PART 13

Accounting

A. Definitions

Definitions

900. In this Part,

"auditor or investigator" means a person designated to investigate, inspect or audit the accounts, books and records of a firm in accordance with Section 10(t) of the *Act*;

"books of original entry" means books or journals recording in chronological order the full details of all trust and general transactions including but not limited to receipts, payments and transfers between individual client trust ledgers. All books of original entry and supporting documents must be maintained in ink or other permanent form;

"cash" means coins referred to in section 7 of the *Currency Act*, and notes issued by the Bank of Canada pursuant to the *Bank of Canada Act*, that are intended for circulation in Canada and coins or bank notes of countries other than Canada;

"client" includes a person, corporate body or other legal entity on whose behalf the firm has been retained to provide legal services;

"cooperate" includes but is not limited to a firm and its members:

(a) producing immediately and permitting the copying of all records and supporting documentation, including client files;
(b) answering all questions satisfactorily; and
(c) providing all information and explanations in paper or electronic form as requested by the auditor.

"currency" includes current coins, government or bank notes of Canada or any other country;

"double entry" basis of accounting means a system of accounting in which every transaction has a corresponding positive and negative entry (debit and credit);

"firm" means any of the following organizations of members that provides legal services to the public:

(a) a sole proprietorship;
(b) a partnership;
(c) a corporation, or a partnership or association of corporations;
(d) two or more members holding themselves out as practicing in association;
(e) any other business entity;

but does not include any entity that receives all or substantially all of its funding from the Government of Saskatchewan.

"fiscal period" means the time period, not exceeding 12 months without the written approval of the Law Society, for which the accounts of a firm have been or ordinarily are made up;

"financial institution" means:

(a) the Bank of Canada;
(b) a bank included in Schedule I or II to the *Bank Act* (Canada) which is insured by the Canada Deposit Insurance Corporation;
(c) a credit union incorporated, continued or registered under the *Credit Union Act, 1985*; or
(d) a trust company which:
    (i) is incorporated under the *Trust Companies Act* (Canada); or
    (ii) has net assets in excess of $10,000,000.

"funds" means cash, currency, securities and negotiable instruments or other financial instruments that indicate the person's title or interest in them;

"general account" means an account other than a trust account opened with a financial institution maintained by a firm into which is deposited only funds received by the firm in connection with the practice of law, which are not trust funds. Payments from this account may be made only for expenditures directly related to the operation of the firm or to the member's personal account;

"member" means an active member as defined in Part 7 of these Rules or a person entitled to practice law in Saskatchewan in accordance with mobility provisions set out in Part 7A of these Rules;

"money" includes cash, cheques, drafts, credit card sales slips, post office orders and express and bank money orders and any other financial or negotiable instruments;
"pooled trust account" means an interest-bearing chequing account opened at a financial institution by a firm into which money received is deposited or held for the benefit of a number of clients as referred to in section 78(1) of the *Act*;
"public body" means:

(a) a department or agent of Her Majesty in right of Canada or of a province;
(b) an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body or an agent of any of them; or
(c) an organization that operates a public hospital and that is designated by the Minister of National Revenue as a hospital under the *Excise Tax Act* or an agent of the organization.

"separate interest bearing account" ("SIBA") means an interest-bearing account opened by a firm in trust for a specific client at a financial institution, which account must be a savings account, a term deposit, a guaranteed investment certificate, or a Government of Canada Treasury Bill purchased with trust money through a financial institution;
"signature" as it relates to trust cheques and trust withdrawals in this Part means the member's original signature in ink and may not be in electronic form;
"trust funds" means any monies received by a member in his/her capacity as a lawyer, which are not intended to immediately become property of the member and include:

(a) funds from a client for services to be performed or for disbursements to be made on behalf of the client;
(b) funds which belong in part to a client and in part to the member, and it is not practicable to split the funds; or
(c) funds received from or held on behalf of a third party which relate to a transaction in which a client is involved, but does not include funds which are to be remitted to any government by way of taxes or employee payroll deductions.

