

Federation of Law Societies
of Canada



Fédération des ordres professionnels
de juristes du Canada

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Model Rule on Client Identification and Verification Requirements

***Adopted by Council of the Federation of Law Societies of Canada March 20, 2008
and modified on December 12, 2008***

Definitions

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.

“financial institution” means

- (a) an authorized foreign bank within the meaning of section 2 of the *Bank Act* in respect of its business in Canada or a bank to which the *Bank Act* applies,
- (b) a cooperative credit society, savings and credit union or caisse populaire that is regulated by a provincial Act,
- (c) an association that is regulated by the *Cooperative Credit Associations Act* (Canada),
- (d) a company to which the *Trust and Loan Companies Act* (Canada) applies,
- (e) a trust company or loan company regulated by a provincial Act;
- (f) a department or agent of Her Majesty in right of Canada or of a province where the department or agent accepts deposit liabilities in the course of providing financial services to the public; or
- (g) a subsidiary of the financial institution whose financial statements are consolidated with those of the financial institution.

3. A lawyer who is retained by a client as described in section 2(1) shall obtain and record the following information:
- (a) the client's full name,
 - (b) the client's business address and business telephone number, if applicable,
 - (c) if the client is an individual, the client's home address and home telephone number,
 - (d) if the client is an organization, 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,
 - (e) if the client is an individual, the client's occupation or occupations,
 - (f) if the client is an organization,
 - (i) 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
 - (ii) the name and position of and contact information for the individual who is authorized to provide and gives instructions to the lawyer with respect to the matter for which the lawyer is retained,
 - (g) if the client is acting for or representing a third party, information about the third party as set out in paragraphs (a) to (f) as applicable.

Client Identity and Verification

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, other than an electronic funds transfer.

Exemptions re: certain funds

5. (1) Section 6 does not apply where the client is a financial institution, public body or reporting issuer.
- (2) Section 6 does not apply in respect of funds,
- (a) paid by or to a financial institution, public body or a reporting issuer;
 - (b) received by a lawyer from the trust account of another lawyer;