



AMENDMENT PAGES

2019: No. 4 December

Highlights

Legal Profession Act: *Effective January 1, 2020*, the “insurance program” becomes an “indemnification program” (ss. 23(1) and (6), 30, 30.1 and 30.2: pp. 13, 17 and 24 to 26.1); a minor change is made for consistency (s. 14(3): p. 13).

Law Society Rules 2015:*

- **Client identification and verification** (*effective January 1, 2020*): Significant rule amendments introduce more stringent requirements to verify a client’s identity, provide more options for how to confirm a client’s identity, and require lawyers in financial transactions to obtain additional information about a client’s source of funds, as well as periodic monitoring and recording professional business relationships with clients. (Rules 3-98(1), 3-99(1.1), (2) and (2.1), 3-100, 3-101, 3-102, 3-103, 3-104, 3-105(2), 3-106, 3-107(3) and (4), 3-109(1) and 3-110: pp. 151-158); the responsibilities of a lawyer may be fulfilled by the lawyer’s firm, wherever located (Rule 3-99(3): p. 152); requirements to retain records include records of required monitoring activities (Rule 3-107(3): p. 157).
- **Indemnification program** (*effective January 1, 2020*): References to the “insurance” program have been updated to “indemnity” and “indemnification” to align with changes to the *Legal Profession Act* (Rules 2-16(3) and (6), 2-29(2), 2-32, 2-40(2), 2-47, 2-49(1), 2-77(1), 2-79(1), 2-82(1), 2-85(4), 2-105, 2-115(1), 2-116(1), 2-117(1), 3-39 to 3-46, 3-79(6) and Schedules 1 and 2: pp. 46, 52, 54, 59, 62, 63, 79, 80, 83, 85, 96, 99, 100, 120-124, 142, 217 and 220).
- **Other:** The process for selecting members of the Executive Committee is slightly modified (Rules 1-41 and 1-50(1): pp. 36 and 39); the Executive Director may disclose to law enforcement agencies evidence of an offence that has been gathered in the course of a complaint investigation, a practice standards investigation, an application for admission, enrolment or reinstatement, or a claim made under trust protection insurance, with the consent of the Discipline Committee (Rules 2-53(4), 3-3(5), 3-23(3), 3-46(5) and 4-8(5): pp. 65, 102, 113, 124 and 162); the procedure for ordering the investigation of books and accounts has been streamlined, and the time for a lawyer to request that certain information be excluded from an investigation has been changed from 7 to 21 days (Rule 4-55: p. 185); the President or designate may extend the time for a party to initiate a review of a tribunal decision (new Rule 5-19.1: p. 195); the party initiating a review must deliver six copies of the record to the President, rather than the previous eight (Rule 5-24.1(1): p. 197); fees are updated for 2020 (Schedules 1, 2 and 3: pp. 217 to 221).

**Historical notes are published only in the website version of the Rules.*

Code of Professional Conduct for British Columbia: Potentially stigmatizing language has been removed from the duty to report a lawyer, and the related commentary has been amended to remove barriers for lawyers who may seek help for mental health challenges (rule 7.1-3 and commentary: p. 82); *effective January 1, 2020*, references to the “insurance” program have been updated to align with changes to the *Legal Profession Act* (rules 7.1-2, 7.6-1 commentary [1], 7.8-1 commentary [1], 7.8-2 and commentary [1], 7.8-3 and 7.8-5: pp. 81 and 91-93).

[continued over]

Indemnification Policies: Indemnification Policy No. LPL 20-01-01 replaces Insurance Policy No. LPL 19-01-01. Refer to the upcoming *Program Report* for details of the policy revisions.

Filing: File the amended pages in your *Member's Manual* as follows:

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Indemnification Policies	Policy No. LPL 19-01-01 (1 – 28)	Policy No. LPL 20-01-01 (1 – 30)

After filing, insert this sheet at the front of the *Manual* for reference.

Updates: This amendment package updates the *Member's Manual* to **December 20, 2019**. The previous amendment package was 2019: No. 3 September.

To check that your copy of the *Manual* is up to date, consult the contents checklist on the next page. If you have further questions about updating your *Manual*, contact the Communications department: telephone 604.697.5838 or toll-free 1.800.903.5300 or email communications@lsbc.org.

Website: The *Legal Profession Act*, *Law Society Rules* and *Code of Professional Conduct for British Columbia* can be accessed in the [Support & Resources for Lawyers](#) section of the Law Society website at www.lawsociety.bc.ca in both HTML (for online use) and PDF (for printout, including printout of *Member's Manual* replacement pages).

Refer to the Law Society website for the most current versions of the Act, Rules and Code.

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PART 2 – MEMBERSHIP AND AUTHORITY TO PRACTISE LAW

Division 1 – Practice of Law

Members

- 14** (1) The benchers may make rules to do any of the following:
- (a) establish categories of members;
 - (b) determine the rights and privileges associated with categories of members;
 - (c) set the annual fee for categories of members other than practising lawyers;
 - (d) determine whether or not a person is a member in good standing of the society.
- (2) A member in good standing of the society is an officer of all courts of British Columbia.
- (3) A practising lawyer is entitled to use the style and title of “Notary Public in and for the Province of British Columbia”, and has and may exercise all the powers, rights, duties and privileges of the office of notary public.

[2019-40-16]

Authority to practise law

- 15** (1) No person, other than a practising lawyer, is permitted to engage in the practice of law, except
- (a) a person who is an individual party to a proceeding acting without counsel solely on his or her own behalf,
 - (b) as permitted by the *Court Agent Act*,
 - (c) an articulated student, to the extent permitted by the benchers,
 - (d) an individual or articulated student referred to in section 12 of the *Legal Services Society Act*, to the extent permitted under that Act,
 - (e) a lawyer of another jurisdiction permitted to practise law in British Columbia under section 16 (2) (a), to the extent permitted under that section,
 - (f) a practitioner of foreign law holding a permit under section 17 (1) (a), to the extent permitted under that section, and
 - (g) a lawyer who is not a practising lawyer to the extent permitted under the rules.
- (2) A person who is employed by a practising lawyer, a law firm, a law corporation or the government and who acts under the supervision of a practising lawyer does not contravene subsection (1).
- (3) A person must not do any act described in paragraphs (a) to (g) of the definition of “practice of law” in section 1 (1), even though the act is not performed for or in the expectation of a fee, gain or reward, direct or indirect, from the person for whom the acts are performed, if

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- (a) the person is a member or former member of the society who is suspended or has been disbarred, or who, as a result of disciplinary proceedings, has resigned from membership in the society or otherwise ceased to be a member as a result of disciplinary proceedings, or
 - (b) the person is suspended or prohibited for disciplinary reasons from practising law in another jurisdiction.
- (4) A person must not falsely represent himself, herself or any other person as being
- (a) a lawyer,
 - (b) an articled student, a student-at-law or a law clerk, or
 - (c) a person referred to in subsection (1) (e) or (f).
- (5) Except as permitted in subsection (1), a person must not commence, prosecute or defend a proceeding in any court.
- (6) The benchers may make rules prohibiting lawyers from facilitating or participating in the practice of law by persons who are not authorized to practise law.

[2002-30-29; 2012-16-8]

Interprovincial practice

- 16** (1) In this section, “**governing body**” means the governing body of the legal profession in another province or a territory of Canada.
- (2) The benchers may permit qualified lawyers of other Canadian jurisdictions to practise law in British Columbia and may promote cooperation with the governing bodies of the legal profession in other Canadian jurisdictions by doing one or more of the following:
- (a) permitting a lawyer or class of lawyers of another province or a territory of Canada to practise law in British Columbia;
 - (b) attaching conditions or limitations to a permission granted under paragraph (a);
 - (c) submitting disputes concerning the interjurisdictional practice of law to an independent adjudicator under an arbitration program established by agreement with one or more governing bodies;
 - (d) participating with one or more governing bodies in establishing and operating a fund to compensate members of the public for misappropriation or wrongful conversion by lawyers practising outside their home jurisdictions;
 - (e) making rules
 - (i) establishing conditions under which permission may be granted under paragraph (a), including payment of a fee,
 - (ii) respecting the enforcement of a fine imposed by a governing body, and

Prohibition on resignation from membership

- 21.1** (1) A lawyer may not resign from membership in the society without the consent of the benchers if the lawyer is the subject of
- (a) a citation or other discipline process under Part 4,
 - (b) an investigation under this Act, or
 - (c) a practice review under the rules.
- (2) In granting consent under subsection (1), the benchers may impose conditions.

[2012-16-12]

Credentials hearings

- 22** (1) This section applies to a hearing ordered under section 19 (2) (c).
- (2) A hearing must be conducted before a panel.
- (3) Following a hearing, the panel must do one of the following:
- (a) grant the application;
 - (b) grant the application subject to conditions or limitations that the panel considers appropriate;
 - (c) reject the application.
- (4) If an application is rejected,
- (a) the panel must, on the written request of the applicant, give written reasons for its decision, and
 - (b) the applicant must not be enrolled as an articled student, called and admitted or reinstated as a member.
- (5) On application, the benchers may vary or remove conditions or limitations imposed by a panel under this section.
- (6) The benchers may make rules requiring payment of security for costs of a hearing.

Division 3 – Fees and Assessments

Annual fees and practising certificate

- 23** (1) A practising lawyer must pay to the society an annual fee consisting of
- (a) a practice fee in an amount set by the benchers, and
 - (b) [repealed]
 - (c) an indemnity fee set under section 30 (3) (a), unless exempted from payment of the indemnity fee under section 30 (4) (b).
- (2) The benchers may waive payment of all or part of the annual fee or a special assessment for a lawyer whom they wish to honour.

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- (3) A lawyer who is suspended under section 38 (5) (d) or the rules made under section 25 (2), 32 (2) (b), 36 (h) or 39 (1) (a) must pay the annual fee or special assessment when it is due in order to remain a member of the society.
- (4) The executive director must issue to each practising lawyer a practising certificate on payment of the annual fee, if the lawyer is otherwise in good standing and has complied with this Act and the rules.
- (5) A certificate purporting to contain the signature of the executive director stating that a person is, or was at the time specified in the certificate, a member in good standing of the society is proof of that fact, in the absence of evidence to the contrary.
- (6) A lawyer who is suspended or who, for any other reason, ceases to be a member in good standing of the society must immediately surrender to the executive director his or her practising certificate and any proof of professional liability indemnification issued by the society.
- (7) The benchers may make rules to do any of the following:
 - (a) set the date by which the annual fee is payable, subject to rules made under section 30 (4) (a);
 - (b) permit late payment of the annual fee or a special assessment;
 - (c) set a fee for late payment of fees and assessments;
 - (d) determine the circumstances in which a full or partial refund of a fee or assessment may be made;
 - (e) deem a lawyer to have been a practising lawyer during a period in which the lawyer was in default of payment of fees or an assessment on conditions that the benchers consider appropriate.

[2012-16-13; 2018-49-39]

Fees and assessments

- 24**
- (1) The benchers may
 - (a) set fees, and
 - (b) set special assessments to be paid by lawyers and applicants for the purposes of the society and set the date by which they must be paid.
 - (c) [repealed]
 - (2) [repealed]
 - (3) If the benchers set a special assessment for a stated purpose and do not require all of the money collected for that stated purpose, they must return the excess to the members.
 - (4) On or before the date established by the benchers, each lawyer and applicant must pay to the society any special assessments set under subsection (1) (b), unless the benchers otherwise direct.

[2012-16-14]

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- (f) permit the discipline committee established under section 36 (a) to consider
 - (i) the findings of an investigation into a lawyer's competence to practise law,
 - (ii) any remedial program undertaken or recommended,
 - (iii) any order that imposes conditions or limitations on the practice of a lawyer, and
 - (iv) any failure to comply with an order that imposes conditions or limitations on the practice of a lawyer.
- (3) The amount of costs ordered to be paid by a person under the rules made under subsection (2) (e) may be recovered as a debt owing to the society and, when collected, the amount is the property of the society.
- (3.1) For the purpose of recovering a debt under subsection (3), the executive director may
 - (a) issue a certificate stating that the amount of costs is due, the amount remaining unpaid, including interest, and the name of the person required to pay it, and
 - (b) file the certificate with the Supreme Court.
- (3.2) A certificate filed under subsection (3.1) with the Supreme Court is of the same effect, and proceedings may be taken on it, as if it were a judgment of the Supreme Court for the recovery of a debt in the amount stated against the person named in it.
- (4) Rules made under subsection (2) (d.1)
 - (a) may include rules respecting
 - (i) the making of orders by the practice standards committee, and
 - (ii) the conditions and limitations that may be imposed on the practice of a lawyer, and
 - (b) must not permit the imposition of conditions or limitations on the practice of a lawyer before the lawyer has been notified of the reasons for the proposed order and given a reasonable opportunity to make representations respecting those reasons.

[2007-14-38; 2012-16-17]

Education

- 28** The benchers may take any steps they consider advisable to promote and improve the standard of practice by lawyers, including but not limited to the following:
- (a) establishing and maintaining or otherwise supporting a system of legal education, including but not limited to the following programs:
 - (i) professional legal training;
 - (ii) continuing legal education;

- (iii) remedial legal education;
- (iv) loss prevention;
- (b) granting scholarships, bursaries and loans to persons engaged in a program of legal education;
- (c) providing funds of the society and other assistance to establish or maintain law libraries in British Columbia;
- (d) providing for publication of court and other legal decisions and legal resource materials.

Specialization and restricted practice

- 29** The benchers may make rules to do any of the following:
- (a) provide for the manner and extent to which lawyers or law firms may hold themselves out as engaging in restricted or preferred areas of practice;
 - (b) provide for the qualification and certification of lawyers as specialists in areas of practice designated under paragraph (c);
 - (c) designate specialized areas of practice and provide that lawyers must not hold themselves out as restricting their practices to, preferring or specializing in a designated area of practice unless the lawyer has met the qualifications required for certification under a rule made under paragraph (b);
 - (d) establish qualifications for and conditions under which practising lawyers may practise as mediators.

[2012-16-18]

Indemnification

- 30** (1) In this section, “**trust protection indemnification**” means indemnification for lawyers to compensate persons who suffer pecuniary loss as a result of dishonest appropriation of money or other property entrusted to and received by a lawyer in his or her capacity as a barrister and solicitor.
- (1.1) The benchers must make rules requiring lawyers to maintain professional liability and trust protection indemnification.
- (2) The benchers may establish, administer, maintain and operate a professional liability indemnification program and may use for that purpose fees set under this section.
- (2.1) The benchers
- (a) must establish, administer, maintain and operate a trust protection indemnification program and may use for that purpose fees set under this section,
 - (b) may establish conditions and qualifications for a claim against a lawyer under the trust protection indemnification program, including time limitations for making a claim, and

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- (c) may place limitations on the amounts that may be paid out of the indemnity fund established under subsection (6) in respect of a claim against a lawyer under the trust protection indemnification program.
- (3) The benchers may, by resolution, set
 - (a) the indemnity fee, and
 - (b) the amount to be paid for each class of transaction under subsection (4) (c).
- (4) The benchers may make rules to do any of the following:
 - (a) permit lawyers to pay the indemnity fee by instalments on or before the date by which each instalment of that fee is due;
 - (b) establish classes of membership for indemnification purposes and exempt a class of lawyers from the requirement to maintain professional liability or trust protection indemnification or from payment of all or part of the indemnity fee;
 - (c) designate classes of transactions for which the lawyer must pay a fee to fund the professional liability or trust protection indemnification program.
- (5) The benchers may use fees set under this section to act as the agent for the members in obtaining professional liability or trust protection indemnification.
- (6) The benchers must establish an indemnity fund, comprising fees set under this section and other income of the professional liability and trust protection indemnification programs, and the fund
 - (a) must be accounted for separately from other funds,
 - (b) is not subject to any process of seizure or attachment by a creditor of the society and
 - (c) is not subject to a trust in favour of a person who has sustained a loss.
- (7) Subject to rules made under section 23 (7), a lawyer must not practise law unless the lawyer has paid the indemnity fee when it is due, or is exempted from payment of the fee.
- (8) A lawyer must immediately surrender to the executive director his or her practising certificate and any proof of professional liability or trust protection indemnification issued by the society, if
 - (a) the society has, on behalf of the lawyer,
 - (i) paid a deductible amount under the professional liability indemnification program in respect of a claim or potential claim under that program, or
 - (ii) made an indemnity payment under the trust protection indemnification program in respect of a claim under that program, and
 - (b) the lawyer has not reimbursed the society, at the date that the indemnity fee or an instalment of that fee is due.

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- (9) The benchers may waive or extend the time
 - (a) to pay all or part of the indemnity fee, or
 - (b) to repay all or part of a deductible amount paid under the professional liability indemnification program or an indemnity payment made under the trust protection indemnification program on behalf of a lawyer.
- (10) If the benchers extend the time for a payment under subsection (9), the later date for payment is the date when payment is due for the purposes of subsections (7) and (8).
- (11) A payment made from the indemnity fund established under subsection (6) in respect of a claim against a lawyer under the trust protection indemnification program
 - (a) may be recovered from the lawyer or former lawyer on whose account it was paid, or from the estate of that person, as a debt owing to the society, and
 - (b) if collected, is the property of the society and must be accounted for as part of the fund.

[2012-16-19; 2016-5-44; 2018-49-45]

Application of other Acts to society indemnification program

30.1 (1) In this section:

“society indemnification program” means

- (a) a professional liability indemnification program established, administered, maintained and operated by the benchers under section 30 (2), or
- (b) a trust protection indemnification program established, administered, maintained and operated by the benchers under section 30 (2.1) (a);

“subsidiary” means

- (a) a corporation that is a company, as defined in the *Business Corporations Act*, of which the society holds all of the issued shares, or
 - (b) a corporation that is a society, as defined in the *Societies Act*, of which the society is the only member, as defined in that Act.
- (2) Despite the *Financial Institutions Act* and the *Insurance Act*, in relation to the establishment, administration, maintenance and operations of a society indemnification program,
- (a) the society or a subsidiary is not an insurer as defined in the *Financial Institutions Act* and the *Insurance Act*,
 - (b) the society or a subsidiary is not carrying on insurance business in British Columbia,
 - (c) a contract entered into respecting an undertaking to indemnify given under a society indemnification program is not a contract as defined in the *Insurance Act*,

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- (d) the society or a subsidiary is not required to be licensed under Division 2 of Part 6 of the *Financial Institutions Act* as an insurance adjuster or insurance agent, and
 - (e) an employee of the society or a subsidiary is not required to be licensed under Division 2 of Part 6 of the *Financial Institutions Act* as an insurance adjuster, employed insurance adjuster, insurance agent or insurance salesperson.
- (3) Subsection (2) does not apply in respect of a subsidiary that is a captive insurance company registered under the *Insurance (Captive Company) Act*.
 - (4) Divisions 4 and 8 of Part 9 of the *Business Corporations Act* do not apply to a subsidiary in respect of a society insurance program.

[2018-49-46]

Third person right of action against indemnitor

- 30.2** (1) If a judgment has been granted against a lawyer in respect of a liability against which the lawyer is indemnified under a society indemnification program, as defined in section 30.1, and the judgment has not been satisfied, the judgment creditor may recover by action against the indemnitor the lesser of
- (a) the unpaid amount of the judgment, and
 - (b) the amount that the indemnitor would have been liable under the policy to pay to the lawyer had the lawyer satisfied the judgment.
- (2) The claim of a judgment creditor against the indemnitor under subsection (1) is subject to the same equities as would apply in favour of the indemnitor had the judgment been satisfied by the lawyer.

[2018-49-46]

31 [repealed 2012-16-20]

Financial responsibility

- 32** (1) The benchers may establish standards of financial responsibility relating to the integrity and financial viability of the professional practice of a lawyer or law firm.
- (2) The benchers may make rules to do any of the following:
- (a) provide for the examination of the books, records and accounts of lawyers and law firms and the answering of questions by lawyers and representatives of law firms to determine whether standards established under this section are being met;
 - (b) permit the suspension of a lawyer who does not meet the standards established under subsection (1);
 - (c) permit the imposition of conditions and limitations on a law firm that, or the practice of a lawyer who, does not meet the standards established under subsection (1).

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- (3) Rules made under subsection (2) (b) and (c) must not permit the suspension of a lawyer or imposition of conditions and limitations on the practice of a lawyer or the imposition of conditions and limitations on a law firm before the lawyer or law firm, as the case may be, has been notified of the reasons for the proposed action and given a reasonable opportunity to make representations respecting those reasons.

[2012-16-21]

Election record and disclosure of votes received

- 1-35** (1) The Executive Director must ensure that a permanent record is kept of the number of votes received by each candidate, and the candidates who are declared elected.
- (2) The information referred to in subrule (1) is public information.

Review by Executive Committee

- 1-36** (1) A candidate who is not elected in a Bencher election may apply to the Executive Committee for a review of the election.
- (2) An application under subrule (1) can only be made
- (a) in writing, and
 - (b) not more than 10 days after the election date.
- (3) On an application under subrule (1), the Executive Committee must promptly review the election in that district, and must
- (a) confirm the declaration made by the Executive Director under Rule 1-34 [*Declaration of candidates elected*],
 - (b) rescind the declaration made by the Executive Director under Rule 1-34 and declare that the candidate who applied under subrule (1) or another candidate is elected, or
 - (c) order a new election in the district concerned, and give directions for it.
- (4) The decision of the Executive Committee under subrule (3) is final.

Retention of documents

- 1-37** The Executive Director must retain the ballots and other documents of a Bencher election for at least 14 days after the election or, if a review is taken under Rule 1-36 [*Review by Executive Committee*], until that review has been completed.

Bencher by-election

- 1-38** (1) If an elected Bencher ceases to hold office in an even numbered year or before July 1 of an odd numbered year, a by-election must be held to fill the vacancy for the remainder of the term of office.
- (2) When a Bencher by-election is required under subrule (1), the Executive Committee must set a date for the prompt holding of the by-election.
- (3) Rules 1-21 to 1-37 apply to a by-election under subrule (1), except that the Executive Director may change the dates referred to in Rules 1-23 (c) [*Nomination*], 1-26 (1) [*Voter list*] and 1-27 (1) [*Voting procedure*].

Appointment of Bencher to represent a district

- 1-39** (1) The Benchers may fill a vacancy by appointment in the following circumstances:
- (a) an elected Bencher ceases to hold office on or after July 1 of an odd-numbered year;
 - (b) an electoral district fails to nominate enough candidates at an election to elect the required number of Benchers;
 - (c) an amendment to Rule 1-21 [*Regional election of Benchers*] increases the number of Benchers to be elected from a district.
- (2) A Bencher appointed under subrule (1) takes office on appointment and continues in office until the end of the current term.
- (3) The Benchers may appoint any member of the Society in good standing eligible to be a candidate for Bencher in the district concerned.
- (4) When the Benchers appoint a Bencher under this rule, they may conduct a non-binding plebiscite of the members of the Society in the district concerned.

Referendum ballots

- 1-40** (1) The Benchers may direct the Executive Director to conduct a referendum ballot of all members of the Society or of all members in one or more districts.
- (2) The rules respecting a Bencher election apply, with the necessary changes and so far as they are applicable, to a referendum under this rule, except that the votes need not be reported by districts.

Election of Executive Committee

- 1-41** (1) The Benchers must elect 4 Benchers to serve as members of the Executive Committee for each calendar year as follows:
- (a) 3 elected Benchers;
 - (b) 1 appointed Bencher.
- (2) A person elected as a Bencher for a term that includes the calendar year for which members of the Executive Committee are to be elected is eligible for election under subrule (1) (a).
- (2.1) A Bencher reappointed as a Bencher, or eligible to be reappointed as a Bencher, for a term that includes the calendar year for which members of the Executive Committee are to be elected is eligible for election under subrule (1) (b).
- (3) A Bencher who is eligible for election under subrule (1) may become a candidate by notifying the Executive Director in writing by November 22.
- (4) If there are more candidates than there are positions to be elected, the Executive Director must conduct a ballot.
- (5) The Executive Director must specify a date no later than December 6 for the return of the ballots, and a ballot returned after that date is not valid.

- (6) Benchers in office on the date specified under subrule (5) are eligible to vote for the Executive Committee as follows:
 - (a) all Benchers are eligible to vote for elected Benchers;
 - (b) appointed Benchers are eligible to vote for appointed Benchers.
- (7) to (9) [rescinded; (8) moved to (2.1)]
- (10) If a vote is required for an election under this rule,
 - (a) it must be conducted by secret ballot,
 - (b) a ballot must be rejected if it contains votes for more candidates than there are positions to be filled, and
 - (c) when more than one Bencher is to be elected, the candidates with the most votes, up to the number of positions to be filled, are elected.
- (11) If, because of a tie vote or for any other reason, the Benchers fail to elect 4 members of the Executive Committee under subrule (1), or if a vacancy occurs in any position elected under this rule, the Benchers or the appointed Benchers, as the case may be, must hold an election to fill the vacancy at the next regular meeting of the Benchers.
- (12) The Executive Director may conduct an election for members of the Executive Committee partly or entirely by electronic means.
- (13) This rule applies, with the necessary changes and so far as applicable, to an election conducted partly or entirely by electronic means.

