

Information

The Law Society
of British Columbia



Withdrawal from Practice and Termination of Membership

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In what ways can membership in the Law Society be terminated?

Membership in the Law Society terminates on:

- written notice of resignation;
- judicial appointment; or
- failing to pay the annual membership fee by December 31 of any given year.

On termination of membership in the Law Society, a lawyer does not have the authority to practise law as defined in section 1 of the *Legal Profession Act* and does not retain any other rights of membership, including the right to run for Bencher election, vote in Bencher elections or in general meetings or receive Law Society publications.

How do I terminate my membership?

To terminate your membership, you should submit the reporting form Termination of Membership.

If you have paid membership and/or insurance fees for the current year, you may be eligible to receive a prorated refund of those fees.

What steps do I need to take to withdraw from practice?

Terminating your membership may trigger Law Society Rules 3-79 and 3-87 with regard to trust reports, disposition of files, trust monies and other documents and valuables. Please read these Rules to determine whether you will be required to take any steps prior to terminating your membership.

The Practice Support section of the Law Society website at lawsociety.bc.ca includes resources to assist in the process of withdrawing from practice, including:

- Winding up a Firm: A Checklist;
- Winding up a Sole Practice: A Checklist; and
- Withdrawal from the Practice of Law: sample newspaper notice and letter to clients.

What happens to my insurance coverage after I leave private practice?

Members continue to be covered under the Law Society's compulsory professional liability policy, free of charge, for future claims covered by the policy arising from errors or alleged errors related to professional services rendered while they were insured.

This continuation applies only to the group compulsory professional liability policy. For continuation of any excess insurance, please check your excess policy to determine whether you will continue to be covered. Further, this continuation applies only to professional services rendered by you while you were insured. It will not respond to claims arising from any further activities in which you may engage.

After terminating my membership, what steps would I need to take to return to practice?

Former members wishing to return to practice must apply to reinstate their membership in the Law Society. An applicant for reinstatement must satisfy the criteria of good character and repute and fitness pursuant to section 19(1) of the *Legal Profession Act*. Law Society Rules 2-85 to 2-87 set out the framework for an application for reinstatement.

If you wish to return to practice following reinstatement, you will be subject to the Law Society's returning to practice rules. The conditions of returning to practice vary depending on the length of time you have been engaged in the practice of law and the period of time you have been absent from practice. See the information sheets *Reinstatement of Membership* and *Returning to Practice* for more information on reinstatement and conditions upon return to practice.

The reinstatement application fee is \$435.75 (\$415, plus GST). As the non-practising annual fee and application fee total \$403.20, non-practising membership is a more economical option than terminating your membership if you plan on returning to practice within a year. If you wish to change your status from practising to non-practising rather than terminating your membership, see the information sheet *Non-Practising Membership*.

How can I obtain more information?

If you have any questions about termination of membership, please contact:

Member Services
Law Society of British Columbia
8th Floor, 845 Cambie Street
Vancouver, BC V6B 4Z9

Tel.: 604.605.5311
BC Toll-free: 1.800.903.5300
Fax: 604.687.0135
Email: memberinfo@lsbc.org

The information in this package is based on the Law Society Rules as they exist at this time. You must comply with the Rules that are in effect at the time you apply and with any changes in the Rules that may occur while you

are in the process of terminating your membership. If you have any questions about termination of membership, contact a Member Services Representative at the Law Society of British Columbia.

LAW SOCIETY RULES

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 liability insurance*] from the requirement to maintain professional liability insurance and pay the insurance 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.

[(1), (3) and (5) amended effective 08/03; heading, (1) and (3) to (5) amended 12/03; (1) and (4) amended, (6) added 02/06]

Disposition of files, trust money and other documents and valuables

- 3-87** (1) Before leaving a firm in British Columbia, a lawyer must advise the Executive Director in writing of his or her intended disposition of all of the following that relate to the lawyer's practice in British Columbia and are in the lawyer's possession or power:
- (a) open and closed files;
 - (b) wills and wills indices;
 - (c) titles and other important documents and records;
 - (d) other valuables;
 - (e) trust accounts and trust funds;
 - (f) fiduciary property.
- (2) Within 30 days after withdrawing from the practice of law in British Columbia, a lawyer or former lawyer must confirm to the Executive Director in writing that
- (a) the documents and property referred to in subrule (1) (a) to (d) have been disposed of, and any way in which the disposition differs from that reported under subrule (1),
 - (b) all trust accounts referred to in subrule (1) (e) have been closed and that
 - (i) all the balances have been
 - (A) remitted to the clients or other persons on whose behalf they were held,
 - (B) transferred to another lawyer with written instructions concerning the conditions attaching to them, or
 - (C) paid to the Society under Rule 3-89 [*Payment of unclaimed trust money to the Society*], and
 - (ii) any net interest earned on a pooled trust account has been remitted to the Foundation in accordance with this division, and
 - (c) the lawyer or former lawyer has notified all clients and other persons for whom the lawyer is or potentially may become a personal representative, executor or trustee regarding the lawyer or former lawyer's withdrawal from practice and any change in his or her membership status.
- (3) A law corporation must confirm to the Executive Director as required under subrule (2) within 30 days of

- (a) cancellation of its permit under Part 9 [*Incorporation and Limited Liability Partnerships*], and
 - (b) ceasing to provide legal services.
- (4) The Executive Director may, on application in writing by the lawyer, former lawyer or law corporation, extend the time limit referred to in subrule (1), (2) or (3) or, if in the opinion of the Executive Director it is in the public interest, relieve the lawyer, former lawyer or law corporation of any of the requirements of those subrules.
- (5) On an enquiry, the Executive Director may disclose information collected under this Rule if satisfied that
- (a) the person enquiring has a bona fide reason to obtain the information, and
 - (b) disclosure of the information would not be an unreasonable invasion of anyone's privacy.

[(2) and (3) amended, (2.1) added, (4) rescinded 12/03; (2) amended 02/06]