"trust property" means any property of value received or held by a member in his/her capacity as a lawyer pursuant to trust conditions that belongs to a client or is received on a client's behalf, other than trust money, that can be negotiated or transferred by a member including but not limited to gems, jewelry, coins, etc.

B. Delegation and Accountability

Member Remains Personally Responsible

901. (1) A member who:

(a) is authorized by the firm through which the member practices law to open, maintain or deal with funds which are in a trust or general account; and/or
(b) delegates to another person any of the duties or responsibilities assigned to that member under this part;

remains personally responsible to ensure that those duties and responsibilities are carried out.

(2) A firm may maintain a trust or general account in the name of the firm, however, the individual members practicing through the firm, remain personally responsible to ensure compliance with these Rules.

[next rule is Rule 909]

C. Receipt of Trust Funds

Cash Transactions

909. (1) A member shall not receive or accept cash in an aggregate amount of $7,500 or more Canadian dollars in respect of any one client matter or transaction.

(2) For the purposes of this Rule, when a member receives or accepts cash in a foreign currency from a person the member shall be deemed to have received or accepted the cash converted into Canadian dollars at:

(a) the official conversion rate of the Bank of Canada for the foreign currency as published in the Bank of Canada's Daily Noon Rates that is in effect at the time the member receives or accepts the cash; or

(b) if the day on which the member receives or accepts cash is a holiday, the official conversion rate of the Bank of Canada in effect on the most recent business day preceding the day on which the member receives or accepts the cash.

(3) Subrule (1) applies when a member engages on behalf of a client or gives instructions on behalf of a client in respect of the following activities:

(a) receiving or paying funds;

(b) purchasing or selling securities, real properties or business assets or entities; or

(c) transferring funds by any means.

(4) Notwithstanding subrule (3), subrule (1) does not apply when the member receives cash:

(a) from a financial institution or public body;

(b) from a peace officer, law enforcement agency or other agent of the Crown acting in his or her official capacity;

(c) pursuant to a court order, or to pay a fine or penalty; or

(d) in an amount of $7,500 or more for professional fees including retainers, disbursements, expenses or for bail, provided that any refund of $1,000 or more out of such receipts is also made in cash. Every member who pays a cash refund pursuant to this subrule must obtain a signed acknowledgement of the payment from the person receiving the refund showing the date, amount, client name and/or client reference, file number if any, and name of the person who received the funds.

(5) Every member, in addition to existing financial recordkeeping requirements to record all money and other property received and disbursed in connection with the practice, shall maintain books of original entry identifying the method (i.e. cash, cheque, etc.) by which all monies are received.

(6) Every member who receives cash in excess of $500 for a client shall maintain, in addition to existing financial recordkeeping requirements, a book of duplicate receipts, with each receipt identifying the date on which cash is received, the person from whom cash is received, the amount of cash received, the client for whom cash is received, any file number in respect of which cash is received and containing the signature authorized by the member who receives the cash and of the person from whom cash is received. A member is not in breach of this Rule if a receipt is not signed by the person from whom the cash is received if the member makes reasonable efforts to obtain the signature of that person.

(7) The financial records described in subrules (5) and (6) shall be entered and posted so as to be current at all times.

(8) A firm shall keep the financial records described in subrules (5) and (6) for at least six years immediately preceding the firm's most recent fiscal year end in accordance with Rule 980.

Deposit of Trust Funds

910. (1) A member who receives trust money shall deposit the money into a pooled trust account of the law firm within 3 business days.

(2) Trust money may not be paid or transferred to any other person entity or account until subrule (1) has been complied with.

(3) Where a member who receives trust money participates in an arrangement with another firm to share space and/or certain common expenses but otherwise practices as an independent practitioner:

(a) the member must open his or her own trust account, in the name of his or her own firm; and

(b) the member must not deposit trust money into a trust account opened by any other firm without the written approval of the Executor Director other than in the course of providing legal services to a client.