Date falling on Saturday, Sunday or holiday

1-42 If the time for doing an act in this division falls or expires on a day when the Society office is not open during regular business hours, the time is extended to the next day that the office is open.

1-43 [rescinded 12/2015]

Extension of dates

1-44 The Executive Committee may, on application by the Executive Director, extend any date stated in Rule 1-20 to 1-44.

General

Executive Director's delegate

- 1-44.1** (1) Any power or authority delegated to the Executive Director under these rules may be exercised by the Executive Director's delegate.
- (2) In the absence of evidence to the contrary, an employee of the Society or a person retained by the Society is the Executive Director's delegate when acting within the scope of his or her employment or retainer to exercise a power or authority delegated to the Executive Director under these rules.

Seal

- 1-45** (1) Subject to subrule (2), the seal of the Society may be affixed to a document in the presence of
- (a) 2 persons, one of whom must be the President or a Vice-President, and the other of whom must be an officer of the Society, or
 - (b) one or more persons appointed by resolution of the Executive Committee.
- (2) The seal may be affixed in the presence of any one of the persons referred to in subrule (1) in the case of
- (a) a certificate, or
 - (b) a document that certifies true copies of any document or resolution.
- (3) The person or persons in whose presence the seal is affixed must sign the certificate or document of certification.

Laying of information

- 1-46** Any information alleging an offence against the Act may be laid in the name of the Society on oath of an officer of the Society or a member of the Executive Committee.

Freedom of Information and Protection of Privacy Act

- 1-47** The Executive Director is designated as the head of the Society for the purposes of the *Freedom of Information and Protection of Privacy Act*.

Appointment of Law Society counsel

- 1-48** (1) Subject to Rule 1-51 (a) [*Powers and duties*], the Executive Director may appoint an employee of the Society or retain another lawyer to advise or represent the Society in any legal matter.
- (2) When Rule 1-51 (a) [*Powers and duties*] applies and it is not practicable to call a meeting of the Executive Committee before the advice of counsel is required, the Executive Director may appoint counsel on an interim basis.

Division 2 – Committees

Committees of the Benchers

- 1-49** Subject to these rules, the President may
- (a) appoint any person as a member of a committee of the Benchers, and
 - (b) terminate the appointment.

Executive Committee

- 1-50** (1) The Executive Committee consists of the following Benchers:
- (a) the President;
 - (b) the First and Second Vice-Presidents;
 - (c) the Second Vice-President-elect, if not elected under paragraph (d);
 - (d) 4 other Benchers elected under Rule 1-41 [*Election of Executive Committee*].
- (2) The President is the chair of the Executive Committee, and the First Vice-President is the vice chair.
- (3) The Executive Committee is accountable and reports directly to the Benchers as a whole.

Powers and duties

- 1-51** The powers and duties of the Executive Committee include the following:
- (a) authorizing appointment of counsel to advise or represent the Society when the Society is a plaintiff, petitioner or intervenor in an action or proceeding;
 - (b) authorizing the execution of documents relating to the business of the Society;
 - (c) appointing persons to affix the seal of the Society to documents;
 - (d) approving forms under these rules;
 - (e) approving agreements relating to the employment, termination or resignation of the Executive Director and the remuneration and benefits paid to him or her;
 - (f) assisting the President and Executive Director in establishing the agenda for Bencher meetings and the annual general meeting;
 - (g) planning of Bencher meetings or retreats held to consider a policy development schedule for the Benchers;
 - (h) assisting the Benchers and the Executive Director on establishing relative priorities for the assignment of Society financial, staff and volunteer resources;
 - (i) providing constructive performance feedback to the President;
 - (j) recommending to the appointing bodies on Law Society appointments to outside bodies;
 - (k) determining the date, time and locations for the annual general meeting;
 - (l) overseeing Bencher elections in accordance with Division 1 of this Part;
 - (m) appointing members of the Board of Governors of the Foundation under section 59 [*Board of Governors*];

- (n) deciding matters referred by the Executive Director under Rule 2-113
[Referral to Executive Committee];
- (o) declaring that a financial institution is not or ceases to be a savings institution
under Rule 3-57 *[Removal of designation]*;
- (p) adjudicating claims for unclaimed trust funds under Rule 3-91 *[Adjudication of
claims]*;
- (q) other functions authorized or assigned by these rules or the Benchers.

Division 3 – Law Society Rules

Act, Rules and Code

- 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*.

Inter-jurisdictional practice

Definitions

2-15 In Rules 2-15 to 2-27,

“**business day**” means any calendar day or part of a calendar day in which a lawyer provides legal services;

“**entitled to practise law**” means allowed, under all of the legislation and regulation of a home jurisdiction, to engage in the practice of law in the home jurisdiction;

“**legal matter**” includes any activity or transaction that constitutes the practice of law and any other activity or transaction ordinarily conducted by lawyers in British Columbia in the course of practising law, whether or not persons other than lawyers are legally capable of conducting it;

“**National Registry**” means the National Registry of Practising Lawyers established under the National Mobility Agreement;

“**permit**” means an inter-jurisdictional practice permit issued under Rule 2-19 [*Inter-jurisdictional practice permit*];

“**provide legal services**” means to engage in the practice of law

(a) physically in British Columbia, except with respect to the law of a home jurisdiction, or

(b) with respect to the law of British Columbia physically in any jurisdiction, and includes to provide legal services respecting federal jurisdiction in British Columbia;

“**resident**” has the meaning respecting a province or territory that it has with respect to Canada in the *Income Tax Act* (Canada).

Inter-jurisdictional practice without a permit

2-16 (1) Subject to the other requirements of this rule, a visiting lawyer may provide legal services without a permit

(a) in the case of a visiting lawyer who is entitled to practise law in the jurisdiction of a reciprocating governing body of which the visiting lawyer is a member, for a maximum of 100 business days in any calendar year, or

(b) in all other cases, on not more than 10 legal matters and for not more than 20 business days in total during any 12-month period.

(2) A visiting lawyer must not hold himself or herself out or allow himself or herself to be held out as willing or qualified to provide legal services, except as a visiting lawyer.

- (3) Subject to subrule (4), to qualify to provide legal services on a temporary basis under this rule, a visiting lawyer must at all times
 - (a) maintain professional liability insurance that
 - (i) is reasonably comparable in coverage and limits to the indemnity coverage required of lawyers under Rule 3-39 (1) [*Compulsory professional liability indemnification*], and
 - (ii) extends to the visiting lawyer's temporary practice in British Columbia,
 - (b) maintain trust protection insurance or other defalcation compensation coverage from a governing body that extends to the visiting lawyer's temporary practice in British Columbia,
 - (c) not be subject to conditions of or restrictions on the visiting lawyer's practice or membership in the governing body in any jurisdiction imposed as a result of or in connection with proceedings related to discipline, competency or capacity,
 - (d) not be the subject of criminal or disciplinary proceedings in any jurisdiction,
 - (e) have no disciplinary record in any jurisdiction, and
 - (f) not establish an economic nexus with British Columbia, contrary to Rule 2-17 [*Disqualifications*].
- (4) On application of a visiting lawyer who otherwise qualifies under subrule (3), the Executive Director may allow the visiting lawyer to provide legal services without a permit beyond the limits set in subrule (1).
- (5) At the written request of a visiting lawyer affected by a decision made by the Executive Director under subrule (4), the Credentials Committee may
 - (a) confirm the decision, or
 - (b) substitute its decision.
- (6) The requirement in subrule (3) (a) does not apply to a visiting lawyer who is exempt from professional liability indemnification under Rule 3-43 [*Exemption from professional liability indemnification*] with respect to legal services to be provided in British Columbia.
- (7) A visiting lawyer who provides legal services without a permit must, on request,
 - (a) provide evidence to the Executive Director that the visiting lawyer has complied with and continues to comply with this rule, and
 - (b) disclose to the Executive Director each governing body of which the visiting lawyer is a member.
- (8) Notwithstanding Rules 2-15 to 2-27, a member of the Canadian Forces who is entitled to practise law in a home jurisdiction in which he or she is a member of the governing body
 - (a) may provide legal services for or on behalf of the Office of the Judge Advocate General without a permit, and

- (b) ensure that trust funds received are handled
 - (i) by a practising lawyer in a trust account controlled by the practising lawyer, and
 - (ii) in accordance with the Act and these rules.

Dispute resolution

2-26 If a dispute arises with a governing body concerning any matter under the Protocol, the Credentials Committee may do one or both of the following:

- (a) agree with a governing body to refer the matter to a single mediator;
- (b) submit the dispute to arbitration under Appendix 5 of the Protocol.

National Registry of Practising Lawyers

- 2-27** (1) The Executive Director must provide to the National Registry the current and accurate information about practising lawyers required under the National Mobility Agreement.
- (2) No one may use or disclose information obtained from the National Registry except for a purpose related to enforcement of the Act and these rules.

Information sharing

Sharing information with a governing body

- 2-27.1** (1) This rule applies to information collected in accordance with the Act and these rules about a lawyer, former lawyer, law firm, articulated student, applicant, visiting lawyer or a person who has applied to be a member of a governing body.
- (2) Subject to subrule (3), when it appears to the Executive Director to be appropriate in the public interest, the Executive Director may provide information to a governing body.
- (3) The Executive Director must not provide confidential or privileged information to a governing body under subrule (2) unless the Executive Director is satisfied that the information
- (a) is adequately protected against disclosure, and
 - (b) will not be used for any purpose other than the regulation of the legal profession in the jurisdiction of the governing body.

Practitioners of foreign law

Definitions

2-28 In Rules 2-28 to 2-34,

“**business day**” means any calendar day or part of a calendar day in which a practitioner of foreign law provides foreign legal services;

“**permit**” means a practitioner of foreign law permit issued under Rule 2-29
[*Practitioners of foreign law*];

“**resident**” has the meaning respecting a province or territory that it has with respect to
Canada in the *Income Tax Act* (Canada).

Practitioners of foreign law

- 2-29** (1) A person who qualifies under section 17 [*Practitioners of foreign law*] may apply to the Executive Director for a permit to act as a practitioner of foreign law in British Columbia by delivering to the Executive Director
- (a) a completed permit application in a form approved by the Credentials Committee, including a written consent for the release of relevant information to the Society, and
 - (b) the application fee specified in Schedule 1.
- (2) The Executive Director may issue a permit to a person applying under subrule (1) if satisfied that the person
- (a) is a member of the legal profession in one or more foreign jurisdictions,
 - (b) is not suspended or disbarred and has not otherwise ceased, for disciplinary reasons, to be a member of a governing body or of the legal profession in any foreign jurisdiction,
 - (c) is a person of good character and repute,
 - (d) has practised the law of a foreign jurisdiction for at least 3 of the past 5 years, or undertakes in writing to act as a practitioner of foreign law in British Columbia only under the direct supervision of a practitioner of foreign law who has practised law in that foreign jurisdiction for at least 3 of the past 5 years,
 - (e) carries professional liability insurance or a bond, indemnity or other security
 - (i) in a form and amount at least reasonably comparable to the indemnity coverage required of lawyers under Rule 3-39 (1) [*Compulsory professional liability indemnification*], and
 - (ii) that specifically extends to services rendered by the practitioner of foreign law while acting as such in British Columbia.
- (3) Subject to subrule (4), the Executive Director may attach conditions or limitations to a permit issued or renewed under this rule.
- (4) The Executive Director may only attach under subrule (3) conditions or limitations that are authorized by the Credentials Committee.
- (5) A permit issued under subrule (2) is valid for one year from the issue date shown on it.
- (6) Despite subrule (5), a practitioner of foreign law permit ceases to be valid if the practitioner of foreign law
- (a) is suspended as a result of proceedings taken under Part 4 [*Discipline*], or
 - (b) ceases to comply with any of the requirements of this Part.

Conditions and limitations

- 2-30** (1) Subject to Rule 2-31 [*Providing foreign legal services without a permit*], no one may provide foreign legal services or market a foreign legal practice in British Columbia without a permit issued under Rule 2-29 (2) [*Practitioners of foreign law*].
- (2) A practitioner of foreign law who holds a current permit may provide foreign legal services in British Columbia respecting
- (a) the law of a foreign jurisdiction in which the practitioner of foreign law is fully licensed to practise law, and
 - (b) trans-jurisdictional or international legal transactions.
- (3) A practitioner of foreign law must not
- (a) provide advice respecting the law of British Columbia or another Canadian jurisdiction, or
 - (b) deal in any way with funds that would, if accepted, held, transferred or otherwise dealt with by a lawyer, constitute trust funds, except money received on deposit for fees to be earned in the future by the practitioner of foreign law.
- (4) The Act, these rules and the *Code of Professional Conduct* apply to and bind a practitioner of foreign law.
- (5) A practitioner of foreign law must notify the Executive Director promptly if he or she
- (a) is the subject of criminal or professional discipline proceedings in any jurisdiction,
 - (b) ceases to be a member in good standing of the legal profession in any jurisdiction, or
 - (c) fails to complete satisfactorily any continuing legal education program required of the practitioner of foreign law as a member of the legal profession in a foreign jurisdiction.

Providing foreign legal services without a permit

- 2-31** (1) Subject to the other requirements of this rule, a practitioner of foreign law may provide foreign legal services without a permit for a maximum of 30 business days in any calendar year.
- (2) Subject to subrule (3), to qualify to provide foreign legal services without a permit, a practitioner of foreign law must at all times
- (a) qualify for a permit under Rule 2-29 (2) [*Practitioners of foreign law*],
 - (b) comply with Rules 2-30 (3) to (5) [*Conditions and limitations*],
 - (c) not be subject to conditions of or restrictions on his or her membership in the governing body or his or her qualification to practise law in any jurisdiction imposed as a result of or in connection with proceedings related to discipline, competency or capacity,

- (d) not be the subject of criminal or disciplinary proceedings in any jurisdiction,
 - (e) have no criminal or disciplinary record in any jurisdiction, and
 - (f) not establish an economic nexus with British Columbia.
- (3) A practitioner of foreign law who provides foreign legal services without a permit must, on request,
- (a) provide evidence to the Executive Director that the practitioner of foreign law has complied with and continues to comply with this rule, and
 - (b) disclose to the Executive Director each governing body of which the practitioner of foreign law is a member.
- (4) For the purposes of this rule, an economic nexus is established by actions inconsistent with a temporary basis for providing foreign legal services, including but not limited to doing any of the following in British Columbia:
- (a) providing foreign legal services beyond 30 business days in a calendar year;
 - (b) opening an office from which foreign legal services are offered or provided to the public;
 - (c) becoming resident;
 - (d) holding oneself out or allowing oneself to be held out as willing or qualified to provide legal services, except as a practitioner of foreign law without a permit.
- (5) A practitioner of foreign law who practises law in a law firm in his or her home jurisdiction and provides legal services in or from an office in British Columbia affiliated with that firm does not, for that reason alone, establish an economic nexus with British Columbia.
- (6) A practitioner of foreign law who becomes disqualified under subrule (4) must cease providing foreign legal services forthwith, but may apply under Rule 2-29 [*Practitioners of foreign law*] for a permit.
- (7) On application by a practitioner of foreign law, the Executive Director may allow the practitioner of foreign law to begin or continue to provide foreign legal services pending consideration of an application under Rule 2-29 [*Practitioners of foreign law*].

Dual qualification

- 2-32** A lawyer, other than a retired or non-practising member, who is qualified to practise law in a foreign jurisdiction may act as a practitioner of foreign law in British Columbia without obtaining a permit, provided the lawyer maintains professional liability insurance that
- (a) specifically extends to the lawyer's activities as a practitioner of foreign law in British Columbia, and
 - (b) is in a form and amount at least reasonably comparable to the indemnity coverage required of lawyers under Rule 3-39 (1) [*Compulsory professional liability indemnification*].

- (b) privileged and confidential information is protected under Rule 2-45 [*Privilege and confidentiality*],
 - (c) all members of the MDP comply with the rules respecting conflicts of interest as required under Rule 2-46 [*Conflicts of interest*],
 - (d) every member of the MDP obtains and maintains professional liability indemnity coverage as required under Rule 2-47 [*Liability indemnification*],
 - (e) the lawyer and the MDP maintain trust accounts and trust accounting records in accordance with Rule 2-48 [*Trust funds*], and
 - (f) all non-lawyer members of the MDP enter into the agreements required under Rule 2-39 [*Conditions for MDP*].
- (3) Any number of lawyers proposing to practise law together in an MDP may submit a joint application under this rule.

Consideration of MDP application

- 2-41** (1) On receipt of an application under Rule 2-40 [*Application to practise law in MDP*], the Executive Director must
- (a) grant permission to practise law in the MDP,
 - (b) if the requirements for permission to practise law in an MDP have not been met, refuse permission, or
 - (c) refer the application to the Credentials Committee.
- (2) The Executive Director must not grant permission under subrule (1) unless satisfied of the following:
- (a) all of the conditions set out in Rule 2-39 [*Conditions for MDP*] have been satisfied;
 - (b) the lawyer has made arrangements that will enable the lawyer and the MDP to comply with Rules 2-38 to 2-49.
- (3) If the lawyer applying for permission under Rule 2-40 [*Application to practise law in MDP*] agrees, the Executive Director may impose conditions or limitations on permission granted under subrule (1).
- (4) Within 30 days after being notified of the decision of the Executive Director under subrule (1) (b), the lawyer may, by written notice, request a review by the Credentials Committee.
- (5) If the Executive Director refers an application to the Credentials Committee under subrule (1) (c) or a review is requested under subrule (4), the Credentials Committee must
- (a) grant permission to practise law in an MDP, with or without conditions or limitations, or
 - (b) reject the application.

- (6) If an application is rejected or if conditions or limitations are imposed, the Credentials Committee must, at the written request of the lawyer applying, give written reasons for the decision.

Changes in MDP

- 2-42** (1) A lawyer practising in an MDP must immediately notify the Executive Director when
- (a) ceasing to practise law in the MDP for any reason,
 - (b) any new person proposes to become a member of the MDP,
 - (c) any member of the MDP ceases to be a member of the MDP or to be actively involved in the MDP's delivery of services to clients or in the management of the MDP, or
 - (d) there is any change in the terms of the partnership agreement or other contract affecting the conditions under which members of the MDP participate in the MDP.
- (2) When a new non-lawyer proposes to become a member of an MDP, the lawyer practising in the MDP must do the following at least 60 days before the proposed membership takes effect:
- (a) notify the Executive Director in a form approved by the Credentials Committee;
 - (b) pay the application fee specified in Schedule 1.
- (3) Any number of lawyers practising law in an MDP may notify the Executive Director jointly under subrule (1) or (2).

Cancellation of MDP permit

- 2-43** (1) If, for any reason, the Executive Director, in his or her sole discretion, is not satisfied that a lawyer is complying and will continue to comply with Rules 2-38 to 2-49, the Executive Director must cancel the permission granted under Rule 2-41 [*Consideration of MDP application*].
- (2) A cancellation under subrule (1) takes effect
- (a) after 30 days notice to all lawyers who are current members of the MDP affected by the cancellation, or
 - (b) without notice or on notice less than 30 days on the order of the Credentials Committee.
- (3) A lawyer who is notified of a cancellation under this rule may apply within 30 days to the Credentials Committee for a review of the decision.
- (4) When a lawyer applies for a review under subrule (3), the Credentials Committee must consider all the information available to the Executive Director, as well as submissions from or on behalf of the lawyer applying and the Executive Director and must

- (a) confirm the decision,
 - (b) reinstate the permission, with or without conditions or limitations specified by the Credentials Committee, or
 - (c) order a hearing before a panel under Part 5 [*Hearings and Appeals*].
- (5) The lawyer applying under subrule (3) or the Executive Director may initiate a review by a review board on the record of a decision under subrule (4) by delivering to the President and the other party a notice of review.
- (6) Rules 5-21 [*Notice of review*] and 5-23 to 5-28 apply to a review under this rule, insofar as they are applicable and with the necessary changes.
- (7) A lawyer who has applied for a review under subrule (3) may apply to the President for a stay of the cancellation pending the decision of the Credentials Committee on the review.
- (8) The person who applies for a review under subrule (5) may apply to the President for a stay of the cancellation pending the decision of the review board.
- (9) When considering an application for a stay under subrule (8), the President must consider all the information available to the Executive Director, as well as submissions from or on behalf of the Executive Director and the lawyer concerned and must
- (a) refuse the stay, or
 - (b) grant the stay, with or without conditions or limitations.
- (10) On an application under subrule (7) or (8), the President may designate another Benchler to make a determination under subrule (9).
- (11) When a lawyer's permission to practise law in an MDP is cancelled under this rule, the lawyer must immediately cease practising law in the MDP.

Lawyer's professional duties

- 2-44** (1) Except as provided in Rules 2-38 to 2-49, the Act, these rules and the *Code of Professional Conduct* apply to lawyers who practise in an MDP.
- (2) A lawyer practising law in an MDP must take all steps reasonable in the circumstances to ensure that the non-lawyer members of the MDP
- (a) practise their profession, trade or occupation with appropriate skill, judgement and competence,
 - (b) comply with the Act, these rules and the *Code of Professional Conduct*, and
 - (c) provide no services to the public except
 - (i) those services that support or supplement the practice of law by the MDP, and
 - (ii) under the supervision of a practising lawyer, as required the *Code of Professional Conduct*, section 6.1 [*Supervision*].

- (3) A lawyer practising in an MDP must not permit any member or employee of the MDP to direct or control the professional judgment of the lawyer or to cause the lawyer or other members of the MDP to compromise their duties under the Act, these rules or the *Code of Professional Conduct*.

Privilege and confidentiality

2-45 A lawyer practising law in an MDP must take all steps reasonable in the circumstances, including the implementation of screening measures if necessary, to ensure that no improper disclosure of privileged or confidential information is made to any person, including a person appointed by the regulatory body of another profession in relation to the practice of another member or employee of the MDP.

Conflicts of interest

- 2-46** (1) A lawyer practising law in an MDP must take all steps reasonable in the circumstances to ensure that the other members of the MDP will comply with the provisions of the Act, these rules and the *Code of Professional Conduct* respecting conflicts of interest as they apply to lawyers.
- (2) This rule applies when the MDP has provided legal services to a client or when a potential client has sought legal services from the MDP.

Liability indemnification

- 2-47** (1) A lawyer practising law in an MDP must ensure that every non-lawyer member of the MDP providing services directly or indirectly to the public on behalf of the MDP
- (a) maintains professional liability indemnity coverage
 - (i) on the terms and conditions offered by the Society through the Lawyers Indemnity Fund and pays the indemnity fee, and
 - (ii) in an amount equivalent to the total amount of coverage that the MDP maintains in excess of that required under Rule 3-39(1) [*Compulsory professional liability indemnification*], and
 - (b) complies with the provisions of Part 3, Division 5 [*Indemnification*] as if the non-lawyer were a lawyer.
- (2) If a non-lawyer member of an MDP agrees in writing, in a form approved by the Executive Committee, to engage in activities on behalf of the MDP for an average of 25 hours or less per week, the applicable indemnity base assessment is the part-time indemnity fee specified in Schedule 1.

Trust funds

- 2-48** (1) A lawyer practising law in an MDP that accepts any funds in trust from any person must maintain a trust account and a trust accounting system that are
- (a) in compliance with Part 3, Division 7 [*Trust Accounts and Other Client Property*], and
 - (b) within the exclusive control of lawyers practising law in the MDP.

- (2) A lawyer practising law in an MDP must ensure that all funds received by the MDP that would, if received by a lawyer, constitute trust funds, are handled through a trust account and accounting system that complies with these rules.

Notifying the Society

- 2-49** (1) Each lawyer who practises law in an MDP must report to the Executive Director in a form approved by the Credentials Committee concerning the following:
- (a) non-lawyer members of the MDP providing services to the public;
 - (b) the reasonable steps taken to protect privileged and confidential information under Rule 2-45 [*Privilege and confidentiality*];
 - (c) compliance with the rules respecting conflicts of interest;
 - (d) professional liability indemnity coverage maintained by non-lawyers under Rule 2-47 [*Liability indemnification*],
 - (e) trust accounts and trust accounting records maintained under Rule 2-48 [*Trust funds*];
 - (f) the agreements required under Rule 2-39 [*Conditions for MDP*] between the lawyer and all non-lawyer members of the MDP, and
 - (g) any other matter required by the Credentials Committee.
- (2) The report required under this rule must be made annually on a date determined by the Executive Director, or more frequently as determined by the Credentials Committee.

