

## New client identification and verification rules for law firms

The Law Society of Alberta is imposing new rules on lawyers in response to the federal government's request to the Federation of Law Societies of Canada that all law societies across the country introduce new regulations for lawyers to combat the risk that lawyers' trust accounts may be used for money laundering and terrorist financing.

The Law Society of Alberta's new rules for lawyers have been adopted from the rules developed by the Federation of Law Societies of Canada. Similar rules have been or are in the course of being adopted by law societies across Canada.

Effective December 31, 2008, all lawyers are therefore required to collect basic client identification information for all new matters. This rule applies notwithstanding that we may already have a long-standing solicitor-client relationship. For new matters where our clients are using our firm's services to receive, pay or transfer monies, securities, negotiable instruments, or other financial instruments, we are required to go further and verify client identity by collecting and retaining certain documentation for verification purposes.

### REQUIRED BASIC CLIENT IDENTIFICATION INFORMATION

For existing clients of Parlee McLaws LLP, we likely have much of the required basic

identification information. However, we may contact you to confirm some or all of the required information, or to obtain information that we do not have.

Lawyers are required to record the following basic identification information:

#### *A. For an individual*

- Full name
- Home address
- Home telephone number
- Occupation
- Business address (if applicable)
- Business telephone number (if applicable)

#### *B. For an organization*

- Full name
- Business address
- Business telephone number
- Client incorporation number or business identification number and place of issue
- Nature of business or activity
- Full name, position, and contact information for any individual authorized to give instructions with respect to a matter for which one of our lawyers is retained

### CLIENT VERIFICATION

For matters when a lawyer receives, pays or transfers money, securities, negotiable instruments, or other financial instruments, or gives instructions for such activities on behalf of a client, we may be required to verify our client's identity by obtaining and retaining

copies of additional information, such as a passport or driver's license.

The information needed will vary depending on the nature of the matter that requires client verification. Our lawyers may be required to ask you about your organization's ownership as well as information related to the directors and controlling shareholders. We will outline what information is needed and work with you throughout the verification process to minimize the impact on you and your business.

#### **SECURITY, CONFIDENTIALITY, AND RETENTION OF CLIENT INFORMATION**

All client identification and verification information will be kept in strictest confidence and in a secure database on premises at Parlee McLaws LLP.

The Law Society of Alberta may however request client information for the purpose of ensuring compliance with its rules.

We are required to retain identification and verification information (where verification is necessary) for the longer of (1) the duration of the lawyer and client relationship and for as long as is necessary for the purpose of providing service to the client, and (2) a period of at least six years following the completion of work for which a lawyer was retained.

Please contact one of our lawyers if you have questions or concerns about the new rules requiring client identification or verification.

We thank you in advance for your cooperation and assistance in helping us respond to these new regulations.

Detailed information on the new client identification and verification rules can be found on the Law Society of Alberta's Web site at <http://www.lawsocietyalberta.com/lawyerservices/ClientIDVerification.cfm>