If a member at the time this Rule comes into force participates in an arrangement whereby he or she uses another member's trust account, that member may apply to the Executive Director to continue to operate

in the current manner until such time as the Executive Director advises that this Rule must be complied with.

(4) A member who receives trust funds with written instructions as to where the funds are to be placed shall first place the funds into a pooled trust account and then place the funds in accordance with instructions received.

(5) A member may not hold or invest monies outside the Province of Saskatchewan on behalf of a client unless the member's primary practice is outside of Saskatchewan, and the trust funds are handled in accordance with the Rules of the Law Society of that province or territory and the monies are received pursuant to that practice.

(6) A law firm may receive trust and general receipts by credit or debit cards subject to the following conditions:

(a) trust receipts must be deposited, within 3 business days, directly into a trust account;

(b) general receipts must be deposited within 7 business days directly into a general account or may be deposited to a pooled trust account subject to the following conditions:

(i) the general portion of the receipt must be paid within 3 business days from the trust account to the general account;

(ii) the law firm shall maintain a trust ledger card recording the receipt and payout of the general receipts; and

(iii) the trust ledger card must distinguish the general receipts by client.

(c) the payor, client name, and file number must be recorded on the merchant slip;

(d) the word "Trust" must be recorded on the merchant slip for all trust receipts and the word "General" must be recorded on the merchant slip for all general receipts;

(e) the receipt must be recorded in the applicable trust or general journal and the merchant slip must be attached to the deposit slip and filed in chronological order; and

(f) all service charges and discounts, including those related to trust receipts, must be withdrawn from the law firm general account.

(7) A firm may receive money into its trust account electronically subject to the deposit of these monies being confirmed within 3 business days of receipt. This confirmation shall be prepared by the bank or the firm and shall include:

(a) the date monies are deposited into trust;

(b) the name of the financial institution;

(c) the account number into which these monies are deposited;

(d) information identifying the remitter of the funds;

(e) the client name and/or file number involved; and

(f) the signature or initial of the member or person authorized by the member confirming the deposit of monies received electronically into the firm's trust account.

This confirmation must be retained by the firm.

(8) Members may deposit trust and general receipts using automated teller machines (ATMs) but only subject to the following conditions:

(a) ATM cards for trust accounts must be restricted to deposit only;

(b) trust receipts must be deposited directly into a pooled trust account of the firm;

(c) unless received by credit or debit card and handled in accordance with subrule (6), general receipts must be deposited directly into a general account of the firm; and

(d) the payor, client name and file number, if applicable, must be recorded on all ATM slips.

The receipt must be recorded in the applicable trust or general journal and the ATM slip must be attached to a deposit slip and filed in chronological order.

(9) A member who receives trust funds which belong in part to a client and in part to the member shall:

(a) deposit the funds into a pooled trust account; and

(b) within 7 business days of receiving information that would enable the member to split the funds, withdraw the member's funds from the trust account.

(10) A member shall be permitted to handle his or her own legal transactions through a trust account as long as the money is handled in the normal course of a legal file and the money is paid out expeditiously when the matter is concluded.

(11) Active members whose primary practice is outside Saskatchewan are not required to hold trust monies in Saskatchewan, but they must comply with the trust accounting rules in the jurisdiction in which they practice.

(12) In this Rule:

(a) the cities of Lloydminster, Alberta, and Flin Flon, Manitoba, are deemed to be in Saskatchewan and the deposit of trust monies in a financial institution located in those two cities is deemed compliant with Rule 911 and Rule 913;

(b) Alberta or Manitoba credit unions located in Lloydminster, Alberta or Flin Flon, Manitoba, which are incorporated, continued or registered under the Alberta or Manitoba equivalent to *The Credit Union Act (1985)* are deemed to be financial institutions.