Division 2 – Admission and Reinstatement

Credentials Committee

Credentials Committee

- 2-50** (1) For each calendar year, the President must appoint a Credentials Committee, including a chair and vice chair, both of whom must be Benchers.
- (2) The President may remove any person appointed under subrule (1).
- (3) At any time, the President may appoint a person to the Credentials Committee to replace a Committee member who resigns or otherwise ceases membership in the Committee, or to increase the number of members of the Committee.

Referral to Credentials Committee

- 2-51** (1) The Executive Director may refer any matter for decision under this division to the Credentials Committee.
- (2) At the written request of a lawyer, former lawyer, articled student or applicant affected by a decision made by the Executive Director under this division, the Executive Director must refer the matter to the Credentials Committee.

- (3) When the Executive Director refers a matter to the Credentials Committee under this rule, the Committee may make any decision open to the Executive Director under this division and may substitute its decision for that of the Executive Director.

Powers of Credentials Committee

- 2-52** (1) The Credentials Committee may
- (a) exercise the authority of the Benchers to call and admit barristers and solicitors,
 - (b) implement, administer and evaluate a training course and examinations, assignments and assessments for all articled students,
 - (c) establish standards for passing the training course and examinations, assignments and assessment,
 - (d) establish procedures to be applied by the Executive Director and faculty of the training course for
 - (i) the deferral, review or appeal of failed examinations, assignments and assessments, and
 - (ii) remedial work in the training course or examinations, assignments and assessments, and
 - (e) review, investigate and report to the Benchers on all aspects of legal education leading to call and admission.
- (2) When the Credentials Committee is empowered to order a hearing under this division, it may do so even though the application has been withdrawn.
- (3) The Credentials Committee may, with the consent of the person concerned, vary or remove practice conditions or limitations imposed by the Committee under this division.

Application for enrolment, admission or reinstatement

Disclosure of information

- 2-53** (1) When a person makes an application under this division, the Executive Director may
- (a) disclose the fact that the application has been made and the status of the application, and
 - (b) provide information to a governing body under Rule 2-27.1 [*Sharing information with a governing body*].
- (2) For the purpose of subrule (1) (a), the status of an application is its stage of progress in processing the application, including, but not limited to the following:
- (a) received and under review;
 - (b) granted, with or without conditions or limitations;
 - (c) referred to the Credentials Committee;
 - (d) hearing ordered, whether or not a hearing has been scheduled;

- (e) withdrawn;
 - (f) refused.
- (3) [rescinded]
- (4) 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.
- (5) The Executive Director may disclose the existence and nature of a condition or limitation imposed or agreed to under this division if the condition or limitation
- (a) is ordered as a result of a hearing under this division,
 - (b) restricts or prohibits a lawyer's practice in one or more areas of law, or
 - (c) is imposed by Rule 2-78 [*Law school faculty*], 2-80 [*In-house counsel*] or 2-87 [*Reinstatement of former judge or master*].
- (6) If the Executive Director discloses the existence of a condition or limitation under subrule (5) by means of the Society's website, the Executive Director must remove the information from the website within a reasonable time after the condition or limitation ceases to be in force.
- (7) Subrule (6) does not apply to a decision of Benchers, a hearing panel or a review board.

Admission program

Enrolment in the admission program

- 2-54** (1) An applicant may apply for enrolment in the admission program at any time by delivering to the Executive Director the following:
- (a) a completed application for enrolment in a form approved by the Credentials Committee, including a written consent for the release of relevant information to the Society;
 - (b) proof of academic qualification under subrule (2);
 - (c) an articling agreement stating a proposed enrolment start date not less than 30 days from the date that the application is received by the Executive Director;
 - (d) other documents or information that the Credentials Committee may reasonably require;
 - (e) the application fee specified in Schedule 1.
- (2) Each of the following constitutes academic qualification under this rule:
- (a) successful completion of the requirements for a bachelor of laws or the equivalent degree from an approved common law faculty of law in a Canadian university;
 - (b) a Certificate of Qualification issued under the authority of the Federation of Law Societies of Canada;

- (c) approval by the Credentials Committee of the qualifications of a full-time lecturer at the faculty of law of a university in British Columbia.
- (3) For the purposes of this rule, a common law faculty of law is approved if it has been approved by the Federation of Law Societies of Canada unless the Benchers adopt a resolution declaring that it is not or has ceased to be an approved faculty of law.
- (4) An official transcript of the applicant's grades at each approved faculty of law at which the applicant studied is proof of academic qualification under subrule (2) (a).
- (5) The Credentials Committee may approve academic qualifications under subrule (2) (c) if the applicant
 - (a) has been a full-time lecturer at a common law faculty of law in a Canadian university for at least 5 of the last 8 years, and
 - (b) has been found by the Credentials Committee to have an adequate knowledge of the common law.

Re-enrolment

- 2-55** (1) This rule applies to a person
- (a) whose application for enrolment has been rejected because he or she has not satisfied a panel that he or she is of good character and repute and fit to become a barrister and solicitor of the Supreme Court,
 - (b) whose enrolment has been set aside by a panel under section 38 (6) (d) [*Discipline hearings*], or
 - (c) who has failed to complete the training course satisfactorily.
- (2) A person referred to in subrule (1) (a) or (b) may not apply for enrolment until the earlier of
- (a) the date set by a panel acting under subrule (1) (a) or (b), or
 - (b) 2 years after the date of the event referred to in subrule (1) (a) or (b).
- (3) A person referred to in subrule (1) (c) may not apply for enrolment for 1 year after the later of
- (a) the date on which the Executive Director issued the transcript of failed standing, or
 - (b) the failed standing is confirmed under Rule 2-74 (7) (a) [*Review by Credentials Committee*].

Consideration of application for enrolment

- 2-56** (1) The Executive Director must consider an application for enrolment by a person meeting the academic qualifications established under Rule 2-54 [*Enrolment in the admission program*], and may conduct or authorize any person to conduct an investigation concerning the application.

Termination of enrolment

- 2-75** (1) An articled student is no longer enrolled in the admission program if the principal or the student has terminated the student's articles for any reason and no assignment of the student's articles is approved within 30 days.
- (2) The 30-day period referred to in subrule (1) does not run while the student is registered in and attending the training course.
- (3) A person whose enrolment has ceased under subrule (1) may apply for enrolment under Rule 2-54 (1) [*Enrolment in the admission program*].

Call and admission

Call and admission

- 2-76** (1) To qualify for call and admission, an articled student must complete the following satisfactorily:
- (a) the articling term;
 - (b) the training course;
 - (b.1) the practice management course;
 - (c) any other requirements of the Act or these rules imposed by the Credentials Committee or the Benchers.
- (2) Subrule (1) (b.1) applies to articled students enrolled in the admission program on or after January 1, 2018.

First call and admission

- 2-77** (1) An articled student who applies for call and admission must deliver to the Executive Director
- (a) the following in the form approved by the Credentials Committee:
 - (i) a petition for call and admission;
 - (ii) a declaration of the principal;
 - (iii) a declaration of the applicant;
 - (iv) a joint report of the principal and the applicant certifying completion of their obligations under the articling agreement;
 - (v) a completed questionnaire;
 - (vi) written consent for the release of relevant information to the Society,
 - (b) a professional liability indemnity application or exemption form,
 - (c) the following fees:
 - (i) the call and admission fees specified in Schedule 1;
 - (ii) the prorated practice fee specified in Schedule 2;

- (iii) the prorated annual indemnity fee specified in Schedule 2, unless exempt under Rule 3-43 [*Exemption from professional liability indemnification*], and
 - (d) any other information and documents required by the Act or these rules that the Credentials Committee or the Benchers may request.
- (2) An articled student may apply under this rule at any time.
 - (3) If an articled student fails to meet the requirements of this rule, including the delivery of all documents specified, the Executive Director must summarily
 - (a) reject the application for call and admission, and
 - (b) terminate the student's enrolment.
 - (4) When the Credentials Committee has initiated a review under Rule 5-19 [*Initiating a review*] of a hearing panel's decision to enrol an articled student, the articled student is not eligible for call and admission until the review board has issued a final decision on the review or the Committee withdraws the review.

Law school faculty

- 2-78** (1) A full-time lecturer in a faculty of law of a university in Canada who has the academic qualifications required under Rule 2-54 [*Enrolment in the admission program*] may apply for call and admission without completing the admission program.
- (2) On an application under this rule, the Credentials Committee may approve the application subject to the condition specified in subrule (3).
- (3) A lawyer called and admitted under this rule who ceases to be a full-time lecturer in a faculty of law of a university in Canada must complete the admission program unless the Credentials Committee otherwise orders.
- (4) The Benchers may require a lawyer who fails to comply with subrule (3) to resign from the Society.

Transfer from another Canadian jurisdiction

- 2-79** (1) An applicant for call and admission on transfer from another jurisdiction in Canada must deliver the following to the Executive Director:
 - (a) an application for call and admission on transfer in a form approved by the Credentials Committee, including written consent for the release of relevant information to the Society;
 - (b) a certificate of character;
 - (c) a certificate of standing from each body regulating the legal profession in any jurisdiction in which the applicant is or has been a member of the legal profession;

- (d) a professional liability indemnity application or exemption form;
 - (e) proof of academic qualification
 - (i) as required of applicants for enrolment under Rule 2-54 (2) [*Enrolment in the admission program*], or;
 - (ii) for a member of the Barreau, proof that he or she has earned
 - (A) a bachelor's degree in civil law in Canada, or
 - (B) a foreign degree and a certificate of equivalency from the Barreau;
 - (f) the following fees:
 - (i) the application fee and call and admission fees specified in Schedule 1;
 - (ii) the prorated practice fee specified in Schedule 2;
 - (iii) the prorated annual indemnity fee specified in Schedule 2, unless exempt under Rule 3-43 [*Exemption from professional liability indemnification*];
 - (g) any other information and documents required by the Act or these rules that are requested by the Credentials Committee or the Benchers.
- (2) An applicant under this rule must not be called and admitted unless the Executive Director is satisfied that the lawyer is not prohibited from practising law under Rule 2-89 [*Returning to practice after an absence*].
- (3) Unless Rule 2-81 [*Transfer under National Mobility Agreement and Territorial Mobility Agreement*] applies, an applicant under this rule must pass an examination on jurisdiction-specific substantive law, practice and procedure set by the Executive Director.
- (4) An applicant who does not satisfy the Executive Director that he or she has an adequate knowledge of the English language must satisfactorily complete the training required by the Credentials Committee.
- (5) An applicant who is required to write an examination under this rule or Rule 2-89 [*Returning to practice after an absence*] must pass the required examination within 12 months after the Executive Director's decision to permit the applicant to write the examination.
- (6) At least 30 days before writing the first examination, an applicant who is required to write an examination under this rule or Rule 2-89 [*Returning to practice after an absence*] must pay the fee specified in Schedule 1 for the examination.
- (7) An applicant who fails the transfer or qualification examination
- (a) is entitled to a formal re-read of the examination on application to the Executive Director in writing within 30 days of notification of his or her failure,
 - (b) may re-write the examination
 - (i) at any time, provided he or she has not failed the examination before, or
 - (ii) after a period of one year from the date of the failure if he or she has previously failed the examination, or

- (c) may be permitted to write the examination for a third or subsequent time at any time despite paragraph (b) (ii) on application to the Credentials Committee in writing stating
 - (i) compassionate grounds, supported by medical or other evidence, or
 - (ii) other grounds based on the applicant's past performance.

In-house counsel

- 2-80** (1) An applicant under Rule 2-79 [*Transfer from another Canadian jurisdiction*] may apply to the Credentials Committee for call and admission as in-house counsel.
- (2) On an application under this rule, the Credentials Committee may exempt an applicant from the requirements to write and pass the transfer examination or the qualification examination or complete the requirement under Rule 2-81 (3) [*Transfer under National Mobility Agreement and Territorial Mobility Agreement*].
- (3) A lawyer who is called and admitted as in-house counsel must practise law in British Columbia only on behalf of the lawyer's employer or one of its subsidiaries or affiliates.
- (4) On application of a lawyer called and admitted as in-house counsel, the Credentials Committee may relieve the lawyer of the restriction under subrule (3), on the lawyer
- (a) writing and passing the required examination under Rule 2-79 [*Transfer from another Canadian jurisdiction*], or
 - (b) completing the requirements under Rule 2-81 (3) [*Transfer under National Mobility Agreement and Territorial Mobility Agreement*], if the lawyer
 - (i) has practised law full-time in British Columbia for 2 years, or the equivalent in part-time practice, immediately preceding the application,
 - (ii) is entitled to practise law in the jurisdiction of a governing body of which the applicant is a member, or
 - (iii) was, when called and admitted in British Columbia, entitled to practise law in the jurisdiction of a governing body of which the applicant was a member.

Transfer under National Mobility Agreement and Territorial Mobility Agreement

- 2-81** (1) This rule applies to an applicant for transfer from another Canadian jurisdiction, provided that the applicant is entitled to practise law in the jurisdiction of a governing body of which the applicant is a member.
- (2) An applicant under this rule must fulfill all of the requirements in Rule 2-79 [*Transfer from another Canadian jurisdiction*] for call and admission on transfer from another Canadian jurisdiction, except that he or she need not pass any transfer examination.

- (3) To qualify for call and admission, an applicant under this rule must certify, in a prescribed form, that he or she has reviewed and understands all of the materials reasonably required by the Executive Director.
- (4) A lawyer called and admitted under this rule has no greater rights as a member of the Society than
 - (a) the lawyer has as a member of the governing body of his or her home jurisdiction, or
 - (b) any other member of the Society in similar circumstances.

Transfer as Canadian legal advisor

- 2-82** (1) Subject to subrule (3), a member of the Chambre may apply for call and admission on transfer as a Canadian legal advisor by delivering to the Executive Director the following:
- (a) a completed application for call and admission as a Canadian legal adviser in a form approved by the Credentials Committee, including written consent for the release of relevant information to the Society;
 - (b) a certificate of character;
 - (c) a certificate of standing from the Chambre and each other body regulating the legal profession, in any jurisdiction, in which the applicant is or has been a member of the legal profession;
 - (d) a professional liability indemnity application or exemption form;
 - (e) the following fees:
 - (i) the application fee and call and admission fees specified in Schedule 1;
 - (ii) the prorated practice fee specified in Schedule 2;
 - (iii) the prorated annual indemnity fee specified in Schedule 2, unless exempt under Rule 3-43 [*Exemption from professional liability indemnification*];
 - (f) any other information and documents required by the Act or these rules that are requested by the Credentials Committee or the Benchers.
- (2) Subject to subrule (1), Rules 2-79 to 2-84 apply, with any necessary changes, to an application for call and admission on transfer as a Canadian legal advisor.
- (3) This rule does not apply to a member of the Chambre unless he or she has earned a bachelor's degree in civil law in Canada or a foreign degree and a certificate of equivalency from the Chambre.

Consideration of application for call and admission

- 2-83** (1) The Executive Director must consider an application for call and admission by a person meeting the requirements under this division, and may conduct or authorize any person to conduct an investigation concerning the application.
- (2) On an application for call and admission, the Executive Director may
- (a) authorize the call and admission of the applicant without conditions or limitations, or
 - (b) refer the application to the Credentials Committee.
- (3) When the Executive Director refers an application to the Credentials Committee under subrule (2), the Committee may
- (a) authorize the call and admission of the applicant without conditions or limitations,
 - (b) authorize the call and admission of the applicant with conditions or limitations on the applicant's practice, if the applicant consents in writing to those conditions or limitations, or
 - (c) order a hearing.

Barristers and solicitors' roll and oath

- 2-84** (1) The Executive Director must maintain the barristers and solicitors' roll in paper or electronic form, or a combination of both.
- (2) Every lawyer who is called to the Bar of British Columbia and admitted as a solicitor of the Supreme Court must,
- (a) before beginning the practice of law, take the barristers and solicitors' oath in a form approved by the Benchers before a judge of the Provincial Court or a superior court in British Columbia or before a practising lawyer, and
 - (b) be presented in open court before one or more of the judges of the Supreme Court.
- (3) The Executive Director must enter in the barristers and solicitors' roll the full names of all persons who are called as barristers and admitted as solicitors.
- (4) On proof that an applicant who has otherwise qualified for call and admission has taken the oath required under subrule (2) (a), the Executive Director must issue to the applicant a practising certificate, a non-practising certificate or a Canadian legal advisor certificate, as the case may be.
- (5) The Executive Director must not renew a practising certificate or a Canadian legal advisor certificate issued under subrule (4) unless the lawyer has been presented in open court as required under subrule (2) (b).
- (6) As an exception to subrule (5), the Executive Director may renew a certificate issued under subrule (2) (b) within four months of its expiry date.

Reinstatement

Reinstatement of former lawyer

- 2-85** (1) A former lawyer may apply for reinstatement as a member of the Society by delivering the following to the Executive Director:
- (a) an application for reinstatement in a form approved by the Credentials Committee, including written consent for the release of relevant information to the Society;
 - (b) the appropriate application fee specified in Schedule 1.
- (2) An applicant for reinstatement may apply for the following status on reinstatement:
- (a) practising lawyer, only if the applicant has met the conditions for practising law under Rule 2-89 [*Returning to practice after an absence*];
 - (b) non-practising member on compliance with Rule 2-3 [*Non-practising members*];
 - (c) retired member if the lawyer is qualified under Rule 2-4 (1) [*Retired members*] and on compliance with Rule 2-4 (2) and (3).
- (3) On an application under subrule (2) (c), the Executive Director may waive payment of all or part of the application fee on any conditions that the Executive Director considers appropriate.
- (4) The Executive Director may issue a practising certificate to an applicant on reinstatement on payment of the following:
- (a) the prorated practice fee specified in Schedule 2;
 - (b) the prorated annual indemnity fee specified in Schedule 2, unless exempt under Rule 3-43 [*Exemption from professional liability indemnification*];
 - (c) any surcharge for which the lawyer is liable under Rule 3-44 (2) [*Deductible, surcharge and reimbursement*].
- (5) The Executive Director may issue a non-practising or retired member certificate to an applicant on reinstatement on payment of the appropriate prorated fee specified in Schedule 3.
- (6) Subject to subrule (7), the Executive Director must consider an application for reinstatement of a former lawyer and may conduct or authorize any person to conduct an investigation concerning the application.

- (7) The Executive Director must not consider an application for reinstatement of a former lawyer unless the former lawyer has
- (a) submitted all trust reports required under Rules 3-79 [*Trust report*] and 3-84 (1) [*Former lawyers*],
 - (b) paid all assessments accrued under Rule 3-80 [*Late filing of trust report*] before and after the former lawyer ceased to be a member of the Society unless the Executive Director waives all of the assessments under Rule 3-80 (3) and any conditions have been fulfilled, and
 - (c) paid all costs of trust reports ordered under Rule 3-81 (6) [*Failure to file trust report*].
- (8) If an applicant for reinstatement is a disbarred lawyer, the Executive Director must refer the application to the Credentials Committee.
- (9) On an application for reinstatement to which subrules (7) and (8) do not apply, the Executive Director may
- (a) reinstate the applicant without conditions or limitations, or
 - (b) refer the application to the Credentials Committee for consideration.
- (10) Subject to subrule (11), when the Executive Director refers an application for reinstatement to the Credentials Committee under subrule (9), the Committee may
- (a) reinstate the applicant without conditions or limitations,
 - (b) reinstate the applicant with conditions or limitations on the applicant's practice if the applicant consents in writing to those conditions or limitations, or
 - (c) order a hearing.
- (11) The Credentials Committee must order a hearing in the following circumstances:
- (a) section 19(3) applies;
 - (b) the Committee cannot reach another disposition of the matter under subrule (10);
 - (c) the Committee resolves to order a hearing.
- (12) An applicant for reinstatement must give written notice of the application as directed by the Executive Director, and persons so notified may appear in person or by counsel at the hearing and be heard on the application.

Subsequent application for reinstatement

2-86 A person whose application for reinstatement is rejected under section 22 (3) [*Credentials hearings*] may not make a new application for reinstatement until the earlier of the following:

- (a) 2 years after the date on which the application was rejected;
- (b) the date set by the panel when the application was rejected or by the review board on a review under Part 5 [*Hearings and appeals*].

Publication of credentials decision

- 2-103** (1) When a hearing panel or review board issues a final or interlocutory decision on an application under this division, the Executive Director must
- (a) publish and circulate to the profession a summary of the circumstances and decision of the hearing panel or review board,
 - (b) publish the full text of the decision on the Law Society website, and
 - (c) publish the final outcome of the hearing or review, including any conditions or limitations of practice or articles imposed or accepted.
- (1.1) When a court issues a decision on a judicial review of or appeal from a credentials decision, the Executive Director must circulate to the profession a summary of the decision.
- (2) and (3) [rescinded]
- (4) This rule must not be interpreted to permit the disclosure of any information subject to solicitor and client privilege or confidentiality.

Anonymous publication

- 2-104** (1) Except as required or allowed under this rule, a publication under Rule 2-103 (1) (a) or (b) [*Publication of credentials decision*] must not identify the applicant.
- (2) A publication under Rule 2-103 (1) (a) or (b) may identify the applicant if
- (a) the applicant consents in writing, or
 - (b) the subject matter of the application, including the identity of the applicant, is known to the public.
- (3) to (7) [rescinded]
- (8) A publication under Rule 2-103 (1) (a) or (b) must identify the applicant if the applicant is a disbarred lawyer applying for reinstatement.
- (9) A summary circulated under Rule 2-103 (1.1) may identify an applicant who is identified by the court.

Division 3 – Fees and Assessments

Annual practising fees

- 2-105** (1) The annual practising fee and indemnity fee are payable in respect of each calendar year.
- (2) The date for payment of the annual practising fee and first indemnity fee instalment is November 30 of the year preceding the year for which they are payable.

Assessments

- 2-106** (1) The Benchers may, by resolution, set a special assessment of all
- (a) practising lawyers,
 - (b) practising lawyers and applicants,
 - (c) members of the Society, or
 - (d) members of the Society and applicants.
- (2) A resolution under subrule (1) must set a date by which the assessment must be paid.

Application fees

- 2-107** On application from a person who has paid an application fee under these rules, the Executive Director may refund all or part of the fee if, in the view of the Executive Director, it is fair to make the refund in all the circumstances, including the extent to which Society resources have been expended to process the application for which the fee was paid.

Late payment

- 2-108** (1) A lawyer who fails to pay fees by the date required under Rule 2-105 [*Annual practising fees*] but pays all required fees before December 31 of the year preceding the year for which they are payable, together with the late payment fee under this rule, continues to be a member of the Society.

Taxes payable

- 2-114** Any fee or assessment on which any government tax is payable is not paid unless that tax is also paid.

Refund when lawyer does not practise law

- 2-115** (1) A lawyer who has paid the annual fee for a year but who satisfies the Executive Director that the lawyer has totally abstained from practice in British Columbia during that year through disability, other than a suspension, is entitled to a refund of
- (a) the difference between the practising fee set by the Benchers under section 23 (1) (a) [*Annual fees and practising certificate*] and the non-practising member fee specified in Schedule 1, and
 - (b) a portion of the annual indemnity fee set under section 30 (3) (a) [*Indemnification*], in an amount determined by the Executive Director.
- (2) On payment of the refund under subrule (1), the lawyer
- (a) immediately ceases to be qualified to practise law, and
 - (b) on compliance with Rule 2-3 [*Non-practising members*], becomes a non-practising member.
- (3) A lawyer who qualifies under Rule 2-4 [*Retired members*] to be a retired member and complies with that rule may elect to become a retired member, rather than a non-practising member under subrule (2) (b), and receive a refund of the difference between the non-practising member fee and the retired member fee specified in Schedule 1, in addition to the refund under subrule (1).

Refund on exemption during practice year

- 2-116** (1) A lawyer who has paid the annual indemnity fee for a year and ceases to practise for any reason other than suspension or who becomes exempt under Rule 3-43 [*Exemption from professional liability indemnification*] during that year, is entitled to a refund of a portion of the indemnity fee in an amount determined by the Executive Director.
- (2) If a lawyer becomes a non-practising or retired member during a year for which the lawyer has paid the annual practising fee, the Executive Director must apply a prorated portion of the practising fee to the prorated non-practising or retired member fee and refund the difference, if any, to the lawyer.
- (3) A lawyer who ceases practising law under any of the following circumstances is entitled to a refund of the unused portion of the annual practising fee, less the administration fee specified in Schedule 1:
- (a) judicial appointment;
 - (b) death;
 - (c) total incapacity such that the lawyer is incapable of applying for non-practising status.

