trust, documents amending the trust and documents identifying the trustees.
4. **Organizations** – the name and occupation of all directors, except where the client is a securities dealer. When someone owns 25% or more of the organization or the shares of the corporation, in addition to the name(s) and occupation(s) of the director(s), we must also obtain their address.

We appreciate your co-operation in assisting us to comply with The Law Society regulations. We will endeavour to make our inquiries in the most efficient and least intrusive manner.