Pooled Trust Account

911. (1) A pooled trust account referred to in Rule 910 shall be in a financial institution in Saskatchewan, and shall be:

(a) an account which is readily available to be drawn upon by the member, and in respect of which the firm receives all bank statements, cancelled cheques or cheque images in a form approved by the Law Society, each month;

(b) an account in respect of which the financial institution has agreed with the firm to pay interest to the Law Foundation in accordance with subrule (2);

(c) kept in the name of the firm;

(d) designated as a "trust" account on the records of the financial institution and of the firm;

(e) an account for which online access is restricted to read or view only;

(f) an account which restricts bank card access to deposit and read or view only; and

(g) insured by the Canada Deposit Insurance Corporation or the Credit Union Deposit Guarantee Corporation.

(2) A firm that opens or maintains a pooled trust account shall:

(a) instruct each financial institution in writing to remit to the Law Foundation at least quarterly the interest earned on the account;

(b) instruct each financial institution in writing to remit to the Law Foundation any and all monetary benefits received on the account; and

(c) notify each financial institution in writing that the account is a trust account which will contain the funds of more than one client.

(3) Subject to subrule (4) and Rules 910(9) and 972(1), a member firm shall not deposit into or retain in a pooled trust account any funds which are not trust funds whether or not they were received by the firm in connection with its practice of law.

(4) A member shall pay out of his or her own funds any service fees, charges or discounts levied by the financial institution arising out of the operation of a pooled trust account, and for that purpose may direct that all such fees, charges or discounts be withdrawn from the firm's general account or the firm may maintain in each pooled trust account an amount up to $300 of the firm's own funds, or greater, if approved in writing by the Executive Director to meet reasonably anticipated service fees, charges or discounts.

Approval of Trust Accounting Software Required

912. Accounting software used by a firm to account for trust monies received, retained and/or paid out by the firm must be approved in writing by the Executive Director prior to installation.

SIBAs

913. (1) A member, after first depositing trust money into a pooled trust account, may transfer those trust monies into a SIBA held in trust for the client if the SIBA is opened in the name of the firm.

(2) The name of the bank account on the bank's records and the firm's records referred to in subrule (1) shall include a reference to the specific client, and unless otherwise directed in writing by the client, be insured by the Canada Deposit Insurance Corporation or the Credit Union Deposit Guarantee Corporation.

(3) A member who opens or maintains a SIBA shall instruct the financial institution in writing to deposit into the account when due the interest earned on the account.

(4) The SIBA must be recorded in the firm's trust records and interest earned on a SIBA shall be credited to the client's trust ledger account no later than 30 days after being paid into or added to the SIBA balance by the financial institution.

(5) Trust funds for deposit to a SIBA shall be deposited into a pooled trust account of the firm before any payment to the SIBA.

(6) Trust funds may be transferred to a SIBA in accordance with Rule 943. Otherwise, a trust cheque must be written in accordance with Rule 942(1).

(7) Trust funds withdrawn from a SIBA shall only be transferred to a pooled trust account of the firm in the same financial institution before being paid out. Trust funds withdrawn from a SIBA in a different financial institution than the firm's pooled trust account must only be paid to the firm's pooled trust account.

(8) Subject to Rule 972(1), a member shall not deposit into or retain in a SIBA any funds which are not trust funds.

[next rule is Rule 920]

D. Receipt of Non-Trust Funds

Funds Which May be Deposited into a Member's General Account

920. Except as provided for in Rule 910(6)(b), a member shall deposit into a general account all and only those funds received in connection with the member's practice of law, which are not trust funds. A firm must maintain at least one general account.

Transactions Which Must be Recorded in Non-Trust Books and Records

921. (1) A member shall record in the firm's non-trust books, records and accounts:

(a) funds received from the practice of law which belong entirely to the member or to other persons associated with the member in the practice of law;

(b) funds received by the member on account of fees for services already performed; and

(c) funds received to reimburse the member for disbursements already made or expenses already incurred on behalf of a client.

(2) A member who receives funds under subrule (1) shall, within 3 business days, deliver an invoice to the client for the funds received, containing sufficient particulars to identify the services performed and/or disbursements incurred.