Failure to pay fine, costs or penalty

- 2-117** (1) The Executive Director must apply any money received from or on behalf of a lawyer or former lawyer to payment of the following due and owing by the lawyer or former lawyer before any fees or assessments:
- (a) a fine;
 - (b) costs;
 - (c) a penalty;
 - (d) a deductible amount paid on behalf of the lawyer under the Society's indemnity policy;
 - (e) reimbursement for payment made on behalf of the lawyer or former lawyer under trust protection indemnity coverage.
- (2) If a lawyer fails to pay, by the time that it is required to be paid, any of the amounts referred to in subrule (1), the Credentials Committee may suspend the lawyer until the amount is paid.
- (3) The Executive Director may approve the form of certificate to be filed in the Supreme Court under section 27 [*Practice standards*], 38 [*Discipline hearings*] or 46 [*Costs*].

No refund on suspension

- 2-118** A lawyer who is suspended
- (a) is not entitled to a refund of any part of the annual practising fee for the period of the suspension or any special assessment that the lawyer has paid, and
 - (b) must pay the annual practising fee or special assessment when it is due.

PART 3 – PROTECTION OF THE PUBLIC

Division 1 – Complaints

Application

3-1 This division applies to the following as it does to a lawyer, with the necessary changes and so far as it is applicable:

- (a) a former lawyer;
- (b) an articled student;
- (c) a visiting lawyer permitted to practise law in British Columbia under Rules 2-16 to 2-20;
- (d) a practitioner of foreign law;
- (e) a law firm.

Complaints

3-2 Any person may deliver a written complaint against a lawyer or law firm to the Executive Director.

Confidentiality of complaints

- 3-3** (1) No one is permitted to disclose any information or records that form part of the investigation of a complaint or the review of a complaint by the Complainants' Review Committee except for the purpose of complying with the objectives of the Act or with these rules.
- (2) Despite subrule (1), the Executive Director may do any of the following:
- (a) disclose information referred to in subrule (1), with the consent of the lawyer who is the subject of the complaint;
 - (b) if a complaint has become known to the public, disclose
 - (i) the existence of the complaint,
 - (ii) its subject matter,
 - (iii) its status, including, if the complaint is closed, the general basis on which it was closed; and
 - (iv) any additional information necessary to correct inaccurate information;
 - (c) if, in the course of the investigation of a complaint, a lawyer has given an undertaking to the Society that restricts, limits or prohibits the lawyer's practice of law, disclose the fact that the undertaking was given and its effect on the lawyer's practice;
 - (d) provide information to a governing body under Rule 2-27.1 [*Sharing information with a governing body*].

- (3) For the purpose of subrule (2) (b), the status of a complaint is its stage of progress through the complaints handling process, including, but not limited to the following:
 - (a) opened;
 - (b) under investigation;
 - (c) referred to a Committee;
 - (d) closed.
- (4) If the Executive Director discloses the existence of an undertaking under subrule (2) (c) by means of the Society's website, the information must be removed from the website within a reasonable time after the undertaking ceases to be in force.
- (4.1) Despite subrule (1), the Executive Director may disclose any information concerning a complaint to a designated representative of a law firm in which the lawyer who is the subject of the complaint engages in the practice of law.
- (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.
- (6) This division must not be interpreted to permit the disclosure of any information subject to solicitor and client privilege or confidentiality.

Consideration of complaints and other information

- 3-4** (1) The Executive Director must consider every complaint received under Rule 3-2 [*Complaints*].
- (2) Information received from any source that indicates that a lawyer's conduct may constitute a discipline violation must be treated as a complaint under these rules.

Investigation of complaints

- 3-5** (1) Subject to subrule (3), the Executive Director may, and on the instruction of the Discipline Committee must, investigate a complaint to determine its validity.
- (2) For the purpose of conducting an investigation under this division and section 26 [*Complaints from the public*], the Executive Director may designate an employee of the Society or appoint a practising lawyer or a person whose qualifications are satisfactory to the Executive Director.
- (3) The Executive Director may decline to investigate a complaint if the Executive Director is satisfied that the complaint
- (a) is outside the jurisdiction of the Society,
 - (b) is frivolous, vexatious or an abuse of process, or
 - (c) does not allege facts that, if proven, would constitute a discipline violation.
- (4) The Executive Director must deliver to the lawyer who is the subject of a complaint a copy of the complaint or, if that is not practicable, a summary of it.

Remedial program

- 3-22** (1) A remedial program under this Division may include any program intended to improve the lawyer's knowledge and skill in the practice of law, including, but not limited to, one or more of the following:
- (a) a continuing legal education course;
 - (b) a remedial course;
 - (c) a course offered by an educational institution;
 - (d) a program of mentoring or supervision by a practising lawyer approved by the Practice Standards Committee.
- (2) To form part of a remedial program, a course or program must be approved by the Practice Standards Committee or its designate.

Confidentiality of Practice Standards Committee deliberations

- 3-23** (1) Subject to subrules (2) to (6) and Rule 3-24 [*Report to complainant*], the following must be treated as confidential and must not be disclosed except for the purpose of complying with the objects of the Act:
- (a) all of the information and documents that form part of the Practice Standards Committee's consideration of a complaint;
 - (b) any action taken or decision made by the Committee;
 - (c) any report prepared for or on behalf of the Committee.
- (2) If a matter referred to or considered by the Practice Standards Committee has become known to the public, the Executive Director may disclose
- (a) the fact that the matter is or has been before the Committee,
 - (b) the status of the matter, including, if the matter is concluded, the general basis on which it was concluded, and
 - (c) any additional information necessary to correct inaccurate information.
- (2.1) The Executive Director may disclose information about Practice Standards Committee deliberations to a designated representative of a law firm in which the lawyer who is the subject of the deliberations engages in the practice of law.
- (2.2) The Executive Director may disclose information about Practice Standards Committee deliberations to a governing body under Rule 2-27.1 [*Sharing information with a governing body*].
- (3) 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.
- (4) With the consent of the lawyer concerned, the Executive Director may disclose the matters referred to in subrule (1) in responding to an enquiry made for the purpose of a potential judicial appointment.

- (5) Subrules (6) and (7) apply to
- (a) an undertaking under this division that restricts, limits or prohibits the lawyer's practice of law, and
 - (b) a condition or limitation of a lawyer's practice imposed under Rule 3-20 [*Conditions or limitations on practice*].
- (6) The Executive Director may disclose the fact that a lawyer has given an undertaking or that the Practice Standards Committee has imposed a condition or limitation and the effect on the lawyer's practice.
- (7) If the Executive Director discloses the existence of an undertaking, condition or limitation under subrule (6) by means of the Society's website, the Executive Director must remove the information from the website within a reasonable time when the undertaking, condition or limitation is no longer in force.

Report to complainant

- 3-24** The Executive Director must notify the complainant in writing of the Practice Standards Committee's decision under Rule 3-17 [*Consideration of complaints*], but must not deliver to the complainant a copy of any report or the Committee's recommendations about the lawyer's practice.

Costs

- 3-25** (1) The Practice Standards Committee may order that a lawyer pay to the Society the cost of a practice review, action or remedial program ordered or allowed under this Division, and may set and extend the date for payment.
- (2) A lawyer who is ordered by the Practice Standards Committee, under subrule (1), to pay costs must pay those costs in full by the date set or extended by the Committee.
- (3) If any part of the amount owing under subrule (1) remains unpaid by the date set in Rule 2-105 [*Annual practising fees*], the lawyer concerned must not engage in the practice of law unless the Benchers order otherwise.

Division 3 – Education

Definitions

- 3-26** In this division
- “**continuing education**” means activities approved by the Executive Director for credit as professional development;
- “**credit as a mentor**” means a credit of a specified maximum number of hours of continuing education for participation in a mentoring relationship under Rule 3-30 [*Mentoring*];

- (c) is in compliance with Rule 3-38 (3) [*Professional development for family law neutrals*].
- (2) A lawyer who has been accredited by the Society as a family law mediator may so state in any marketing activity.
- (3) The Credentials Committee may allow a lawyer previously accredited by the Society as a family law mediator time in which to comply with any changes to the requirements under subrule (1) (b).

Family law arbitrators

- 3-36** (1) A lawyer may act as a family law arbitrator only if the lawyer
- (a) possesses sufficient knowledge, skills and experience relevant to family law to carry out the function of an arbitrator in a fair and competent manner,
 - (b) has, for a total of at least 10 years, engaged in the full-time practice of law or the equivalent in part-time practice or sat as a judge or master,
 - (c) has completed a course of study in family law arbitration approved by the Credentials Committee, and
 - (d) is in compliance with Rule 3-38 (3) [*Professional development for family law neutrals*].
- (2) A lawyer who has been accredited by the Society as a family law arbitrator may so state in any marketing activity.
- (3) The Credentials Committee may allow a lawyer who has previously acted as a family law arbitrator time in which to comply with any changes to the requirements under subrule (1) (c).

Parenting coordinators

- 3-37** (1) A lawyer may act as a parenting coordinator only if the lawyer
- (a) possesses sufficient knowledge, skills and experience relevant to family law to carry out the function of a parenting coordinator in a fair and competent manner,
 - (b) has, for a total of at least 10 years, engaged in the full-time practice of law or the equivalent in part-time practice or sat as a judge or master, including considerable family law experience dealing with high conflict families with children,
 - (c) has completed a course of study in parenting coordination approved by the Credentials Committee, and
 - (d) is in compliance with Rule 3-38 (3) [*Professional development for family law neutrals*].
- (2) A lawyer who has been accredited by the Society as a parenting coordinator may so state in any marketing activity.

- (3) The Credentials Committee may allow a lawyer who has previously acted as a parenting coordinator time in which to comply with any changes to the requirements under subrule (1) (c).

Professional development for family law neutrals

- 3-38**
- (1) The Credentials Committee may determine the minimum number of hours of professional development that is required of a family law mediator, arbitrator or parenting coordinator in each calendar year.
 - (2) The requirements under subrule (1) may be different for each of family law mediators, arbitrators or parenting coordinators.
 - (3) In each calendar year, a family law mediator, arbitrator or parenting coordinator must
 - (a) complete the required professional development, and
 - (b) certify to the Executive Director in a form approved by the Executive Director that the lawyer has completed the professional development required under this rule.
 - (4) Professional development completed under this rule may also be reported under Rule 3-29 [*Professional development*] if it meets the requirements of that rule.
 - (5) Despite subrule (3), a family law mediator, arbitrator or parenting coordinator need not complete the required professional development in a calendar year in which the lawyer has successfully completed the course of study required under Rules 3-35 to 3-37.

Division 5 – Indemnification

Compulsory professional liability indemnification

- 3-39**
- (1) A lawyer must maintain professional liability indemnity coverage on the terms and conditions offered by the Society through the Lawyers Indemnity Fund and pay the indemnity fee under Rule 3-40 [*Annual indemnity fee*], unless the lawyer is exempt or ineligible under Rule 3-43 [*Exemption from professional liability indemnification*].
 - (2) A lawyer is bound by and must comply with the terms and conditions of the professional liability indemnity policy maintained under subrule (1).
 - (3) As soon as practicable, the Executive Director must notify all governing bodies of any change to professional liability indemnification under this division that affects the limits of liability or scope of coverage.

Compulsory trust protection indemnification

- 3-39.1**
- (1) A lawyer must maintain trust protection indemnity coverage on the terms and conditions offered by the Society through the Lawyers Indemnity Fund and pay any fee for trust protection indemnity coverage set under Rule 3-40 [*Annual indemnity fee*].

- (2) A lawyer is bound by and must comply with the terms and conditions of trust protection indemnity coverage maintained under subrule (1).

Annual indemnity fee

- 3-40** (1) The indemnity fee to be paid under section 23 (1) (c) [*Annual fees and practising certificate*] is calculated as follows:
- (a) the appropriate base assessment as specified in Schedule 1; plus
 - (b) any surcharge for which the lawyer is liable under Rule 3-44 [*Deductible, surcharge and reimbursement*]; minus
 - (c) any credit to which the lawyer is entitled under Rule 3-42 [*Indemnity fee credit*].
- (2) If a lawyer undertakes, in a form approved by the Executive Committee, to engage in the practice of law and associated activities for an average of 25 hours or less per week, the applicable base assessment is the part-time indemnity fee specified in Schedule 1.
- (3) Subject to subrule (6), a lawyer is not eligible to pay the part-time indemnity fee under subrule (2) for 5 years in practice after the Society pays an indemnity claim in respect of the lawyer.
- (4) For a lawyer who does not give the undertaking referred to in subrule (2), the appropriate base assessment is the full-time indemnity fee specified in Schedule 1.
- (5) For the purpose of this rule,
- (a) the average number of hours per week that a lawyer engages in the practice of law and associated activities is calculated over successive 6 months periods, beginning on the effective date of the undertaking referred to in subrule (2), and
 - (b) “**associated activities**” includes practice management, administration and promotion and voluntary activities associated with the practice of law.
- (6) The Executive Director may, in the Executive Director’s discretion, reduce the time that a lawyer is not eligible under subrule (3) to pay the part-time indemnity fee or, in extraordinary circumstances, allow the lawyer to pay the part-time indemnity fee despite subrule (3).

Payment of annual indemnity fee by instalments

- 3-41** (1) A lawyer must pay the indemnity fee in two equal annual instalments as follows:
- (a) the first instalment on or before November 30 of the year preceding the year for which it is paid;
 - (b) the second instalment on or before June 30 of the year for which it is paid.
- (2) A lawyer who fails to pay the second instalment by the date prescribed in subrule (1) must immediately cease the practice of law in accordance with section 30 (7) [*Indemnification*] and surrender to the Executive Director his or her practising certificate and any proof of professional liability indemnity coverage issued by the Society.

Indemnity fee credit

- 3-42** (1) The Benchers may approve an annual indemnity fee credit and set the conditions that a lawyer must meet to be entitled to the credit.
- (2) When a lawyer is entitled to an annual indemnity fee credit, the first instalment of the indemnity fee payable by the lawyer is reduced by the amount of the credit.

Exemption from professional liability indemnification

- 3-43** (1) A lawyer is exempt from the requirement to maintain professional liability indemnity coverage and pay the indemnity fee if the lawyer is
- (a) not engaged in the practice of law, other than pro bono legal services, anywhere in his or her capacity as a member of the Society, or
 - (b) employed by one of the following and is not engaged in the practice of law, other than pro bono legal services, except in the course of that employment:
 - (i) a government department;
 - (ii) a corporation other than a law corporation;
 - (iii) a society, trade union or a similar organization.
- (2) A lawyer is not exempt under subrule (1) (b) if the lawyer engages in the practice of law, other than pro bono legal services, in any way other than as described in those provisions.
- (3) Subrule (4) applies to a lawyer who is entitled to practise law in the jurisdiction of a governing body of which the lawyer is a member.
- (4) A lawyer may apply to the Executive Director for exemption from the requirement to maintain professional liability indemnity coverage and pay the indemnity fee, if, in another Canadian jurisdiction in which the governing body allows a similar exemption for members of the Society, the lawyer
- (a) is resident or is deemed resident under the National Mobility Agreement, and
 - (b) maintains the full mandatory professional liability insurance coverage required in the other jurisdiction that is reasonably comparable in coverage and limits to the indemnity coverage required of lawyers in British Columbia and extends to the lawyer's practice in British Columbia.
- (5) A Canadian legal advisor may apply to the Executive Director for exemption from the requirement to maintain professional liability indemnity coverage and pay the indemnity fee.
- (6) On an application under subrule (5), the Executive Director must grant the exemption, provided the Canadian legal advisor maintains the full mandatory professional liability insurance coverage required by the Chambre that extends to the Canadian legal advisor's practice in British Columbia.

Deductible, surcharge and reimbursement

- 3-44** (1) On demand, a lawyer must pay in full to the Society any of the following amounts paid under the Society’s indemnification program on behalf of the lawyer:
- (a) a deductible amount;
 - (b) any other amount that the lawyer is required to repay or reimburse the indemnity fund under professional liability indemnity policy.
- (2) If indemnity has been paid under the Society’s indemnification program, the lawyer on whose behalf it is paid must
- (a) pay the indemnity surcharge specified in Schedule 1 for each of the next 5 years in which the lawyer is a member of the Society and not exempt from the indemnity fee, and
 - (b) if the payment was made under trust protection indemnity coverage, reimburse the Society in full on demand, for all amounts paid.
- (3) The Executive Director may, in the Executive Director’s discretion, extend the time for a lawyer to reimburse the Society under subrule (1) or (2), or pay a surcharge under subrule (2) or, in extraordinary circumstances, waive payment altogether.

Application for indemnity coverage

- 3-45** (1) A lawyer may apply for indemnity coverage by delivering to the Executive Director
- (a) an application for indemnity coverage, and
 - (b) the prorated indemnity fee as specified in Schedule 2.
- (2) A lawyer who is indemnified for part-time practice may apply for coverage for full-time practice by delivering to the Executive Director
- (a) an application for full-time indemnity coverage, and
 - (b) the difference between the prorated full-time indemnity fee specified in Schedule 2 and any payment made for part-time indemnity coverage for the current year.
- (3) The Executive Director must not grant the indemnity coverage applied for under subrule (1) or (2) unless satisfied that the lawyer is not prohibited from practising law under Rule 2-89 [*Returning to practice after an absence*].

Confidentiality of indemnity claims

- 3-46** (1) In this rule, “**claim**” means a claim or potential claim reported under the professional liability indemnity policy and trust protection indemnity coverage.
- (2) Unless permitted by this rule, no one is permitted to disclose any information or records associated with a claim.
- (3) The Executive Director may do any of the following:
- (a) disclose information about a claim with the consent of the lawyer;
 - (b) if a claim has become known to the public, disclose
 - (i) the existence of the claim,

- (ii) its subject matter,
 - (iii) its status, including, if the claim is closed, the general basis on which it was closed, and
 - (iv) any additional information necessary to correct inaccurate information.
- (4) For the purpose of subrule (3) (b) (iii), the status of a claim is its stage of progress through the claims handling process, including, but not limited to the following:
- (a) opened;
 - (b) under investigation;
 - (c) the stage of any litigation commenced;
 - (d) closed.
- (5) In the case of a claim under trust protection indemnity coverage, despite subrule (2), the Executive Director may do any of the following:
- (a) publish the name of a lawyer or former lawyer and the circumstances of a claim when a panel or the Benchers acting under Part 4 [*Discipline*] or 5 [*Hearings and Appeals*] or a court has found that the lawyer or former lawyer has misappropriated property of a claimant;
 - (b) disclose the name of a lawyer or former lawyer and the circumstances of a claim when
 - (i) the lawyer's misappropriation is known to the public,
 - (ii) the claim arises from part of a scheme considered by a panel or the Benchers or a court in the written reasons for a decision, or
 - (iii) the facts are not disputed or are admitted by the lawyer or former lawyer;
 - (c) with the consent of the Discipline Committee, deliver to a law enforcement agency any information or documents obtained under this division that may be evidence of an offence.
- (6) This rule must not be interpreted to permit the disclosure of any information subject to solicitor and client privilege or confidentiality.

Division 6 – Financial Responsibility

Definitions

3-47 In this Division:

“insolvent lawyer” means a lawyer who

- (a) is the respondent to an application for a bankruptcy order under section 43,
 - (b) has made an assignment of all his or her property for the general benefit of the lawyer's creditors under section 49,
 - (c) has made a proposal under section 50 or 66.12,
 - (d) has filed a notice of intention to make a proposal under section 50.4, or
 - (e) has applied for a consolidation order under section 219
- of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3;

Executive Director's modification

- 3-76** (1) Having regard to the accounting and storage systems employed by a specific lawyer, the Executive Director may modify the requirements of that lawyer under Rules 3-68 to 3-71 or 3-75 [*Retention of records*].
- (2) The Executive Director may, at any time, cancel or amend a modification under subrule (1).
- (3) The Executive Director must make a modification under subrule (1) or a cancellation or amendment of a modification under subrule (2) in writing.
- (4) A lawyer who receives a written modification from the Executive Director under subrule (1) must retain it and any amendment under subrule (2) for as long as
- (a) the books, records and accounts to which it relates are retained, or
 - (b) the lawyer would have been required to retain the books, records and accounts to which it relates, but for the modification and any amendment.

Annual CDIC report

- 3-77** A lawyer who holds pooled trusts funds in a designated savings institution insured by the Canada Deposit Insurance Corporation must file an annual report for each account maintained by the lawyer with that institution in accordance with section 3 (3) of the Schedule to the *Canada Deposit Insurance Corporation Act*, so that each client's funds, rather than the account itself, are insured up to the limit of CDIC insurance.

Lawyer's right to claim funds

- 3-78** Nothing in this division deprives a lawyer of any recourse or right, whether by way of lien, set-off, counterclaim, charge or otherwise, against
- (a) funds standing to the credit of a client in a trust account, or
 - (b) valuables held for a client.

Trust report

- 3-79** (1) Subject to subrules (4) and (6), a lawyer must deliver to the Executive Director completed trust reports for reporting periods of 12 months covering all the time that the lawyer is a member of the Society.
- (2) The date on which a firm ceases to practise law is the end of a reporting period.
- (3) A lawyer must deliver a completed trust report to the Executive Director within 3 months of the end of each reporting period.
- (4) On a written request made before the due date of a trust report, the Executive Director may allow a lawyer to submit a trust report covering a time period other than 12 months.

- (5) A trust report delivered to the Executive Director under this rule must
 - (a) be in a form approved by the Discipline Committee,
 - (b) be complete to the satisfaction of the Executive Director, and
 - (c) include all signatures required in the form.
- (6) A non-practising or retired lawyer or a practising lawyer who is exempt under Rule 3-43 [*Exemption from professional liability indemnification*] from the requirement to maintain professional liability indemnity coverage and pay the indemnity fee, is not required to file a trust report for a reporting period of 12 months during which the lawyer has
 - (a) not received any funds in trust,
 - (b) not withdrawn any funds held in trust, and
 - (c) complied with this division.

Late filing of trust report

- 3-80** (1) A lawyer who does not deliver a trust report as required under Rule 3-79 [*Trust report*] or 3-82 (5) [*Accountant's report*] is in breach of these rules.
- (2) A lawyer who fails to deliver a trust report by the date required under Rule 3-79 [*Trust report*] or 3-82 (5) [*Accountant's report*] is deemed to have been in compliance with the rules during the period of time that the lawyer was late in delivering the report if the lawyer delivers the following to the Executive Director within 30 days of the due date:
- (a) the required report;
 - (b) the late fee specified in Schedule 1.
- (3) A lawyer who does not deliver a trust report for 30 days after it is required under Rule 3-79 [*Trust report*] or 3-82 (5) [*Accountant's report*] is liable to an assessment of \$400 per month or part of a month until the report is delivered.
- (4) When there are special circumstances, the Executive Director may, on application and in his or her discretion, waive payment of all or part of an assessment made under this rule unconditionally or on any conditions that the Executive Director considers appropriate.

Failure to file trust report

- 3-81** (1) Subject to subrules (3) and (4), a lawyer who does not deliver a trust report under Rule 3-79 [*Trust report*] or 3-82 (5) [*Accountant's report*] for 60 days after it is required, is suspended until the report is completed to the satisfaction of the Executive Director and delivered as required.
- (2) A trust report is not delivered for the purposes of subrules (1) unless all explanations of exceptions required by the Executive Director are delivered to the Executive Director.

Division 11 – Client Identification and Verification

Definitions

3-98 (1) In this division,

“client” includes

- (a) another party that a lawyer’s client represents or on whose behalf the client otherwise acts in relation to obtaining legal services from the lawyer, and
- (b) in Rules 3-102 to 3-105, an individual who instructs the lawyer on behalf of a client in relation to a financial transaction;

“disbursements” has the same meaning as in Rule 3-53 [*Definitions*];

“expenses” has the same meaning as in Rule 3-53;

“financial institution” has the same meaning as in Rule 3-53;

“financial transaction” means the receipt, payment or transfer of money on behalf of a client or giving instructions on behalf of a client in respect of the receipt, payment or transfer of money;

“interjurisdictional lawyer” means a member of a governing body who is authorized to practise law in another Canadian jurisdiction;

“money” includes cash, currency, securities, negotiable instruments or other financial instruments, in any form, that indicate a person’s title or right to or interest in them, and electronic transfer of deposits at financial institutions;

“organization” means a body corporate, partnership, fund, trust, co-operative or an unincorporated association;

“professional fees” has the same meaning as in Rule 3-53;

“public body” has the same meaning as in Rule 3-53;

“reporting issuer” means an organization that is

- (a) a reporting issuer within the meaning of the securities law of any province or territory of Canada,
- (b) a corporation whose shares are traded on a stock exchange that is prescribed by the *Income Tax Act* (Canada) and operates in a country that is a member of the Financial Action Task Force on Money Laundering, or
- (c) controlled by a reporting issuer;

“securities dealer” means an entity that is authorized under federal, provincial or 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 an entity that acts exclusively on behalf of an entity so authorized.

(2) In this division, a person controls an organization if the person, directly or indirectly, has the power to elect a majority of the directors or equivalent body of the organization by virtue of

- (a) ownership or direction over voting securities of the organization,
- (b) being or controlling the general partner of a limited partnership, or
- (c) being a trustee of or occupying a similar position in the organization.

Application

3-99 (1) Subject to subrule (2), this division applies to a lawyer who is retained by a client to provide legal services.

(1.1) The requirements of this division are in keeping with a lawyer's obligation to know his or her 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.

(2) Rules 3-100 to 3-108 and 3-110 do not apply when a lawyer provides legal services

- (a) on behalf of his or her employer, or
- (b) in the following circumstances if no financial transaction is involved:
 - (i) as part of a duty counsel program sponsored by a non-profit organization;
 - (ii) in the form of pro bono summary advice.

(2.1) A lawyer is not required to repeat compliance with Rules 3-100 to 3-106 when another lawyer or an interjurisdictional lawyer who has complied with those rules or the equivalent provisions of a governing body

- (a) engages the lawyer to provide legal services to the client as an agent, or
- (b) refers a matter to the lawyer for the provision of legal services.

(3) In this division, the responsibilities of a lawyer may be fulfilled by the lawyer's firm, including members or employees of the firm wherever located.

Requirement to identify client

3-100 (1) A lawyer who is retained by a client to provide legal services must obtain and record, with the applicable date

- (a) [rescinded]
- (b) for individuals, all of the following information:
 - (i) the client's full name;
 - (ii) the client's home address, home telephone number and occupation;
 - (iii) the address and telephone number of the client's place of work or employment, where applicable, and
- (c) for organizations, all of the following information:
 - (i) the client's full name, business address and business telephone number;
 - (ii) the name, position and contact information for individuals who give instructions with respect to the matter for which the lawyer is retained;

- (iii) if the client is an organization other than a financial institution, public body or reporting issuer
 - (A) the general nature of the type of business or activity engaged in by the client, and
 - (B) the organization's incorporation or business identification number and the place of issue of its incorporation or business identification number.
- (2) When a lawyer has obtained and recorded the information concerning the identity of an individual client under subrule (1) (b), the lawyer is not required subsequently to obtain and record that information about the same individual unless the lawyer has reason to believe the information, or the accuracy of it, has changed.

Exemptions

3-101 Rules 3-102 to 3-106 do not apply

- (a) if the client is
 - (i) a financial institution,
 - (ii) a public body,
 - (iii) a reporting issuer, or
 - (iv) an individual who instructs the lawyer on behalf of a client described in subparagraphs (i) to (iii),
- (b) when a lawyer
 - (i) pays money to or receives money from any of the following acting as a principal:
 - (A) a financial institution;
 - (B) a public body;
 - (C) a reporting issuer,
 - (ii) receives money paid from the trust account of another lawyer or an interjurisdictional lawyer,
 - (iii) receives money from a peace officer, law enforcement agency or other public official acting in an official capacity, or
 - (iv) pays or receives money
 - (A) [rescinded]
 - (B) to pay a fine, penalty or bail, or
 - (C) [rescinded]
 - (D) for professional fees, disbursements or expenses, or
- (c) to a transaction in which all funds involved are transferred by electronic transmission, provided

- (i) the transfer occurs between financial institutions or financial entities headquartered in and operating in countries that are members of the Financial Action Task Force,
- (ii) neither the sending nor the receiving account holders handle or transfer the funds, and
- (iii) the transmission record contains
 - (A) a reference number,
 - (B) the date,
 - (C) the transfer amount,
 - (D) the currency, and
 - (E) the names of the sending and receiving account holders and the sending and receiving entities.

Requirement to verify client identity

- 3-102** (1) When a lawyer provides legal services in respect of a financial transaction, the lawyer must
- (a) obtain from the client and record, with the applicable date, information about the source of money, and
 - (b) verify the identity of the client using documents or information described in subrule (2).
- (2) For the purposes of subrule (1), the client's identity must be verified by means of the following documents and information, provided that documents are valid, original and current and information is valid and current:
- (a) if the client is an individual
 - (i) an identification document issued by the government of Canada, a province or territory or a foreign government, other than a municipal government, that
 - (A) contains the individual's name and photograph, and
 - (B) is used in the physical presence of the client to verify that the name and photograph are those of the client,
 - (ii) information in the individual's credit file that is used to verify that the name, address and date of birth in the credit file are those of the individual, if that file is located in Canada and has been in existence for at least three years, or
 - (iii) any two of the following with respect to the individual:
 - (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 of those of the individual;

- (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;
 - (C) information that contains the individual's name and confirms that the individual has a deposit account or a credit card or other loan amount with a financial institution that is used to verify that information;
- (b) if the client 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
 - (i) a certificate of corporate status issued by a public body,
 - (ii) a copy obtained from a public body of a record that the organization is required to file annually under applicable legislation, or
 - (iii) a copy of a similar record obtained from a public body that confirms the organization's existence;
 - (c) if the client is an organization that is not registered in any government registry, such as a trust or partnership, a copy of the 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.
- (3) An electronic image of a document is not a document or information for the purposes of this rule.
 - (4) For the purposes of subrule (2) (a) (iii)
 - (a) the information referred to must be from different sources, and
 - (b) the individual, the lawyer or an agent is not a source.
 - (5) To verify the identity of an individual who is under 12 years of age, the lawyer must verify the identity of a parent or guardian of the individual.
 - (6) To verify the identity of an individual who is 12 years of age or over but less than 15 years of age, the lawyer may refer to information referred to in subrule (2) (a) (iii) (A) that contains the name and address of a parent or guardian of the individual and verifying that the address is that of the individual.

Requirement to identify directors, shareholders and owners

- 3-103** (1) When a lawyer provides legal services in respect of a financial transaction for a client that is an organization referred to in Rule 3-102 (2) (b) or (c) [*Requirement to verify client identity*], the lawyer must
- (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
 - (b) make reasonable efforts to obtain and, if obtained, record with the applicable date

- (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,
 - (ii) the names and addresses of all trustees and all known beneficiaries and settlors of the trust, and
 - (iii) information identifying the ownership, control and structure of the organization.
- (2) A lawyer must take reasonable measures to confirm the accuracy of information obtained under this rule.
- (3) A lawyer must keep a record, with the applicable dates, of the following:
- (a) all efforts made under subrule (1) (b);
 - (b) all measures taken to confirm the accuracy of information obtained under this rule.
- (4) If a lawyer is not able to obtain the information referred to in subrule (1) or to confirm the accuracy of that information in accordance with subrule (2), the lawyer must
- (a) take reasonable measures to ascertain the identity of the most senior managing officer of the organization,
 - (b) determine whether the following are consistent with the purpose of the retainer and the information obtained about the client as required by this rule:
 - (i) the client's information in respect of its activities;
 - (ii) the client's information in respect of the source of the money to be used in the financial transaction;
 - (iii) the client's instructions in respect of the transaction,
 - (c) assess whether there is a risk that the lawyer may be assisting in or encouraging fraud or other illegal conduct, and
 - (d) keep a record, with the applicable date, of the results of the determination and assessment under paragraphs (b) and (c).

Use of an agent for client verification

- 3-104** (1) A lawyer may retain an agent to obtain the information required under Rule 3-102 [*Requirement to verify client identity*], provided the lawyer and the agent have an agreement or arrangement in writing for this purpose in compliance with this rule.
- (2) to (4) [rescinded 12/2019, effective 01/2020]
- (5) A lawyer must retain an agent to obtain the information required under Rule 3-102 [*Requirement to verify client identity*] to verify the person's identity and must have an agreement or arrangement in writing with the agent for that purpose if the client
- (a) is not present in Canada, and
 - (b) is not physically present before the lawyer.

- (6) A lawyer must not rely on information obtained by an agent under this rule unless the lawyer
 - (a) obtains from the agent all of the information obtained by the agent under that agreement or arrangement, and
 - (b) is satisfied that the information is valid and current and that the agent verified identity in accordance with Rule 3-102 [*Requirement to verify client identity*].
- (7) A lawyer may rely on an agent's previous verification of an individual client if the agent was, at the time of the verification
 - (a) acting in the agent's own capacity, whether or not the agent was acting under this rule, or
 - (b) acting as an agent under an agreement or arrangement in writing entered into with another lawyer required under this division to verify the identity of a client.

Timing of verification for individuals

- 3-105** (1) At the time that a lawyer provides legal services in respect of a financial transaction, the lawyer must verify the identity of a client who is an individual.
- (2) When a lawyer has verified the identity of an individual, the lawyer is not required subsequently to verify that same identity unless the lawyer has reason to believe the information, or the accuracy of it, has changed.

Timing of verification for organizations

- 3-106** (1) A lawyer who provides legal services in respect of a financial transaction must verify the identity of a client that is an organization promptly and, in any event, within 30 days.
- (2) When a lawyer has verified the identity of a client that is an organization and obtained and recorded information under Rule 3-103 [*Requirement to identify directors, shareholders and owners*], the lawyer is not required subsequently to verify that identity or obtain and record that information, unless the lawyer has reason to believe that the information, or the accuracy of it, has changed.

Record keeping and retention

- 3-107** (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 Rule 3-102 (1) [*Requirement to verify client identity*].
- (2) The documents referred to in subrule (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 applicable dates, and any documents obtained or produced for the purposes of
 - (a) Rule 3-100 [*Requirement to identify client*],

- (b) Rule 3-103 [*Requirement to identify directors, shareholders and owners*],
 - (c) Rule 3-102 [*Requirement to verify client identity*],
 - (d) Rule 3-104 [*Use of an agent for client verification*], or
 - (e) Rule 3-110 [*Monitoring*].
- (4) The lawyer must retain information and documents referred to in subrule (3) 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 services to the client, and
 - (b) a period of at least 6 years following completion of the work for which the lawyer was retained.

Existing matters

3-108 Rules 3-99 to 3-107 do not apply to matters for which a lawyer was retained before December 31, 2008, 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.

Criminal activity, duty to withdraw

- 3-109** (1) If, in the course of obtaining the information and taking the steps required in Rule 3-100 [*Requirement to identify client*], 3-102 (2) [*Requirement to verify client identity*], 3-103 [*Requirement to identify directors, shareholders and owners*] or 3-110 [*Monitoring*], or at any other time while retained by a client, 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 rule applies to all matters for which a lawyer is retained before or after this division comes into force.

Monitoring

- 3-110** (1) While retained by a client in respect of a financial transaction, a lawyer must monitor on a periodic basis the professional business relationship with the client for the purposes of
- (a) determining whether the following are consistent with the purpose of the retainer and the information obtained about the client under this division:
 - (i) the client's information in respect of their activities;
 - (ii) the client's information in respect of the source of the money used in the financial transaction;
 - (iii) the client's instructions in respect of transactions, and
 - (b) assessing whether there is a risk that the lawyer may be assisting in or encouraging dishonesty, fraud, crime or other illegal conduct.
- (2) A lawyer must keep a record, with the applicable date, of the measures taken and the information obtained under subrule (1) (a).

- (2) A lawyer under investigation may not resign from membership in the Society without the consent of the Executive Director.
- (3) A respondent may not resign from membership in the Society without the consent of the Discipline Committee.
- (4) The Executive Director may direct that a lawyer under investigation who would otherwise have ceased to be a member of the Society for failure to pay the annual fee or a special assessment continue as a member not in good standing and not permitted to engage in the practice of law.
- (5) The Discipline Committee may, by resolution, direct that a respondent who would otherwise have ceased to be a member of the Society for failure to pay the annual fee or a special assessment continue as a member not in good standing and not permitted to engage in the practice of law.
- (6) A direction under subrule (4) or (5) may be made to continue in effect until stated conditions are fulfilled.
- (7) When a direction under subrule (4) or (5) expires on the fulfillment of all stated conditions or is rescinded by the Executive Director or Discipline Committee,
 - (a) the lawyer concerned ceases to be a member of the Society,
 - (b) if the rescission is in response to a request of the lawyer concerned, the Committee may impose conditions on the rescission.

Notification

- 4-7** The Executive Director must notify the complainant and the lawyer or law firm in writing of the determination of the Discipline Committee under Rule 4-4 [*Action on complaints*] or the chair under Rule 4-5 [*Consideration of complaints by the chair*].

Confidentiality of Discipline Committee deliberations

- 4-8** (1) No one is permitted to disclose any of the following information except for the purpose of complying with the objects of the Act or with these rules:
- (a) information and documents that form part of the consideration of a complaint under Rule 4-4 [*Action on complaints*] or 4-5 [*Consideration of complaints by chair*];
 - (b) the result of a consideration under Rule 4-4.
- (2) As an exception to subrule (1), the Executive Director may disclose information referred to in that subrule
- (a) with the consent of the lawyer, in responding to an enquiry made for the purpose of a potential judicial appointment, or
 - (b) to a governing body under Rule 2-27.1 [*Sharing information with a governing body*].
- (3) No one is permitted to disclose a direction to issue a citation until the respondent is notified.

- (4) Despite subrule (3), the Executive Director may disclose to the public a direction to issue a citation, its subject matter and its status before the respondent is notified if
 - (a) the identity of the respondent has already been disclosed to the public,
 - (b) the citation is in respect of an offence to which the respondent has pleaded guilty or of which the respondent has been found guilty, or
 - (c) the citation is based on a complaint that has become known to the public.
- (4.1) Despite subrule (1), the Executive Director may disclose information about Discipline Committee deliberations to a designated representative of a law firm in which the lawyer who is the subject of the deliberations engages in the practice of law.
- (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.
- (6) This rule must not be interpreted to permit the disclosure of any information subject to solicitor and client privilege or confidentiality.

Conduct letter from the chair

- 4-9** (1) When a letter authorized under Rule 4-4 (1) (b) [*Action on complaints*] is sent to the lawyer, the Executive Director must provide the complainant with
 - (a) a copy of the letter, or
 - (b) if directed by the Discipline Committee, a summary of the letter.
- (2) A letter authorized under Rule 4-4 (1) (b) [*Action on complaints*]
 - (a) does not form part of the lawyer's professional conduct record, and
 - (b) is not admissible in the hearing of a citation under this part.

Conduct meeting

- 4-10** (1) A conduct meeting must be held in private.
- (2) The Discipline Committee or the chair of the Discipline Committee may appoint one or more individuals who are Benchers, Life Benchers or lawyers to meet with a lawyer or a law firm required to attend a conduct meeting under Rule 4-4 (1) (c) [*Action on complaints*].
- (3) No record of an order under Rule 4-4 (1) (c) [*Action on complaints*] or of the conduct meeting forms part of the lawyer's professional conduct record.
- (4) A Bencher or other lawyer who has participated in a conduct meeting is not permitted to testify in the hearing of a citation as to any statement made by the respondent during the conduct meeting, unless the respondent puts the matter in issue.

Investigation of books and accounts

- 4-55** (1) 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.
- (2) When electronic records have been produced or copied pursuant to an order under this rule, the lawyer concerned may request that a specific record be excluded from the investigation on the basis that it contains personal information that is not relevant to the investigation.
- (3) A request under subrule (2) must be made to the Executive Director in writing within 21 days after the lawyer concerned receives a copy of the order under this rule.
- (3.1) In exceptional circumstances, the Executive Director may extend the time for making a request under subrule (2).
- (4) An order under this rule that permits the production or copying of electronic records must provide for a method of evaluating and adjudicating exclusion requests made under subrule (2).
- (5) A request under subrule (2) must be refused unless the records in question are retained in a system of storage of electronic records that permits the segregation of personal information in a practical manner in order to comply with the request.
- (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:
- (a) and (b) [rescinded]
- (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;
- (d) provide any explanations required for the purpose of the investigation;
- (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
- (i) passwords, and
- (ii) encryption keys.
- (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.

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Initiating a review

- 5-19** (1) Within 30 days after being notified of the decision of the panel in a credentials hearing, the applicant may initiate a review by delivering a notice of review to the President and counsel representing the Society.
- (2) Within 30 days after being notified of the decision of a panel under Rule 4-44 [*Disciplinary action*] or 5-11 [*Costs of hearings*], the respondent may initiate a review by delivering a notice of review to the President and discipline counsel.
- (3) Within 30 days after a decision of the panel in a credentials hearing, the Credentials Committee may initiate a review by resolution.
- (4) Within 30 days after a decision of the panel in a hearing on a citation, the Discipline Committee may initiate a review by resolution.
- (5) When a review is initiated under subrule (3) or (4), counsel acting for the Society or discipline counsel must promptly deliver a notice of review to the President and the respondent.
- (6) Within 30 days after the order of the Practice Standards Committee under Rule 3-25 (1) [*Costs*], the lawyer concerned may initiate a review by delivering a notice of review to the President.

Extension of time to initiate a review

- 5-19.1** (1) A party may apply to the President to extend the time within which a review may be initiated under Rule 5-19 [*Initiating a review*].
- (2) When an application is made under subrule (1), the President must
- (a) refuse the extension of time, or
 - (b) grant the extension, with or without conditions or limitations.
- (3) On an application under this rule, the President may designate another Bencher to make a determination under subrule (2).

Stay of order pending review

- 5-20** (1) When a review is initiated under Rule 5-19 [*Initiating a review*], the order of the panel or the Practice Standards Committee with respect to costs is stayed.
- (2) When the Credentials Committee initiates a review under Rule 5-19 (3) [*Initiating a review*], an order of the hearing panel to call and admit or reinstate the applicant is stayed.
- (3) When a review has been initiated under Rule 5-19 [*Initiating a review*], any party to the review may apply to the President for a stay of any order not referred to in subrule (1) or (2).
- (4) The President may designate another Bencher to make a determination under subrule (3).

Notice of review

5-21 A notice of review must contain the following in summary form:

- (a) a clear indication of the decision to be reviewed by the review board;
- (b) the nature of the order sought;
- (c) the issues to be considered on the review.

Record of credentials hearing

5-22 (1) Unless counsel for the applicant and for the Society agree otherwise, the record for a review of a credentials decision consists of the following:

- (a) the application;
- (b) a transcript of the proceedings before the panel;
- (c) exhibits admitted in evidence by the panel;
- (d) any written arguments or submissions received by the panel;
- (e) the panel's written reasons for any decision;
- (f) the notice of review.

(2) If, in the opinion of the review board, there are special circumstances, the review board may admit evidence that is not part of the record.

Record of discipline hearing

5-23 (1) Unless counsel for the respondent and for the Society agree otherwise, the record for a review of a discipline decision consists of the following:

- (a) the citation;
- (b) a transcript of the proceedings before the panel;
- (c) exhibits admitted in evidence by the panel;
- (d) any written arguments or submissions received by the panel;
- (e) the panel's written reasons for any decision;
- (f) the notice of review.

(2) If, in the opinion of the review board, there are special circumstances, the review board may admit evidence that is not part of the record.

Record of an order for costs by the Practice Standards Committee

5-24 (1) Unless counsel for the lawyer and for the Society agree otherwise, the record for a review of an order for costs under Rule 3-25 [*Costs*] consists of the following:

- (a) the order;
- (b) all correspondence between the Society and the lawyer relating to the assessment and ordering of costs;
- (c) the Committee's written reasons for any decision on costs;
- (d) the notice of review.

- (2) If, in the opinion of the review board, there are special circumstances, the review board may admit evidence that is not part of the record.

Preparation and delivery of record

- 5-24.1**
- (1) Within 60 days of delivering a notice of review, the party initiating the review must prepare the record for the review in accordance with the relevant rule and deliver
 - (a) 6 copies to the President, and
 - (b) 1 copy to the other party.
 - (2) The time for producing the record may be extended by agreement of the parties.
 - (3) No date may be set for the hearing of a review unless the party initiating the review has delivered all copies of the record required under subrule (1).
 - (4) By delivering to the President and to the other party written notice setting out the grounds for the application, the party initiating the review may apply for
 - (a) an extension of time to prepare and deliver the record, or
 - (b) an order that the Society bear all or part of the cost of obtaining and copying all or part of the record.
 - (5) When an application is made under subrule (4), the President must decide whether to grant all or part of the relief sought, with or without conditions, and must notify the parties accordingly.
 - (6) The President may
 - (a) designate another Bencher to make a determination under subrule (5), or
 - (b) refer the application to a pre-review conference.
 - (7) A determination under subrule (5) is without prejudice to an order of the review board under Rule 5-11 [*Costs of hearings*].

Notice of review hearing

- 5-24.2**
- (1) The date, time and place for the hearing on a review to begin must be set
 - (a) by agreement between the parties, or
 - (b) on the application of a party, by the President or by the Bencher presiding at a pre-review conference.
 - (2) When a date is set under subrule (1), the President must notify the parties in writing of the date, time and place of the hearing at least 30 days before the date set for the hearing to begin, unless the parties agree to a shorter notice period.

Pre-review conference

- 5-25** (1) The President may order a pre-review conference at any time before the hearing on a review, at the request of the applicant, respondent or counsel for the Law Society, or on the President's own initiative.
- (2) When a conference has been ordered under subrule (1), the President must
- (a) set the date, time and place of the conference and notify the parties, and
 - (b) designate a Bencher to preside at the conference.
- (3) Counsel representing the Society must be present at the conference.
- (4) [rescinded]
- (5) The applicant or the respondent, as the case may be, may attend the conference, in person, through counsel or both.
- (6) If the applicant or the respondent, as the case may be, fails to attend the conference, the Bencher presiding may proceed with the conference in the absence of that party and may make any order under this Rule, if the Bencher is satisfied that the party had been notified of the conference.
- (7) If the Bencher presiding at a pre-review conference considers it appropriate, he or she may allow any person to participate in the conference by telephone or by any other means of communication that allows all persons participating to hear each other, and a person so participating is present for the purpose of this Rule.
- (8) The conference may consider
- (a) the simplification of the issues,
 - (b) any issues concerning the record to be reviewed,
 - (c) the possibility of agreement on any issues in the review,
 - (d) the exchange of written arguments or outlines of argument and of authorities,
 - (e) the possibility that privilege or confidentiality might require that all or part of the hearing be closed to the public or that exhibits and other evidence be excluded from public access,
 - (f) setting a date for the review, and
 - (g) any other matters that may aid in the disposition of the review.
- (9) The Bencher presiding at a pre-review conference may
- (a) adjourn the conference or the hearing of the review generally or to a specified date, time and place,
 - (b) order the exchange of written arguments or outlines of argument and of authorities, and set deadlines for that exchange,
 - (c) set a date for the review, subject to Rule 5-24.1 (3) [*Preparation and delivery of record*], and
 - (d) make any order or allow or dismiss any application consistent with this part.