Non-Monetary Benefits from Use of Credit Cards

922. Non-monetary benefits from the use of credit cards for payment of disbursements on behalf of clients that do not result in increased charges to the client or decreased benefits to the client may accrue to and be used to the benefit of the firm.

[next rule is Rule 940]

E. Withdrawal of Funds from Trust

Circumstances When Withdrawal is Permitted

940. (1) A member shall not withdraw or authorize the withdrawal from a trust account of any trust funds unless the trust accounting records are current and there are sufficient funds held in that account to the credit of the client on whose behalf the funds are withdrawn, and:

(a) the funds are properly required for payment to or on behalf of a client or to satisfy a court order;
(b) the funds are properly payable to the member in respect of a liability of the client to the member for fees, disbursements or other expenses relating to the practice of law;
(c) the withdrawal is to correct a deposit which was mistakenly made to the account;
(d) the funds are being paid from one pooled trust account to another pooled trust account, to a SIBA in accordance with Rule 943, or to a pooled trust account in accordance with Rule 950;
(e) the funds are unclaimed trust funds which are being paid to the Law Society in accordance with Part 16 of these Rules;
(f) the withdrawal is in accordance with Rule 992; or
(g) the withdrawal is authorized in writing by the Executive Director.

(2) A member shall, as soon as practicable after becoming entitled to funds held in the member's trust account, withdraw those funds from trust.

(3) A member shall not pay any personal or general office expenses or costs from a trust bank account.

Withdrawal for Payment of Fees and Accounting to Client

941. (1) A member who withdraws or authorizes the withdrawal of trust funds under Rule 940(1)(b), where the liability of the client to the member is for fees earned by the member or disbursements paid by the member, must first prepare an invoice for those fees and/or disbursements or other expenses and, unless the client directs otherwise in writing, deliver the invoice or other written notification to the client prior to or within 3 days of the withdrawal.

(2) The invoice prepared in subrule (1) shall identify the amount of funds withdrawn from trust and applied against the amount of the bill.

(3) An invoice is delivered to the client within the meaning of subrule (1) if it is:

(a) mailed by regular or registered mail to the client at the client's last known address;
(b) delivered personally to the client;
(c) transmitted by electronic facsimile to the client at the client's last known electronic facsimile number;
(d) transmitted by electronic mail to the client at the client's last known electronic mail address; or
(e) made available to the client by other means agreed to in writing by the client.

(4) The member shall account to the client, in writing, for all trust funds received and disbursed at the conclusion of the matter or more frequently upon reasonable client request.

(5) A member must not charge or accept a fee or disbursement, including interest, unless it is fair and reasonable and the amount has been disclosed and invoiced to the client in a timely fashion.

(6) Payments may not be made from a trust account for the direct or indirect benefit of a member, his or her family members or other members of the firm other than for fees and/or disbursements relating to the practice of law.

(7) A member must not:

(a) pay a real estate commission before he or she is in a position to disburse the balance of the sale proceeds;
(b) lend commission advances to real estate brokers or agents; or
(c) enter into an arrangement with a real estate broker or agent that involves the broker or agent directing clients to the member in return for:
    (i) a portion of the fee paid by the client to the member; or
    (ii) a financial or other reward, direct or indirect.

Procedure for Withdrawing Funds from a Pooled Trust Account

942. (1) Subject to subrule (2) and Rule 913(6), a member who makes or authorizes the withdrawal or transfer of funds from a pooled trust account shall:

(a) effect the withdrawal or transfer by a consecutively numbered cheque marked “trust”;
(b) not make the cheque payable to “cash” or “bearer”;
(c) provide the client or file reference in the memo field of the cheque, on the cheque copy or the cheque stub;
(d) be dated, but not post-dated;
(e) be fully completed as to the payee and amount before being signed;
(f) ensure that the cheque is signed by at least one member; and
(g) not make transfers of trust money from one client’s account to another client’s account unless the member has obtained either:
    (i) the written authorization of the client from whose account the money is transferred; or
    (ii) the verbal authorization of the client from whose account the money is transferred, which authorization is subsequently confirmed in writing to the client by the member and the money is held in a pooled trust account in the same financial institution.