SCHEDULE 1 – 2020 LAW SOCIETY FEES AND ASSESSMENTS

A. Annual fee	\$
1. Practice fee (Rule 2-105 [<i>Annual practising fees</i>])	2,289.12
2. Indemnity fee base assessment (which may be increased or decreased in individual cases in accordance with Rule 3-40 (1) [<i>Annual indemnity fee</i>]):	
(a) full-time practice	1,800.00
(b) part-time practice	900.00
3. Indemnity surcharge (Rule 3-44 (2) [<i>Deductible, surcharge and reimbursement</i>])	1,000.00
4. Late payment fee for practising lawyers (Rule 2-108 (3) [<i>Late payment</i>])	150.00
5. Retired member fee (Rule 2-4 (3) [<i>Retired members</i>])	125.00
6. Late payment fee for retired members (Rule 2-108 (4))	nil
7. Non-practising member fee (Rule 2-3 (2) [<i>Non-practising members</i>])	325.00
8. Late payment fee for non-practising members (Rule 2-108 (5))	40.00
9. Administration fee (R. 2-116 (3) [<i>Refund on exemption during practice year</i>])	70.00
B. Trust administration fee	
1. Each client matter subject to fee (Rule 2-110 (1) [<i>Trust administration fee</i>]) ..	15.00
C. Special assessments	
D. Articled student fees	
1. Application fee for enrolment in admission program (Rules 2-54 (1) (e) [<i>Enrolment in the admission program</i>] and 2-62 (1) (b) [<i>Part-time articles</i>]) ..	275.00
2. Application fee for temporary articles (R. 2-70 (1) (c) [<i>Temporary articles</i>]) ..	150.00
3. Application fee for temporary articles (legal clinic) (Rule 2-70 (1) (c))	50.00
4. Training course registration (Rule 2-72 (4) (a) [<i>Training course</i>])	2,600.00
5. Remedial work (Rule 2-74 (8) [<i>Review by Credentials Committee</i>]):	
(a) for each piece of work	100.00
(b) for repeating the training course	4,000.00
E. Transfer fees	
1. Application fee for transfer from another Canadian province or territory – investigation fee (Rule 2-79 (1) (f) [<i>Transfer from another Canadian jurisdiction</i>])	1,150.00
2. Transfer or qualification examination (Rules 2-79 (6) and 2-89 (6) [<i>Returning to practice after an absence</i>])	325.00
F. Call and admission fees	
1. After enrolment in admission program (Rule 2-77 (1) (c) [<i>First call and admission</i>])	250.00
2. After transfer from another Canadian province or territory (Rule 2-79 (1) (f) [<i>Transfer from another Canadian jurisdiction</i>])	250.00

G. Reinstatement fees	\$
1. Application fee following disbarment, resignation or other cessation of membership as a result of disciplinary proceedings (Rule 2-85 (1)(b) [<i>Reinstatement of former lawyer</i>])	700.00
2. Application fee following 3 years or more as a former member (Rule 2-85 (1) (b))	550.00
3. Application fee in all other cases (Rule 2-85 (1) (b))	450.00
H. Change of status fees	
1. Application fee to become retired member (Rule 2-4 (2) (b) [<i>Retired members</i>])	35.00
2. Application fee to become non-practising member (Rule 2-3 (1) (b) [<i>Non-practising members</i>])	70.00
3. Application fee for non-practising or retired member applying for practising certificate (Rule 2-5 (1) (b)) [<i>Release from undertaking</i>].....	70.00
I. Inter-jurisdictional practice fees	
1. Application fee (Rule 2-19 (3) (b) [<i>Inter-jurisdictional practice permit</i>])	500.00
2. Renewal of permit (Rule 2-19 (3) (b))	100.00
J. Corporation and limited liability partnership fees	
1. Permit fee for law corporation (Rule 9-4 (c) [<i>Law corporation permit</i>])	400.00
2. New permit on change of name fee (Rule 9-6 (4) (c) [<i>Change of corporate name</i>])	100.00
3. LLP registration fee (Rule 9-15 (1) [<i>Notice of application for registration</i>])	400.00
K. Practitioners of foreign law	
1. Application fee for practitioners of foreign law (Rule 2-29 (1) (b) [<i>Practitioners of foreign law</i>])	700.00
2. Permit renewal fee for practitioners of foreign law (Rules 2-29 (1) (b) and 2-34 (2) (c) [<i>Renewal of permit</i>])	150.00
3. Late payment fee (Rule 2-34 (6))	100.00
L. Late fees	
1. Trust report late filing fee (Rule 3-80 (2) (b) [<i>Late filing of trust report</i>])	200.00
2. Professional development late completion fee (Rule 3-31 (1) (c) [<i>Late completion of professional development</i>])	500.00
3. Professional development late reporting fee (Rule 3-31 (3) (b))	200.00
4. Late registration delivery fee (Rule 2-12.4)	200.00
5. Late self-assessment delivery fee (Rule 2-12.4)	500.00

M. Multi-disciplinary practice fees		\$
1. Application fee (Rule 2-40 (1) (b) [<i>Application to practise law in MDP</i>]).....		300.00
2. Application fee per proposed non-lawyer member of MDP (Rules 2-40 (1) (c) and 2-42 (2) [<i>Changes in MDP</i>])		1,125.00

Note: The federal goods and services tax applies to Law Society fees and assessments.

**SCHEDULE 2 – 2020 PRORATED FEES AND ASSESSMENTS
FOR PRACTISING LAWYERS**

[Rules 2-77 (1) [*First call and admission*], 2-79 (1) [*Transfer from another Canadian jurisdiction*], 2-85 (4) [*Reinstatement of former lawyer*], and 3-45 (1) and (2) [*Application for indemnity coverage*]]

	Law Society fee	Indemnity fee assessment	
		Payable prior to call	Payable by June 30
Full-time indemnification			
January	2,289.12	900.00	900.00
February	2,096.52	750.00	900.00
March	1,907.61	600.00	900.00
April	1,714.98	450.00	900.00
May	1,526.10	300.00	900.00
June	1,333.48	150.00	900.00
July	1,144.58	900.00	0.00
August	951.95	750.00	0.00
September	763.05	600.00	0.00
October	570.42	450.00	0.00
November	381.52	300.00	0.00
December	188.92	150.00	0.00
Part-time indemnification			
January	2,289.12	450.00	450.00
February	2,096.52	375.00	450.00
March	1,907.61	300.00	450.00
April	1,714.98	225.00	450.00
May	1,526.10	150.00	450.00
June	1,333.48	100.00	450.00
July	1,144.58	450.00	0.00
August	951.95	375.00	0.00
September	763.05	300.00	0.00
October	570.42	225.00	0.00
November	381.52	150.00	0.00
December	188.92	100.00	0.00

Note: The federal goods and services tax applies to Law Society fees and assessments.

**SCHEDULE 3 – 2020 PRORATED FEES
FOR NON-PRACTISING AND RETIRED MEMBERS**

[Rules 2-3 (1) *[Non-practising members]*, 2-4 (2) *[Retired members]*
and 2-85 (5) *[Reinstatement of former lawyer]*]

	Non-practising members fee	Retired members fee
January	325.00	125.00
February	296.06	112.78
March	270.83	104.17
April	241.90	91.94
May	216.67	83.33
June	187.73	71.11
July	162.50	62.51
August	133.56	50.27
September	108.33	41.67
October	79.40	29.44
November	54.17	20.84
December	25.23	8.60

Note: The federal goods and services tax applies to Law Society fees and assessments.

SCHEDULE 4 – TARIFF FOR HEARING AND REVIEW COSTS[Rule 5-11 [*Costs of hearings*]]

Item no.	Description	Number of units
Citation hearing		
1.	Preparation/amendment of citation, correspondence, conferences, instructions, investigations or negotiations after the authorization of the citation to the completion of the discipline hearing, for which provision is not made elsewhere	Minimum 1 Maximum 10
2.	Proceeding under s. 26.01 [<i>Suspension during investigation</i>], 26.02 [<i>Medical examination</i>] or 39 [<i>Suspension</i>] and any application to rescind or vary an order under the Rules, for each day of hearing	30
3.	Disclosure under Rule 4-34 [<i>Demand for disclosure of evidence</i>]	Minimum 5 Maximum 20
4.	Application for particulars/preparation of particulars under Rule 4-35 [<i>Application for details of the circumstances</i>]	Minimum 1 Maximum 5
5.	Application to adjourn under Rule 4-40 [<i>Adjournment</i>] <ul style="list-style-type: none"> • if made more than 14 days prior to the scheduled hearing date • if made less than 14 days prior to the scheduled hearing date 	1 3
6.	Pre-hearing conference	Minimum 1 Maximum 5
7.	Preparation of agreed statement of facts <ul style="list-style-type: none"> • if signed more than 21 days prior to hearing date • if signed less than 21 days prior to hearing date • delivered to Respondent and not signed 	Min. 5 to max. 15 Min. 10 to max. 20 Min. 10 to max. 20
8.	Preparation of affidavits	Minimum 5 Maximum 20
9.	Preparation of Notice to Admit	Minimum 5 Maximum 20
10.	Preparation of response to Notice to Admit	Minimum 5 Maximum 20
11.	All process and correspondence associated with retaining and consulting an expert for the purpose of obtaining opinion(s) for use in the proceeding	Minimum 2 Maximum 10
12.	All process and communication associated with contacting, interviewing and issuing summons to all witnesses	Minimum 2 Maximum 10
13.	Interlocutory or preliminary motion for which provision is not made elsewhere, for each day of hearing	10
14.	Preparation for interlocutory or preliminary motion, per day of hearing	20

Chapter 7 – Relationship to the Society and Other Lawyers

7.1 Responsibility to the Society and the profession generally

Regulatory compliance

7.1-1 A lawyer must

- (a) reply promptly and completely to any communication from the Society;
- (b) provide documents as required to the Law Society;
- (c) not improperly obstruct or delay Law Society investigations, audits and inquiries;
- (d) cooperate with Law Society investigations, audits and inquiries involving the lawyer or a member of the lawyer's firm;
- (e) comply with orders made under the *Legal Profession Act* or Law Society Rules; and
- (f) otherwise comply with the Law Society's regulation of the lawyer's practice.

Meeting financial obligations

7.1-2 A lawyer must promptly meet financial obligations in relation to his or her practice, including payment of the deductible under a professional liability indemnity policy, when called upon to do so.

[amended 12/2019, effective 01/2020]

Commentary

[1] In order to maintain the honour of the Bar, lawyers have a professional duty (quite apart from any legal liability) to meet financial obligations incurred, assumed or undertaken on behalf of clients, unless, before incurring such an obligation, the lawyer clearly indicates in writing that the obligation is not to be a personal one.

[2] When a lawyer retains a consultant, expert or other professional, the lawyer should clarify the terms of the retainer in writing, including specifying the fees, the nature of the services to be provided and the person responsible for payment. If the lawyer is not responsible for the payment of the fees, the lawyer should help in making satisfactory arrangements for payment if it is reasonably possible to do so.

[3] If there is a change of lawyer, the lawyer who originally retained a consultant, expert or other professional should advise him or her about the change and provide the name, address, telephone number, fax number and email address of the new lawyer.

Duty to report

7.1-3 Unless to do so would involve a breach of solicitor-client confidentiality or privilege, a lawyer must report to the Society, in respect of that lawyer or any other lawyer:

- (a) a shortage of trust monies;
- (a.1) a breach of undertaking or trust condition that has not been consented to or waived;
- (b) the abandonment of a law practice;
- (c) participation in criminal activity related to a lawyer's practice;
- (d) [rescinded]
- (e) conduct that raises a substantial question as to the honesty, trustworthiness, or competency of a lawyer; and
- (f) any other situation in which a lawyer's clients are likely to be materially prejudiced.

[amended 12/2019]

Commentary

[1] Unless a lawyer who departs from proper professional conduct or competence is checked at an early stage, loss or damage to clients or others may ensue. Evidence of minor breaches may, on investigation, disclose a more serious situation or may indicate the commencement of a course of conduct that may lead to serious breaches in the future. It is, therefore, proper (unless it is privileged or otherwise unlawful) for a lawyer to report to the Society any instance involving a breach of these rules. If a lawyer is in any doubt whether a report should be made, the lawyer should consider seeking the advice of the Society directly or indirectly (e.g., through another lawyer). In all cases, the report must be made without malice or ulterior motive.

[2] Nothing in this rule is meant to interfere with the lawyer-client relationship.

[3] A variety of stressors, physical, mental or emotional conditions, disorders or addictions may contribute to instances of conduct described in this rule. Lawyers who face such challenges should be encouraged by other lawyers to seek assistance as early as possible.

[4] The Society supports professional support groups in their commitment to the provision of confidential counselling. Therefore, lawyers acting in the capacity of counsellors for professional support groups will not be called by the Society or by any investigation committee to testify at any conduct, capacity or competence hearing without the consent of the lawyer from whom the information was received in the course of such confidential counselling. A lawyer serving in the capacity of a peer support or counsellor in the Lawyers Assistance Program, or another Law Society approved peer assistance program, is not required to report any information concerning another lawyer acquired in the course of providing peer assistance. The potential disclosure of these communications is not subject to requirement by the Law Society. Such disclosure can only be required by law or a court but is permissible if the lawyer-counsellor believes on

reasonable grounds that there is an imminent risk of death or serious harm and disclosure is necessary to prevent the death or harm.

[amended, [4] added 12/2019]

Encouraging client to report dishonest conduct

7.1-4 A lawyer must encourage a client who has a claim or complaint against an apparently dishonest lawyer to report the facts to the Society as soon as reasonably practicable.

7.2 Responsibility to lawyers and others

Courtesy and good faith

7.2-1 A lawyer must be courteous and civil and act in good faith with all persons with whom the lawyer has dealings in the course of his or her practice.

Commentary

[1] The public interest demands that matters entrusted to a lawyer be dealt with effectively and expeditiously, and fair and courteous dealing on the part of each lawyer engaged in a matter will contribute materially to this end. The lawyer who behaves otherwise does a disservice to the client, and neglect of the rule will impair the ability of lawyers to perform their functions properly.

[2] Any ill feeling that may exist or be engendered between clients, particularly during litigation, should never be allowed to influence lawyers in their conduct and demeanour toward each other or the parties. The presence of personal animosity between lawyers involved in a matter may cause their judgment to be clouded by emotional factors and hinder the proper resolution of the matter. Personal remarks or personally abusive tactics interfere with the orderly administration of justice and have no place in our legal system.

[3] A lawyer should avoid ill-considered or uninformed criticism of the competence, conduct, advice or charges of other lawyers, but should be prepared, when requested, to advise and represent a client in a complaint involving another lawyer.

[4] A lawyer should agree to reasonable requests concerning trial dates, adjournments, the waiver of procedural formalities and similar matters that do not prejudice the rights of the client.

[5] A lawyer who knows that another lawyer has been consulted in a matter must not proceed by default in the matter without inquiry and reasonable notice.

[[5] added 04/2013]

7.2-2 A lawyer must avoid sharp practice and must not take advantage of or act without fair warning upon slips, irregularities or mistakes on the part of other lawyers not going to the merits or involving the sacrifice of a client's rights.

7.2-3 A lawyer must not use any device to record a conversation between the lawyer and a client or another lawyer, even if lawful, without first informing the other person of the intention to do so.

Communications

7.2-4 A lawyer must not, in the course of a professional practice, send correspondence or otherwise communicate to a client, another lawyer or any other person in a manner that is abusive, offensive, or otherwise inconsistent with the proper tone of a professional communication from a lawyer.

7.2-5 A lawyer must answer with reasonable promptness all professional letters and communications from other lawyers that require an answer, and a lawyer must be punctual in fulfilling all commitments.

7.2-6 Subject to rules 7.2-6.1 and 7.2-7, if a person is represented by a lawyer in respect of a matter, another lawyer must not, except through or with the consent of the person's lawyer:

- (a) approach, communicate or deal with the person on the matter; or
- (b) attempt to negotiate or compromise the matter directly with the person.

[amended 09/2013]

7.2-6.1 Where a person is represented by a lawyer under a limited scope retainer on a matter, another lawyer may, without the consent of the lawyer providing the limited scope legal services, approach, communicate or deal with the person directly on the matter unless the lawyer has been given written notice of the nature of the legal services being provided under the limited scope retainer and the approach, communication or dealing falls within the scope of that retainer.

Commentary

[1] Where notice as described in rule 7.2-6.1 has been provided to a lawyer for an opposing party, the opposing lawyer is required to communicate with the person's lawyer, but only to the extent of the limited representation as identified by the lawyer. The opposing lawyer may communicate with the person on matters outside of the limited scope retainer.

[rule and commentary added 09/2013]

Interference with right to fair trial or hearing

7.5-2 A lawyer must not communicate information to the media or make public statements about a matter before a tribunal if the lawyer knows or ought to know that the information or statement will have a substantial likelihood of materially prejudicing a party's right to a fair trial or hearing.

Commentary

[1] Fair trials and hearings are fundamental to a free and democratic society. It is important that the public, including the media, be informed about cases before courts and tribunals. The administration of justice benefits from public scrutiny. It is also important that a person's, particularly an accused person's, right to a fair trial or hearing not be impaired by inappropriate public statements made before the case has concluded.

7.6 Preventing unauthorized practice

7.6-1 A lawyer must assist in preventing the unauthorized practice of law.

Commentary

[1] Statutory provisions against the practice of law by unauthorized persons are for the protection of the public. Unauthorized persons may have technical or personal ability, but they are immune from control, from regulation and, in the case of misconduct, from discipline by the Society. Moreover, the client of a lawyer who is authorized to practise has the protection and benefit of the lawyer-client privilege, the lawyer's duty of confidentiality, the professional standard of care that the law requires of lawyers, and the authority that the courts exercise over them. Other safeguards include mandatory professional liability indemnification, the assessment of lawyers' bills, regulation of the handling of trust monies and the maintenance of compensation funds.

[amended 12/2019, effective 01/2020]

7.7 Retired judges returning to practice

7.7-1 A judge who returns to practice after retiring, resigning or being removed from the bench must not, for a period of three years, unless the governing body approves on the basis of exceptional circumstances, appear as a lawyer before the court of which the former judge was a member or before any courts of inferior jurisdiction to that court or before any administrative board or tribunal over which that court exercised an appellate or judicial review jurisdiction in any province in which the judge exercised judicial functions.

7.8 Errors and omissions

Informing client of errors or omissions

7.8-1 When, in connection with a matter for which a lawyer is responsible, a lawyer discovers an error or omission that is or may be damaging to the client and that cannot be rectified readily, the lawyer must:

- (a) promptly inform the client of the error or omission without admitting legal liability;
- (b) recommend that the client obtain independent legal advice concerning the matter, including any rights the client may have arising from the error or omission; and
- (c) advise the client of the possibility that, in the circumstances, the lawyer may no longer be able to act for the client.

Commentary

[1] Under Condition 4.1 of the Lawyers Compulsory Professional Liability Indemnity Policy, a lawyer is contractually required to give written notice to the indemnitor immediately after the lawyer becomes aware of any actual or alleged error or any circumstances that could reasonably be expected to be the basis of a claim or suit covered under the policy. This obligation arises whether or not the lawyer considers the claim to have merit. Rule 7.8-2 imposes an ethical duty to report to the indemnitor or insurer. Rule 7.8-1 should not be construed as relieving a lawyer from the obligation to report to the indemnitor before attempting any rectification.

[amended 12/2019, effective 01/2020]

Notice of claim

7.8-2 A lawyer must give prompt notice of any circumstances that may reasonably be expected to give rise to a claim to an indemnitor or insurer so that the client's protection from that source will not be prejudiced.

[amended 12/2019, effective 01/2020]

Commentary

[1] The introduction of compulsory indemnification coverage has imposed additional obligations upon a lawyer, but these obligations must not impair the relationship and duties of the lawyer to the client. A lawyer has an obligation to comply with the provisions of the indemnity policy. The indemnitor's rights must be preserved, and the lawyer, in informing the client of an error or omission, should be careful not to prejudice any rights of indemnity that either of them may have under an insurance, client's protection or indemnity policy, or otherwise. There may well be occasions when a lawyer believes that certain actions or a failure to take action have made the lawyer liable for damages to the client when, in reality, no liability exists. Further, in every case, a careful assessment will have to be made of the client's damages arising from a lawyer's negligence.

[amended 12/2019, effective 01/2020]

Co-operation

7.8-3 A lawyer facing a claim or potential claim of professional negligence must not fail to assist and co-operate with the indemnitor or insurer to the extent necessary to enable the claim or potential claim to be dealt with promptly.

[amended 12/2019, effective 01/2020]

Responding to client's claim

7.8-4 If a lawyer is not indemnified for a client's errors and omissions claim or to the extent that the indemnity may not fully cover the claim, the lawyer must expeditiously deal with the claim and must not take unfair advantage that would defeat or impair the client's claim.

7.8-5 If liability is clear and the indemnitor or insurer is prepared to pay its portion of the claim, a lawyer has a duty to pay the balance. (See also Rule 7.1-2]

[amended 12/2019, effective 01/2020]

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2020 BC Lawyers Professional Liability Indemnification Policy

Indemnitor:	The LSBC Captive Insurance Company Ltd. (the “Company”)
Address for service:	8th Floor, 845 Cambie Street, Vancouver, BC V6B 4Z9
Administrator:	The Law Society of British Columbia (the “Law Society”)
Manager:	Lawyers Indemnity Fund
Master Policy number:	LPL 20-01-01

INDEMNIFICATION POLICY

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INDEMNIFICATION POLICY

DECLARATIONS

This policy governs claims and potential claims first made and reported in 2020 — please read the policy carefully.

1. **Individual Covered Party:** As defined in this policy
2. **Policy Period:** January 1, 2020 12:01 a.m. to January 1, 2021 12:01 a.m. (PST)
3. **Individual Coverage Period:** As defined in this policy
4. **Indemnity Fee:** As agreed to between the **Company** and the **Law Society**
5. **Policy Territory:** Worldwide
6. **Limits of Liability and Deductibles:**

Coverage	Limit of Liability	Limit of Liability – Annual Aggregate	Deductible
Part A: Professional Liability (errors & omissions)	\$1,000,000 per error	\$2,000,000 per individual Covered Party , including all additional Covered Parties , less any payments made under Part C	\$5,000 per error resulting in payment of damages or \$10,000 for any error reported within three years of the report date of a Part A or C error resulting in another payment of damages
Part B: Trust Protection for dishonest appropriation	\$300,000 per claimant and error , except as provided in Condition 1.4.3 for inter-jurisdictional practice	\$17,500,000 profession-wide for all claims for damages and claims expenses , with a \$2,000,000 sublimit for inter-jurisdictional practices	Nil
Part C: Trust Shortage Liability arising from social engineering fraud or reliance on fraudulent certified cheques	\$500,000 per error	\$500,000 sublimit within the Part A annual aggregate limit per individual Covered Party , including all additional Covered Parties \$500,000 law firm annual aggregate limit for all claims for damages, claims expenses and deductibles \$2,000,000 profession-wide for all errors combined	35% of the total amount of damages and claims expenses paid per error , reduced by the amount of any overdraft

INDEMNIFICATION POLICY

DEFINITIONS

For convenience, all defined words are in bold print. We, us or our refers to the **Company**. You, your or the **Covered Party** refers in Parts A and C to the **individual Covered Party** or **additional Covered Party**, and in Part B to the **individual Covered Party** or **innocent Covered Party**. Unless otherwise indicated, all specific statutory references are to statutes of British Columbia. In this policy:

Additional Covered Party means:

- (a) each **law firm** in which the **individual Covered Party** is or was a partner, employee or associate counsel or that is or was liable for the **individual Covered Party**;
- (b) each **law corporation**, law office management corporation and law office management limited partnership, which is or was owned wholly or partly, directly or indirectly, by the **individual Covered Party** or his or her **spouse**, and each present or former officer, director, shareholder or limited partner thereof;
- (c) each present or former **member** who, at the time of the **error**, was insured or indemnified by us and was the **individual Covered Party's** partner or liable for the **individual Covered Party**;
- (d) each present or former employee of the **individual Covered Party**, or of any **law firm**, **law corporation**, law office management corporation and law office management limited partnership described in (a) or (b) above, provided such employee was acting within the scope of his or her duties and acting under the supervision of, in a supporting role to and not independent of the **individual Covered Party**; and
- (e) each present or former **MDP partner** who, at the time of the **error**, was insured or indemnified by us and a partner in a **multi-disciplinary practice** in which all of the members were in compliance with **Law Society** Rules 2-38 through 2-49.

Apparent partnership means: an expense sharing or other arrangement in which two or more **members** or **law corporations**, or a combination thereof, are or were held out to the public as partners whether or not the partnership in fact exists or existed.

Canadian legal advisor means: a member admitted as a Canadian legal advisor by the **Law Society**.

Certificate means: a certificate issued by the **Law Society** to a **member** as proof of insurance or indemnity under any previous plan of professional liability insurance or indemnity for **members** of the **Law Society**.

Claim means: a demand for money, or the threat or institution of an action or other proceeding against you.

Claimant means:

- (a) under Part A or C: a person or **organization** who has made or may make a **claim**; or
- (b) under Part B: a person who has or alleges to have suffered a monetary loss, and who provides a statutory declaration relating to that loss in a form satisfactory to us.

INDEMNIFICATION POLICY

Claims expenses means:

- (a) (i) fees and disbursements charged by defence counsel appointed by us; and
- (ii) all other fees, costs and expenses incurred by us, or by you with our written consent, resulting from the investigation, adjustment, defence and appeal of a **claim** or potential **claim**, including all sums payable under Part A 2, Part B 2 and Part C 2, but does not include salaries of our officers, directors and employees, or those of the **Law Society**; or
- (b) for the purposes of Part A 2.9 only, reasonable fees and disbursements charged by independent defence counsel and payable by you.

Compensation program means: those statutory compensation programs as provided for by any current or former legislative act, including but not limited to: funds established to compensate victims of lawyer defalcation; the “Assurance Fund” as provided under the *Land Title Act*; similar funds as established for general public protection against loss consequent on the unlawful acts of third parties under other legislation as may now or subsequently be established; and any substantially similar or equivalent compensation programs established by any government.

Confidentiality Protocol means: the **Law Society’s** protocol for the preservation of confidentiality of professional liability insurance or indemnification claims information, as amended from time to time.

Covered Party means:

- (a) under Part A or Part C: an **individual Covered Party** or **additional Covered Party**; or
- (b) under Part B: an **individual Covered Party** or **innocent Covered Party**.

Damages means:

- (a) under Part A: any compensatory damages award including any related pre-judgment or post-judgment interest or costs, settlement, or **repair costs**, relating to covered allegations.

Damages does not include:

- (i) an order of set-off or any order for the return or reimbursement of, or accounting for or disgorgement of, any property, benefit, legal fees or disbursements that you received, even if claimed as compensatory or general damages;
- (ii) any order for punitive, exemplary or aggravated damages, even if claimed as compensatory or general damages;
- (iii) any fine, sanction or penalty;
- (iv) any order for costs or indemnification for costs made against you in litigation in which you are not a party, or any order for special costs; or
- (v) the cost of complying with declaratory, injunctive or other non-monetary relief.

INDEMNIFICATION POLICY

- (b) under Part B: any monetary award including any related pre-judgment or post-judgment interest or costs, or settlement, for the direct loss only of no more than the value of money or the **deemed value** of other property dishonestly appropriated.

Damages does not include:

- (i) any monetary award for which the **claimant** or **Covered Party**:
- a. is entitled to claim indemnity under any other policy or form of insurance (including title insurance); or
 - b. has recourse through any **compensation program** or other source of recovery including set-offs whether legal or equitable;
- that would cover such loss in whole or in part in the absence of this policy as this coverage is intended to be last-resort indemnity coverage; or
- (ii) any order for costs or indemnification for costs made against you in litigation in which you are not a party, or any order for special costs.
- (c) under Part C: any monetary award including any related pre-judgment or post-judgment interest or costs, or settlement, for the direct loss only of no more than the amount by which the **trust account** is short, any **repair costs** or any compensatory damages directly related to covered allegations.

Damages does not include: any monetary award or compensatory damages for which the **claimant** or **Covered Party** is entitled to claim indemnification under any other policy or form of insurance that would cover such loss in whole or in part in the absence of this policy as this coverage is intended to be last-resort indemnity coverage.

Deemed value means: the equivalent of the property's actual cash value or, if the property is not convertible into money, the actual cash value of the property at the time of dishonest appropriation.

Error means:

- (a) under Part A: an actual or alleged negligent act, negligent error or negligent omission, including a **protocol error** or a **personal injury error**. Where actual or alleged errors are related, they will be deemed to be one **error**. **Errors** are related when they:
- (i) are logically or causally connected;
 - (ii) cause a single loss to one or more **claimants**;
 - (iii) occur in the course of the **Covered Party(ies)** acting as an executor or personal representative of a deceased, an administrator, an escrow holder, an attorney appointed under a Power of Attorney, a guardian, a trustee or a committee; or
 - (iv) occur in relation to the same or similar underlying facts, events, transactions, activities or undertakings, which, without limiting the generality of the foregoing, include accidents, investment programs or schemes, loan agreements, offerings of ownership interest or debt,

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corporate reorganizations, tax plans, estates, real estate developments, leases, licences, commercial ventures and litigation matters

regardless of whether they are made by more than one **Covered Party** or by **Covered Parties** acting in more than one capacity, occur at different times or in the course of more than one professional service, retainer or client matter, or give rise to **claims** by more than one **claimant**.

- (b) under Part B: a dishonest appropriation of money or other property, whether to the use of the **individual Covered Party** or a third party, which was entrusted to and received by the **individual Covered Party** in his or her capacity as a barrister and solicitor and in relation to the provision of **professional services** to others.
- (c) under Part C: a payment to a third party that creates an unintended shortage in trust funds that are held in a **trust account** in connection with the performance of **professional services** for others, provided that such payment was either:
 - (i) the result of the deposit into that **trust account** of what purports and appears and the **individual Covered Party** believed to be a genuine certified cheque, bank draft, credit union official cheque, **law firm** trust cheque or money order that ultimately proves to be counterfeit, forged or materially altered; or
 - (ii) the result of **social engineering fraud** and made only because the **individual Covered Party** believed the payment was legitimate and duly authorized, and did not relate in any way to the mistaken belief that funds had been deposited into the **trust account**.

Family means: **spouse**, children, parents or siblings.

Individual coverage period means: the period during which an **individual Covered Party** is covered for an **error**, as follows:

- (a) under Part A:
 - (i) any period prior to January 1, 1971, 12:01 a.m. PST during which the **individual Covered Party** was a **member**;
 - (ii) any period between January 1, 1971, 12:01 a.m. PST and January 1, 1998, 12:01 a.m. PST during which the **individual Covered Party** was a **member** and held a **certificate**;
 - (iii) any period after January 1, 1998, 12:01 a.m. PST during which the **individual Covered Party** paid the annual insurance or indemnity fee; or
 - (iv) any period after January 1, 2002 12:01 a.m. PST during which the **individual Covered Party** was a **member** and was performing **sanctioned pro bono services**.
- (b) under Part B: any period during which the **individual Covered Party** was a **member**.
- (c) under Part C: any period after January 1, 2012, 12:01 a.m. PST during which the **individual Covered Party** paid the annual insurance or indemnity fee.

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Individual Covered Party means: each **member** or former **member** who:

- (a) made or allegedly made the **error**; or
- (b) for the purposes of Part A only, each **MDP partner** or former **MDP partner** who made or allegedly made the **error**, provided that all of the members of the **multi-disciplinary practice** were in compliance with **Law Society** Rules 2-38 through 2-49 at the time of the **error**.

Ineligible portion means: that portion that equals the proportionate beneficial ownership of the **organization** held individually or collectively, directly or indirectly, at the time of the **error** by the persons listed in subparagraphs 6.2.1, 6.2.2 and 6.2.3 of Exclusion 6.2 of this policy.

Innocent Covered Party means: each present or former **member** who:

- (a) is or may be liable for the **individual Covered Party**;
- (b) did not personally commit, participate in committing, or acquiesce in the **error**; and
- (c) was indemnified by us at the time of the **error**.

Law corporation means: an entity incorporated under the *Business Corporations Act* that is governed by, and a valid certificate of authorisation has been issued under, the *Legal Profession Act*.

Law firm means: a sole proprietorship owned by a **member**, a **law corporation**, a partnership of **members** or **law corporations** or a combination thereof, a **multi-disciplinary practice** or an **apparent partnership**.

MDP partner means: a non-lawyer partner in a **multi-disciplinary practice** in which permission to practise law was granted under Rule 2-41 of the **Law Society** Rules.

Member means: a member, other than a **Canadian legal advisor**, in good standing shown on the records of the **Law Society**.

Multi-disciplinary practice means: a multi-disciplinary practice as defined in the **Law Society** Rules.

Network Security breach means:

- (a) the electronic receipt or transmission of a computer virus or other program via the internet or in any other manner that does or is intended to delete, distort, corrupt, manipulate, impair or gain or prevent access to: internet connections, networks or systems; computer programming; computer, telecommunication or other devices; or electronic data for uses other than those intended for authorized users of such devices, systems or networks; or
- (b) the failure or violation of the security of computer, telecommunication or other devices, systems, or networks.

Organization means: any business, business venture, joint venture, proprietorship, partnership, limited partnership, cooperative, society, syndicate, corporation, association or any legal or commercial entity.

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Personal injury error means: malicious prosecution, libel or slander, or a publication or utterance in violation of an individual's right of privacy.

Policy period means: the period stated in Declaration 2.

Professional services means:

- (a) the practice of law as defined in the *Legal Profession Act*;
- (b) *pro bono* legal services or **sanctioned pro bono services**;
- (c) acting as a custodian under Part 6 of the *Legal Profession Act* or in a similar role, or as an arbitrator, mediator or parenting coordinator;
- (d) performing any other activity deemed to be the practice of law by the **Law Society**;
- (e) acting as an **MDP partner**, provided that such services support or supplement the practice of law by the **law firm** and are provided under the supervision of a **member**; or
- (f) acting as:
 - (i) an executor or personal representative of a deceased, an administrator, an escrow holder, an attorney appointed under a Power of Attorney, a guardian, a trustee, a committee, or in any similar fiduciary capacity;
 - (ii) a patent or trademark agent; or
 - (iii) agent for any record keeping or filing duty imposed by any provincial or federal statute

provided that such services, and the related appointment or retainer, are connected and incidental to the **individual Covered Party's** practice of law and, for the purposes of Part B of this policy only, the **individual Covered Party** is also providing legal services.

Professional services does not include:

- (i)
 - (a) acting as a bailee or conduit of funds, from trust or otherwise, or
 - (b) providing investment advice or investment servicesunless such services, and the related appointment or retainer, are performed in consequence of and incidental to the **individual Covered Party's** practice of law;
- (ii) publishing or communicating on a website, blog or social media platform unless directly connected and incidental to the **individual Covered Party's** practice of law;
- (iii) the services or activities of a "mortgage broker" as defined in the *Mortgage Broker Act*; or
- (iv) with respect to Part A and Part C only, **unauthorized practice** by the **individual Covered Party**.

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Protocol error means: a building location defect that is not disclosed as a result of an opinion given in compliance with and pursuant to the terms and conditions of the Western Law Societies Conveyancing Protocol (British Columbia) issued by the **Law Society**, Version 2, February 2, 2001 as amended from time to time.

Reciprocal Jurisdiction means: the province, but not the territory, of a reciprocating governing body as defined in the **Law Society** Rules, other than the Barreau du Québec.

Related claimants in Part B means: **claimants** are related if the money or other property dishonestly appropriated was jointly provided or jointly owned by the **claimants**.

Related errors in Part B means: **errors** are related if the money or other property dishonestly appropriated was received in relation to the provision of the same **professional services**, retainer or client matter.

Repair costs means: any costs, other than **claims expenses**, approved or paid by us, incurred attempting to avoid or mitigate a loss arising out of an **error**.

Sanctioned *pro bono* services means: *pro bono* legal services provided to an individual known to you only as a result of performing these services through a *pro bono* legal services program, provided that both the services and the program are approved for the purposes of this policy by the **Law Society**, and that the services are provided solely through the program.

Social engineering fraud means: the intentional misleading of an **individual Covered Party** into sending or paying money based on false information that is provided to the **individual Covered Party**.

Spouse means: a person who is or has been married, or a person who is or has been living in a marriage-like relationship for a period of time of not less than one year.

Trust account means: a trust account operated pursuant to and in accordance with Part 3, Division 7, Trust Accounts and Other Client Property, of the **Law Society** Rules.

Unauthorized practice means:

- (a) for the purposes of Condition 3.3, the practice of law by an **individual Covered Party** in breach of an undertaking given to the **Law Society** or in contravention of a condition or limitation of practice imposed or agreed to under the **Law Society** Rules; or
- (b) for the purposes of the definition of **Professional Services**, the practice of law by an **individual Covered Party** in contravention of the rules of any other law society or bar.

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This policy is a contract between each **Covered Party** and the **Company**.

In consideration of the payment of the indemnity fee and subject to the terms of this policy, we agree with you that:

PART A: PROFESSIONAL LIABILITY FOR ERRORS & OMISSIONS

1. INDEMNITY AGREEMENT A

We shall pay on your behalf all sums which you become legally obligated to pay as **damages** because of any **claim** first made against you and reported to us in writing during the **policy period** arising out of an **error** by you in performing or failing to perform **professional services** for others.

2. DEFENCE, EXPENSES AND SETTLEMENT

2.1 With respect to any **claim** first made or suit first brought within Canada or the United States of America seeking **damages** for which you are entitled to indemnity under Part A of this policy, we shall have the right:

2.1.1 and the duty to defend any suit against you, even if any of the allegations of the suit are groundless, false or fraudulent; and

2.1.2 to select and instruct defence counsel and to investigate and settle any **claim** including the right to elicit, or instruct defence counsel to elicit, offers of settlement. If you object to any settlement recommended by us, we may:

(a) settle the **claim** without your consent and you will remain liable to pay the deductible stated in Declaration 6; or

(b) give you the right to negotiate or defend the **claim** or suit if you provide security for any **damages** for which you may be liable. The amount and form of security required will be determined by us, in our sole discretion. If we give you the right to negotiate or defend the **claim** or suit, any duty we may have had to defend the **claim** ceases and the **damages** and **claims expenses** in excess of the amount for which we could have settled will not be recoverable under this policy.

2.2 With respect to any **claim** that is made or suit that is brought elsewhere than within Canada or the United States of America seeking **damages** for which you are entitled to indemnity under Part A of this policy:

2.2.1 we shall have the right, but not the duty, to investigate, settle, defend or pay **claims expenses** in accordance with Part A 2.1.2; and

2.2.2 if we elect not to investigate, settle or defend a **claim** or suit, you will, under our supervision, investigate and defend as is reasonably necessary and, if we deem prudent you will settle such **claim** or suit. Subject to Part A 2.3, we shall reimburse you for the reasonable cost of such investigation, settlement or defence.

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- 2.3 For any part of a **claim** for which you are not entitled to coverage under Part A of this policy, you agree that you are responsible for:
- 2.3.1 any **claims expenses** that are solely or substantially attributable to that part of a **claim**; and
 - 2.3.2 an equal or, if we agree, less than equal share of any **claims expenses** that are attributable both to that part, and any other part of the **claim** for which you are entitled to coverage under Part A.
- 2.4 The allocation of **claims expenses** under Part A 2.3 shall be determined following final determination of the **claim**.
- 2.5 Notwithstanding Part A 2.4 we may, at any time prior to final determination of a **claim**, require that you contribute, on an interim basis, to **claims expenses** in any proportion or amount that we determine is reasonable having regard to Part A 2.3. Any such payment, demand or failure to make a demand by us shall be without prejudice to our respective rights under Part A 2.4.
- 2.6 Any allocation or advancement of **claims expenses** shall not apply to or create any presumption with respect to the allocation between covered and uncovered loss.
- 2.7 Notwithstanding Exclusion 2, we shall have the right and the duty to defend, in accordance with Part A 2.1.2, any **claim** first made against you and reported to us during the **policy period** arising out of a **personal injury error** while you were performing or failing to perform **professional services** for others.
- 2.8 Notwithstanding our obligations pursuant to Part A 2.1, 2.2 and 2.7, we may decline, at any time, to defend, continue to defend, investigate or pay **claims expenses** where we determine on reasonable grounds that a **claim** does not arise out of an **error** by you in performing or failing to perform **professional services** for others, or that you are not entitled to coverage for a **claim** because of any exclusion, breach of a condition or any other term of this policy. If you disagree with our decision you agree that, at the arbitration of the dispute, each of us may introduce evidence relating to the issues of coverage and your activities and that such evidence shall be considered by the arbitrator in making his or her determination of our respective obligations.
- 2.9 We will reimburse **claims expenses** up to a maximum sublimit of \$100,000 to the per **error** limit in Declaration 6 in the:
- 2.9.1 appeal of a penalty assessed against an **individual Covered Party** pursuant to section 163.2 or section 237.3 of the *Income Tax Act*, R.S.C. 1985, c.1 or section 285.1 of the *Excise Tax Act*, R.S.C. 1985, c. E-15; or
 - 2.9.2 defence of the prosecution of an offence against an **individual Covered Party** under subsection 8(8), section 10.1 or subsection 10.3(1) of the *Personal Information Protection and Electronic Documents Act (PIPEDA)*, S.C. 2000, c.5

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subject to: the assessment or prosecution occurring in the course of, in consequence of and directly related to the **individual Covered Party's** practice of law; our prior written consent to your choice of independent defence counsel; and an acquittal, a withdrawal of the allegation, or a finding by the Court that the **individual Covered Party** did not commit the acts or omissions that gave rise to the assessment or prosecution.

3. CLAIMS FIRST MADE AND REPORTED

- 3.1 Part A of this policy applies only to **claims** arising out of **errors** that occurred during the **individual coverage period**, and provided that:
- 3.1.1 the **claim** or potential **claim** is first made against you during the **policy period** and reported to us in writing during the **policy period**; and
- 3.1.2 you had no knowledge, prior to January 1, 1989 of the **claim** or of an **error** or circumstances occurring prior to January 1, 1986 which you knew or could have reasonably foreseen might be the basis of a **claim**.
- 3.2 A **claim** or potential **claim** is first made against you during the **policy period** if during the **policy period**:
- 3.2.1 you become aware of an **error** or any circumstance which could reasonably be expected to be the basis of a **claim**, however unmeritorious; or
- 3.2.2 a **claim** is made against you seeking **damages** for which you are entitled to indemnity under this policy.
- 3.3 If Part A of this policy replaces, without interruption of coverage, a professional liability policy issued previously by us then a **claim** which was first made against you after January 1, 1989, and reported to us within the **policy period**, will be deemed to be first made against you within the **policy period** of this policy.
- 3.4 Except as provided in Condition 6, if you are not entitled to indemnity or a defence for a **claim**, Part A of this policy will not provide indemnity or a defence for such or similar **claim** to any other **Covered Party**.

4. RECIPROCAL JURISDICTIONS

- 4.1 Where the closest and most real connection to a **claim** or potential **claim** is with a **Reciprocal Jurisdiction**, and the scope of coverage provided by the **Reciprocal Jurisdiction's** compulsory lawyers professional liability insurance or indemnity policy (the "**Reciprocal Jurisdiction's** policy") is broader than that provided by Part A of this policy, then we shall provide the same scope of compulsory coverage as that of the **Reciprocal Jurisdiction's** policy. For clarity, however, all **claims** and potential **claims** reported under Part A of this policy shall remain subject to the limits of liability stated in Condition 1 and the Declarations of this policy.
- 4.2 The determination of whether a **Reciprocal Jurisdiction** has the closest and most real connection to a **claim** or potential **claim** will be made by us, exercising our discretion

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reasonably, and considering whether at the time you were performing the **professional services** giving rise to the **claim**:

- 4.2.1 you were practicing the law of a **Reciprocal Jurisdiction**;
- 4.2.2 you were performing the **professional services** in a **Reciprocal Jurisdiction**;
- 4.2.3 your client was in a **Reciprocal Jurisdiction**; and
- 4.2.4 the subject matter of the **professional services** was located in or emanated from a **Reciprocal Jurisdiction**.

We will also consider where the proceedings, if any, to advance the **claim** are or are likely to be brought.

- 4.3 Part A 4.1 and 4.2 apply only if, at the time the **individual Covered Party** was performing the **professional services** giving rise to a **claim**, the **individual Covered Party** was practicing law either in accordance with the inter-jurisdictional practice provisions of the Rules of the **Law Society** and the **Reciprocal Jurisdiction's** law society or as a Canadian legal advisor member of the Barreau du Québec.
- 4.4 Part A 4.1 and 4.2 do not apply if coverage under Part A of this policy would be excluded or limited in any way by the application of Exclusion 7 or 11 to a **claim** or potential **claim**.

PART B: TRUST PROTECTION FOR DISHONEST APPROPRIATION

1. INDEMNITY AGREEMENT B

Notwithstanding Exclusions 1 and 2 of this policy, we shall pay on your behalf all sums which you become legally obligated to pay to a **claimant** as **damages** because of any **claim** first made against you and reported to us during the **policy period** arising out of an **error** by the **individual Covered Party**, provided that the **error** is the sole cause of the **damages**.

2. DEFENCE AND SETTLEMENT

- 2.1 With respect to any **claim** first made or suit first brought seeking **damages** that are covered under Part B of this policy:
 - 2.1.1 we shall have the right, but not the duty, to defend any suit against you;
 - 2.1.2 if we elect to defend you, we shall have the right to:
 - (a) select and instruct defence counsel; and
 - (b) withdraw from the defence of the suit, without seeking or obtaining your consent, at any time that we, in our sole discretion, deem appropriate;

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- 2.1.3 we shall have the right to investigate any **claim** or potential **claim**; and
- 2.1.4 we shall have the right to settle any **claim** without seeking or obtaining your consent, on such terms and conditions and at such time as we, in our sole discretion, deem appropriate.

3. CLAIMS FIRST MADE AND REPORTED

- 3.1 Part B of this policy applies only to:
 - 3.1.1 **claims** arising out of **errors** that occurred while the **individual Covered Party** was a **member**, and provided that the **claim** is first made against you during the **policy period** and reported to us during the **policy period**. A **claim** is first made against you during the **policy period** if during the **policy period**:
 - (a) an **innocent Covered Party** becomes aware of an **error** or any circumstance which could reasonably be expected to be the basis of a **claim**, however unmeritorious, or a **claim** is made against an **innocent Covered Party** seeking **damages** that are covered under Part B of this policy;
 - (b) a **claim** is made against an **individual Covered Party** seeking **damages** that are covered under Part B of this policy, and we deem notice of the **claim** given to us by a third party to be notice given by the **individual Covered Party**; or
 - (c) the **Law Society** gives notice of a **claim** or potential **claim** against an **individual Covered Party**, and we deem such notice to be notice given by the **individual Covered Party**; or
 - 3.1.2 a **claim** seeking **damages** that are covered under Part B of this policy that is first made against you and of which written notice is given to us by the **claimant** within:
 - (a) six (6) months of the **claimant** becoming sufficiently aware of the facts underlying the occurrence of an **error** such that the **claimant** had the means of knowing that an **error** had occurred; and
 - (b) in any event, no more than ten (10) years of the time of the **error**.
- 3.2 We may, in our sole discretion, agree to extend the time limits set out in Part B 3.1.1 and 3.1.2.

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PART C: TRUST SHORTAGE LIABILITY ARISING FROM SOCIAL ENGINEERING FRAUD OR RELIANCE ON FRAUDULENT CERTIFIED CHEQUES

1. INDEMNITY AGREEMENT C

We shall pay on your behalf all sums which you become legally obligated to pay as **damages** because of any **claim** first made against you and reported to us during the **policy period** arising out of an **error** by you.

2. DEFENCE, EXPENSES AND SETTLEMENT

2.1 With respect to any **claim** first made or suit first brought seeking **damages** that are covered under Part C of this policy:

2.1.1 we shall have the right, but not the duty, to defend any suit against you;

2.1.2 if we elect to defend you, we shall have the right to select and instruct defence counsel;

2.1.3 we shall have the right to investigate any **claim** or potential **claim**; and

2.1.4 we shall have the right to settle any **claim** including the right to elicit, or instruct defence counsel to elicit, offers of settlement. If you object to any settlement recommended by us, we may:

(a) settle the **claim** without your consent and you will remain liable to pay the deductible stated in Declaration 6; or

(b) give you the right to negotiate or, if we are defending, defend the **claim** or suit. In this event, the **damages** and **claims expenses** in excess of the amount for which we could have settled will not be recoverable under this policy.

3. CLAIMS FIRST MADE AND REPORTED

3.1 Part C of this policy applies only to **claims** arising out of **errors** that occurred during the **individual coverage period**, and provided that the **claim** or potential **claim** is first made against you during the **policy period** and reported to us in writing during the **policy period**.

3.2 A **claim** or potential **claim** is first made against you during the **policy period** if during the **policy period**:

3.2.1 you first become aware of an **error** or any circumstance which could reasonably be expected to be the basis of a **claim**, however unmeritorious; or

3.2.2 a **claim** is made against you seeking **damages** for which you are entitled to indemnity under this policy.

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- 3.3 If Part C of this policy replaces, without interruption of coverage, a policy issued previously by us then a **claim** which was first made against you after January 1, 2012, and reported to us within the **policy period**, will be deemed to be first made against you within the **policy period** of this policy.
- 3.4 Except as provided in Condition 6, if you are not entitled to indemnity or a defence for a **claim**, Part C of this policy will not provide indemnity or a defence for such or similar **claim** to any other **Covered Party**.

EXCLUSIONS

This policy does not apply to:

1. a **claim** arising out of or in any way connected to your actual or alleged criminal act;
2. a **claim** arising out of or in any way connected to your actual or alleged dishonest, fraudulent or malicious act; or
3. a **claim** arising out of or in any way connected to:
 - 3.1 any injury to, physical contact with, sickness, disease or death of any person, except for emotional distress or humiliation of a **claimant** directly resulting from an **error**; or
 - 3.2 injury to or destruction of any tangible property, including the loss of use thereof;
4. a **claim** arising out of or in any way connected to your activity as a fiduciary with respect to an employee benefit plan or pension plan;
5. a **claim** arising out of or in any way connected to your activities as an officer or director except your activities as an officer or director of a **law corporation** or law office management corporation;
6. a **claim**:
 - 6.1 arising out of an **error** of an **individual Covered Party**, the payment of which would benefit, in whole or in part, directly or indirectly, the **individual Covered Party** or the **individual Covered Party's family** or **law firm**, provided that this Exclusion 6.1 does not apply to any benefit derived solely from the ownership of an **organization**; or
 - 6.2 by or in any way connected to any **organization** in which:
 - 6.2.1 the **individual Covered Party**;
 - 6.2.2 the **individual Covered Party's family**; or

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- 6.2.3 the partners, associates or associate counsel of the **individual Covered Party** or of the **individual Covered Party's law firm**;

individually or collectively, directly or indirectly, had at the time of the **error** or thereafter, effective management or control of the **organization** or beneficial ownership of the **organization** in an amount greater than ten per cent (10%), provided that with respect to any payment resulting from a **claim** that falls within Part B of this policy, this Exclusion 6.2 applies only to exclude the **ineligible portion** of such payment.

7. a **claim** arising out of or in any way connected to your activity as an employee, dependent contractor or partner of any **organization** other than:

7.1 a **law firm**; or

7.2 a trade union, society or not-for-profit **organization** that provides *pro bono* legal services to the public, provided that:

7.2.1 the **claim** arises out of an **error** that occurred during the **individual coverage period**; and

7.2.2 the **claim** is not brought against you by or on behalf of such trade union, society or not-for-profit **organization**;

except for a **claim** that falls within Part B of this policy and is not brought against you by or on behalf of such **organization**; or

8. a **claim** against you where the **individual Covered Party** is a member of any other jurisdiction's law society or bar, except a law society of another province or territory of Canada, arising out of or in any way connected to that **individual Covered Party's** permanent practice in the other jurisdiction. For the purposes of Part B of this policy, this Exclusion 8 shall be read with the words "the Barreau du Québec" substituted for the words "a law society of another province or territory of Canada" and without the word "permanent".

With respect to Part A: Professional Liability only, the following additional exclusions apply.

Part A of the policy does not apply to:

9. a **claim** arising out of or in any way connected to the collection, use and/or disclosure of any information by a third party;
10. a **claim** arising out of or in any way connected to damage to or loss of data, disclosure of confidential information, theft or other loss of money or property, or any other loss, that arises, directly or indirectly, from a **network security breach** or **social engineering fraud**;
11. a **claim** arising out of or in any way connected to the dishonest appropriation of money or other property by any person including but not limited to an **error** under Part B of this policy;
12. a **claim** arising out of or in any way connected to any shortage of trust funds held in a **trust account** if that shortage is caused by or in any way connected to a dishonest or fraudulent act by any person including but not limited to an **error** under Part C of this policy; or

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13. a **claim** arising out of or in any way connected to any contractual liability (express or implied, including an indemnity) unless there would be tort liability in the absence of the contract and only to the extent **damages** arise solely from any tort liability.

With respect to Part B: Trust Protection only, the following additional exclusions apply.

Part B of this policy does not apply to:

14. a **claim** arising out of or in any way connected to the wrongful or unlawful conduct, fault or neglect of the **claimant** or the **claimant's spouse**;
15. a **claim** by an **organization** arising out of or in any way connected to the wrongful or unlawful conduct, fault or neglect of an officer, director, employee or agent of the **organization** or an individual who had, directly or indirectly, effective management or control of the **organization** or beneficial ownership of the **organization** in an amount greater than ten per cent (10%);
16. a **claim** where the money or property that was dishonestly appropriated had been unlawfully obtained by the **claimant**;
17. a **claim** brought by a **claimant** who:
 - 17.1 knew prior to the time of the **error** of any dishonest act by the **individual Covered Party**;
or
 - 17.2 committed, participated in committing, consented to expressly or impliedly, acquiesced in or was reckless or wilfully blind to the **error**; or
18. a **claim** arising out of or in any way connected to an investment, a purported investment or a Ponzi scheme.

With respect to Part C: Trust Shortage Liability only, the following additional exclusions apply.

Part C of this policy does not apply to:

19. a **claim** arising out of or in any way connected to the wrongful or unlawful conduct of a present or former employee of the **law firm** or contractor for the **law firm**;
20. a **claim** arising out of circumstances in which you were required but failed to comply with the client identification and verification procedures set out in Part 3, Division 11, Client Identification and Verification, of the **Law Society Rules**; or
21. **errors** that occurred prior to January 1, 2012.

CONDITIONS

1. LIMITS OF LIABILITY

1.1 PART A — PER ERROR

1.1.1 The limit of liability stated in Declaration 6 shall be the maximum amount payable under Part A of this policy for all **damages, claims expenses** and deductibles for all **claims** arising out of an **error**.

1.1.2 If a **claim** or potential **claim** is reported to us by or on behalf of any **Covered Party** during the **policy period**, all additional **claims** or potential **claims** reported subsequently that arise out of the same **error** shall be:

- (a) part of the **claim** or potential **claim** first made and reported to us; and
- (b) deemed to be reported within this **policy period**;

and all such **claims** or potential **claims** shall be subject to the terms of this policy and to the one limit of liability applicable to the **claim** or potential **claim** first reported.

1.2 PART A — ANNUAL AGGREGATE

1.2.1 The limit of liability stated in Declaration 6 is the maximum amount payable under Part A of this policy on behalf of each **individual Covered Party**, including all related **additional Covered Parties**, for all **damages, claims expenses** and deductibles arising out of all **claims** and potential **claims** first reported during the **policy period**.

1.2.2 All payments of **damages, claims expenses** and deductibles under Part A or Part C reduce the limits of our liability stated in Declaration 6.

1.3 PART A — MULTIPLE INSUREDS, CLAIMS OR CLAIMANTS

Notwithstanding any other provision of this policy, one or more **claims** resulting from an **error** shall be subject to one limit of liability and shall not increase our limits of liability regardless of whether the **error** is made by more than one **Covered Party** or by **Covered Party(ies)** acting in more than one capacity and regardless of whether the **claims** are made against more than one **Covered Party** or made by more than one **claimant**.

1.4 PART B — PER CLAIMANT AND ERROR

1.4.1 The limit of liability stated in Declaration 6 or, if Condition 1.4.3 applies, then as stated there, shall be the maximum amount payable under Part B of this policy for all **damages** for all **claims** by a **claimant** arising out of an **error** or **related errors**.

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1.4.2 If a **claim** or potential **claim** is reported to us by or on behalf of any **Covered Party** during the **policy period**, all additional **claims** or potential **claims** reported subsequently that arise out of the same **error** or **related errors** shall be:

- (a) part of the **claim** or potential **claim** first made and reported to us; and
- (b) deemed to be reported within this **policy period**;

and all such **claims** or potential **claims** shall be subject to the terms of this policy and to the limit of liability stated in Declaration 6 or, if Condition 1.4.3 applies, then as stated there, applicable to the **claim** or potential **claim** first reported.

1.4.3 If the **error** or **related errors** arise out of either your temporary practice in or with respect to the law of a **Reciprocal Jurisdiction** of which you are not a member, or your practice as a Canadian legal advisor member of the Barreau du Québec, the limit of liability stated in Declaration 6 shall be \$250,000, and Conditions 1.4.1, 1.4.2 and 1.5 shall be read as if the amount in Declaration 6 was \$250,000.

1.5 PART B — MULTIPLE COVERED PARTIES, CLAIMS, CLAIMANTS OR ERRORS

One or more **claims**, resulting from an **error** or **related errors** made by one or more **Covered Parties**, made against one or more **Covered Parties** by a **claimant** or by **related claimants**, shall be subject to the one limit of liability stated in Declaration 6 or, if Condition 1.4.3 applies, then as stated there. In no case will the limit of coverage for an **error** or **related errors** exceed the limit set out in Declaration 6.

1.6 PART B — INTER-JURISDICTIONAL PRACTICE ANNUAL AGGREGATE

The limit of liability that is the maximum amount payable under Part B of this policy on behalf of each **individual Covered Party**, including all related **additional Covered Parties**, for all **damages** arising out of all **claims** and potential **claims** first reported during the **policy period** arising out of either your temporary practice in or with respect to the law of a **Reciprocal Jurisdiction** of which you are not a member, or your practice as a Canadian legal advisor member of the Barreau du Québec, is \$2,000,000. This limit shall be a sublimit to the Profession-Wide Annual Aggregate Limit set out in Declaration 6 and Condition 1.7.

1.7 PART B — PROFESSION-WIDE ANNUAL AGGREGATE

1.7.1 The limit of liability stated in Declaration 6 is the maximum amount payable under this policy for the **policy period** on an aggregate basis for all **Covered Parties** covered by Part B of this policy. For clarity, all **Covered Parties** covered by Part B of this policy means all present and former **members** of the **Law Society**. All payments by us of **damages** and **claims expenses** arising out of all **claims** and potential **claims** first reported during the **policy period** reduce the Profession-Wide Aggregate Limit for that **policy period** in the amount of the payments.

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1.7.2 The **individual Covered Parties** and **innocent Covered Parties** agree that we may make payments of **damages** and **claims expenses** in reduction of the Profession-Wide Aggregate Limit, even though such payments will reduce or eliminate the limit otherwise available to **individual Covered Parties** or **innocent Covered Parties** for the **policy period**.

1.8 PART C — PER ERROR

1.8.1 The limit of liability stated in Declaration 6 shall be the maximum amount payable under Part C of this policy for all **damages, claims expenses** and deductibles for all **claims** arising out of an **error**.

1.8.2 If a **claim** or potential **claim** is reported to us by or on behalf of any **Covered Party** during the **policy period**, all additional **claims** or potential **claims** reported subsequently that arise out of the same **error** shall be:

- (a) part of the **claim** or potential **claim** first made and reported to us; and
- (b) deemed to be reported within this **policy period**;

and all such **claims** or potential **claims** shall be subject to the terms of this policy and to the one limit of liability applicable to the **claim** or potential **claim** first reported.

1.9 PART C — ANNUAL AGGREGATE

1.9.1 The limit of liability stated in Declaration 6, a sublimit to the Part A Annual Aggregate limit stated in Declaration 6, is the maximum amount payable under Part C of this policy on behalf of each **individual Covered Party**, including all related **additional Covered Parties**, for all **damages, claims expenses** and deductibles arising out of all **claims** and potential **claims** first reported during the **policy period**.

1.9.2 All payments of **damages, claims expenses** and deductibles reduce the limits of our liability stated in Declaration 6.

1.10 PART C — LAW FIRM ANNUAL AGGREGATE

The limit of liability stated in Declaration 6 is the maximum amount payable under this Part C of this policy for the **policy period** on an aggregate basis for all **Covered Parties** who, at the time of the **error**, were at the same **law firm**, for all **damages, claims expenses** and deductibles arising out of all **claims** and potential **claims** first reported during the **policy period**.

1.11 PART C — MULTIPLE COVERED PARTIES, CLAIMS OR CLAIMANTS

Notwithstanding any other provision of this policy, one or more **claims** resulting from an **error** shall be subject to one limit of liability and shall not increase our limits of liability regardless of whether the **error** is made by more than one **Covered Party** or by **Covered**

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Party(ies) acting in more than one capacity and regardless of whether the **claims** are made against more than one **Covered Party** or made by more than one **claimant**.

1.12 PART C — PROFESSION-WIDE ANNUAL AGGREGATE

1.12.1 The limit of liability stated in Declaration 6 is the maximum amount payable under this policy for the **policy period** on an aggregate basis for all **Covered Parties** covered by Part C of this policy. For clarity, all **Covered Parties** covered by Part C of this policy means all present and former **members** of the **Law Society**. All payments by us of **damages** and **claims expenses** arising out of all **claims** and potential **claims** first reported during the **policy period** reduce the Profession-Wide Aggregate Limit for that **policy period** in the amount of the payments.

1.12.2 The **individual Covered Parties** and **additional Covered Parties** agree that we may make payments of **damages** and **claims expenses** in reduction of the Profession-Wide Aggregate Limit, even though such payments will reduce or eliminate the limit otherwise available to **individual Covered Parties** or **additional Covered Parties** for the **policy period**.

1.13 OBLIGATION TO PAY PART C

We shall not be obliged to pay any **damages** or **claims expenses**, or to undertake or continue the defence of any proceeding until you have complied with your obligation to eliminate a trust shortage under Rule 3-74 (1) of the **Law Society** Rules.

1.14 PRIORITY OF PAYMENTS

All **claims expenses** will be subtracted first from the applicable limit of our liability, with the remainder being the amount available to pay **damages**, subject to deductibles.

1.15 EXHAUSTION OF LIMITS

We shall not be obliged to pay any **damages** or **claims expenses**, or to undertake or continue the defence of any proceeding after the applicable limit of our liability has been exhausted by payment of **damages**, **claims expenses** and deductibles or after deposit of the balance of the applicable limit of our liability in a court of competent jurisdiction. In such a case, we shall have the right to withdraw from the further defence by tendering control of the defence to you.

2. DEDUCTIBLES

2.1 If **damages** are payable pursuant to Part A of this policy, you will pay the deductible stated in Declaration 6.

2.2 If **damages** or **claims expenses** are paid pursuant to Part B of this policy, no deductible will be paid by you.

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- 2.3 If **damages** or **claims expenses** are payable pursuant to Part C of this policy, you will pay the deductible stated in Declaration 6 reduced by the amount you are legally obligated to pay and have paid a savings institution to satisfy any overdraft created in the **trust account**.
- 2.4 Our obligation to pay **damages** applies only to **damages** in excess of the deductible and we shall be liable only for the difference between the deductible and the limit of liability.
- 2.5 When one or more **claims** arising out of an **error** are made jointly or severally against two or more **law firms** or **individual Covered Parties** at separate **law firms**, the deductible will apply separately to each **law firm**.
- 2.6 All of the terms and conditions of this policy apply notwithstanding the amount of the **claim**, potential **claim** or **damages** may be less than the deductible stated in Declaration 6.
- 2.7 If we request, you will make direct payments for **claims** or potential **claims** within the deductible to us or to other parties.

3. REIMBURSEMENT

- 3.1 **Damages** or **claims expenses** may be paid in excess of the limit of liability or within the deductible and you will repay such amounts to us on demand.
- 3.2 If you are not entitled to coverage for a **claim** or any part of a **claim** because of any exclusion, breach of a condition, or any other term of this policy and **damages** or **claims expenses** are paid on behalf of you or any other **Covered Party** pursuant to this policy, you will reimburse us for all such amounts on demand.
- 3.3 If you are engaged in **unauthorized practice** and a **claim** or any part of a **claim** that falls within Part A or C of this policy relates to the **unauthorized practice**, and **damages** or **claims expenses** are paid on behalf of you or any other **Covered Party** pursuant to this policy, the **individual Covered Party** will reimburse us for all such amounts on demand.
- 3.4 If **damages** or **claims expenses** are paid on behalf of you or any other **Covered Party** pursuant to Part B of this policy:
 - 3.4.1 the **individual Covered Party** will reimburse us for all such amounts on demand; and
 - 3.4.2 if any other **Covered Party** received a benefit from the **error**, that **Covered Party** will reimburse us on demand for the portion of the **damages** paid that is commensurate with the amount of the benefit.
- 3.5 In relation to Conditions 3.1, 3.2, 3.3 and 3.4:
 - 3.5.1 if payments are made on behalf of two or more of you, your liability to us will be joint and several; and
 - 3.5.2 the timing of any demand made shall be in our sole discretion.

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4. NOTICE OF CLAIM OR SUIT

- 4.1 If you become aware of an **error** or any circumstance which could reasonably be expected to be the basis of a **claim**, however unmeritorious, you will give written notice immediately, along with the fullest information obtainable, during the **policy period** to:

Lawyers Indemnity Fund
8th Floor, 845 Cambie Street
Vancouver, BC V6B 4Z9
Attention: Claims Manager

Fax: 604-682-5842
Email: LIFclaims@lsbc.org

Such notice is necessary to settle, or defend, any **claim** or anticipated **claim** against you which may be covered under this policy.

- 4.2 If a **claim** is made or suit is brought against you, you will forward immediately to us every demand, notice of civil claim or other process with the fullest information obtainable.
- 4.3 We may deem notice of an **error**, **claim** or potential **claim** given by a third party to be notice given by you.

5. ASSISTANCE AND COOPERATION

- 5.1 You will cooperate with us and with any counsel we retain and assist us in investigating coverage for and the facts and circumstances of **claims** and potential **claims**, in efforts to repair **errors**, in making settlements and in the conduct of suits. Upon request, you will also:
- 5.1.1 give written statements, information and documents to and meet with us or any counsel we retain for the purpose of determining or reviewing coverage;
 - 5.1.2 provide information and documents as necessary to investigate and defend any **claim** or potential **claim**;
 - 5.1.3 submit to examination and interview by us or any counsel we retain, under oath if we request;
 - 5.1.4 attend hearings, examinations for discovery and trial;
 - 5.1.5 assist in securing and giving evidence, including obtaining the attendance of witnesses in the conduct of suits; and
 - 5.1.6 assist in effecting all rights of indemnity, contribution or apportionment available to you or us;

all without cost to us.

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- 5.2 You will notify us immediately of any settlement offer made on any **claim** or potential **claim**.
- 5.3 You will not, except at your own cost, admit liability, make any payment, settle a **claim** or potential **claim**, assume any obligation, directly or indirectly assist in making or proving a **claim** against you, take any other action that might prejudice our ability to avoid or minimize any **damages**, agree to arbitration or any similar means of resolution of any dispute, waive any rights or incur any expenses without our prior written consent.
- 5.4 We shall keep any information that you provide us confidential in accordance with the **Confidentiality Protocol**. You consent to any permitted disclosure, and agree that such disclosure does not constitute a waiver of privilege with respect to any third parties or, if it does, constitutes a limited waiver of privilege only for the purpose for which it is disclosed.

6. INNOCENT ADDITIONAL COVERED PARTY

- 6.1 Whenever coverage under Part A of this policy would be excluded, suspended or lost because of:

6.1.1 the application of Exclusion 1 or 2 to you; or

6.1.2 the failure to give timely notice in accordance with Part A 3 or Condition 4;

we shall cover each **additional Covered Party** who did not personally commit, participate in committing, acquiesce in or remain passive after having personal knowledge of the act or **error** which is the subject of the Exclusion or the breach of Part A 3 or Condition 4, and provided that those **additional Covered Parties** who are entitled to the benefit of this Condition comply with all conditions promptly and were **members** or **MDP partners** at the time of the act or **error**.

- 6.2 Condition 6.1 does not apply if the act or **error** which is the subject of Exclusion 1 or 2 is an **error** for the purposes of Part B of this policy.

- 6.3 Where Exclusion 6.2 applies to a **claim** because, individually or collectively, directly or indirectly, the acquisition by you or your **family** of effective management or control or beneficial ownership greater than 10% of an **organization**:

6.3.1 occurred after the time of the **error**; and

6.3.2 was not related in any way to the legal services giving rise to the **error**;

then, pursuant to the terms of this policy, we shall cover your partners who were **members** at the time of the **error**, or the **law firm** employing you (excluding any **law corporation** wholly owned by you or your **family**) at the time of the **error**.

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7. CONFLICTS

Any duty that we may have to defend or indemnify you shall not give rise to an obligation on our part to pay any cost you may incur in relation to:

- 7.1 a dispute arising out of or in connection with this policy or the breach thereof; or
- 7.2 any other actual or potential conflict between us.

You agree that you are solely responsible for any such cost without recourse to us.

8. ARBITRATION OR MEDIATION

We shall be entitled to exercise all your rights in the choice of arbitrators or mediators and in the conduct of any arbitration or mediation proceeding involving a **claim** covered by this policy.

9. OTHER COVERAGE OR RECOURSE

- 9.1 With respect to Part A, this indemnification policy is excess and we will not pay any **claim, damages or claims expenses** until any other valid and collectible insurance, or right of indemnity, whether primary, excess, contributing, contingent or otherwise, except for insurance that is specifically arranged to pay amounts in excess of the limits of liability provided by this policy, is exhausted.
- 9.2 With respect to Part B, and to further clarify the intent and effect of the definition of **damages** under Part B, if the **Insured, claimant** or any other party at interest in any loss covered by Part B of this policy has any bond, right of indemnity, insurance or recourse to any other source of recovery including set-offs whether legal or equitable, which would cover such loss in whole or in part in the absence of this policy, this policy shall be null and void to the extent of the amount of such other bond, right of indemnity, insurance or recourse to any other source of recovery including set-offs whether legal or equitable; but this policy shall cover such loss, subject to its exclusions, conditions and other terms, only to the extent of the amount of such loss in excess of the amount of such other bond, right of indemnity, insurance or recourse to any other source of recovery including set-offs whether legal or equitable.
- 9.3 With respect to Part C, and to further clarify the intent and effect of the definition of **damages** under Part C, if other valid insurance, collectible bond, right of indemnity or recourse to any other source of recovery exists and protects the **individual Covered Party** or any other **Covered Party** entitled to protection from liability under this policy, other than insurance specifically arranged to pay amounts in excess of the limits of liability provided by this policy, this policy shall be null and void in respect of such hazards that are otherwise covered by the other valid coverage, whether the **Covered Party** is specifically named in that coverage or not. However, if the loss exceeds the collective limits of all other valid coverage, whether primary, contributing, excess, contingent or on any other basis at law or in equity, then this policy shall apply as excess, subject to the terms and conditions of this policy including limits and deductibles, and we will not pay any **claim, damages or claims expenses** until such other valid coverage is exhausted.

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9.4 If any **Covered Party** has lawyers professional liability insurance or indemnification coverage (other than insurance specifically arranged to pay amounts in excess of the limits of liability provided by this or any other Canadian jurisdiction's policy) under another Canadian jurisdiction's policy (or Canadian jurisdictions' policies) that applies to a **claim** covered by this policy, the total amount of insurance or indemnity provided under these policies, together, will not exceed the total value of the **claim** or the most that is available under either (any one) of these policies alone, whichever is less. The decision as to which of these policies shall respond, or as to any allocation between (or amongst) the policies, shall be made by us together with the other Canadian jurisdiction, and you agree to be bound by the decision. For clarity, a **Reciprocal Jurisdiction** is also a Canadian jurisdiction.

10. PROCEEDINGS AGAINST US

10.1 No proceeding will lie against us unless, as a condition precedent, you have complied with all the terms of this policy, and until the amount of your obligation to pay has been finally determined either by judgment against you after actual trial or by binding arbitration ruling or by written agreement between you, the **claimant** and us. Neither you nor any other person shall have any right to join us in any proceeding against you.

10.2 All disputes arising out of or in connection with this policy or the breach thereof, except in relation to reimbursement as provided in Condition 3, and the allocation of **claims expenses** under Part A 2.4 shall be determined by arbitration in Vancouver, British Columbia, before a single arbitrator. You agree to keep all communications, meetings, evidence, materials and hearings relating to the arbitration, and any reasons or award arising from the arbitration, strictly confidential unless we agree otherwise or disclosure is required by law.

11. INSOLVENCY, BANKRUPTCY, INCAPACITY OR DEATH

Your insolvency, bankruptcy, incapacity or death will not relieve us or you or your estate of any of our respective obligations under this policy.

12. SUBROGATION

In the event of any payment under this policy, we shall be subrogated to all your rights of recovery against any person or **organization** and you will do whatever is necessary to secure such rights. You will do nothing after loss to prejudice such rights, and shall reasonably cooperate with us.

13. CHANGES

Nothing will effect a waiver or a change in any part of this policy or estop us from asserting any right under this policy, nor will the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by our authorized officer.

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14. ASSIGNMENT

Your interest in this policy is not assignable.

15. RELEASE OF COVERAGE

We may, in our sole discretion, agree to allow you to assume all of our responsibilities and obligations under this policy and in so doing you shall release us from all such responsibilities and obligations.

16. INDEMNITY FEE ADJUSTMENT

16.1 If you become indemnified during the **policy period**, the indemnity fee payable will be determined by the **Law Society** and us on a *pro rata* basis.

16.2 If, during the **policy period**, you cease to be a **member** or you are exempted from this compulsory professional liability indemnification plan, the indemnity fee will be adjusted by the **Law Society** and us on a *pro rata* basis.

16.3 If you are suspended or disbarred, the indemnity fee will be deemed to be fully earned and will not be the subject of adjustment.

17. CANCELLATION OF POLICY

17.1 This policy may be cancelled by the **Law Society** on your behalf by giving us written notice stating when after the notice the cancellation shall be effective.

17.2 This policy may be cancelled by us by giving the **Law Society** not less than 30 days written notice of such cancellation.

17.3 If we cancel this policy, earned indemnity fees will be computed on a *pro rata* basis.

18. APPLICABLE LAW

This policy, and any dispute arising out of or in connection with it or the breach thereof, will be exclusively governed by and interpreted in accordance with the laws of British Columbia and any applicable federal laws of Canada and, in the event any dispute is not governed by Condition 10.2 of this policy, it shall be submitted to and be subject to the exclusive jurisdiction of the Courts of British Columbia in Vancouver, British Columbia.

19. CURRENCY

The deductibles and limits are expressed in Canadian currency.

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20. TERRITORY

This policy applies to **errors** occurring anywhere in the world.

IN WITNESS WHEREOF, we have caused this policy to be executed.

LSBC Captive Insurance Company Ltd.



Susan I. Forbes, QC, Secretary