(2) Trust withdrawals must not be made by a bank draft except in exceptional circumstances and only with prior written approval of the Executor Director.

(3) If a withdrawal by a bank draft has been approved by the Executive Director under subrule (2), the member shall:

(a) obtain the recipient’s authorization to receive the funds in the form of a bank draft in writing;
(b) document the exceptional circumstances on the client’s file;
(c) retain the written approval provided under subrule (2) on the client’s file;
(d) purchase the bank draft only at a financial institution where the law firm has a pooled trust account;
(e) make the bank draft payable to the client or a payee approved in writing by the client; and
(f) maintain a copy of the bank draft and client approvals on the client’s file.

(4) Money may be electronically transferred by a firm subject to the following conditions:

(a) the withdrawal from trust must be greater than or equal to $25 million dollars;
(b) the transfer system used must be able to produce within one banking day of the transfer a confirmation from the financial institution showing the details on the transfer;
(c) the confirmation from the financial institution must be in hardcopy form and must contain the following details: date of transfer, source trust account information (account name, financial institution and account number), authorizing member reference and amount of the transfer;
(d) the member must complete a $25 Million Non-Cheque Transfer Requisition Form in Form T8;
(e) the requesting member and authorizing member sections of Form TA-8 must be signed and dated by an active member of the firm;
(f) the firm must obtain the confirmation from the financial institution and within two banking days an active member of the firm:
    (i) must write the name of the client and file number on the confirmation;
    (ii) must sign and date the confirmation;
    (iii) must agree the particulars from the confirmation to the $25 Million Non-Cheque Transfer Requisition Form;
    (iv) must verify that the money was properly transferred in accordance with the requisition; and
    (v) must sign and date the verifying lawyer section of Form TA-8.

(5) A member may make or authorize the withdrawal of funds from a pooled trust account by wire transfer provided all of the following conditions are met:

(a) the system will produce, not later than the next banking day, a confirmation form from the financial institution confirming the details of the transfer, which includes the following:
  (i) the date of the transfer;
  (ii) source trust account information, including account name, financial institution and account number;
  (iii) destination account information, including account name, financial institution, financial institution address and account number;
  (iv) the name of the member authorizing the transfer; and
  (v) amount of transfer.
(b) the member must:
  (i) complete and sign a requisition for the transfer in a form approved by the Executive Director;
  (ii) submit the original requisition to the appropriate financial institution;
  (iii) retain a copy of the requisition;
  (iv) obtain the confirmation referred to in subrule (a) from the financial institution;
  (v) retain a hard copy of the confirmation; and
  (vi) immediately on receipt of the confirmation, verify that the money was drawn from the trust account as specified in part (a) of the requisition.

(6) A member who withdraws or authorizes the withdrawal of trust funds for the payment of fees, disbursements or other expenses, must do so only on the basis of a previously prepared invoice. The withdrawal must be made only by a consecutively numbered trust cheque payable to the firm's general account or by electronic payment or transfer of trust funds only to the firm's general account. Amounts paid from trust must relate to a particular invoice or the total of a group of invoices referenced to the payment.

(7) Once a legal matter is concluded, the member shall ensure all related trust money is paid out expeditiously or no longer than 6 months after the conclusion of the matter.

(8) Subrule (1) does not apply to the interest earned on a pooled trust account which the firm has instructed the financial institution to pay to the Law Foundation under Rule 911(2).

Procedure for Transferring Funds to a SIBA

943. A member who makes or authorizes the payment of funds from a pooled trust account to a SIBA shall ensure that the payment is made by cheque in accordance with Rule 942(1) or by bank transfer if:

(a) the transfer is authorized in writing;
(b) the written authorization is signed by a member; and
(c) the monies are in the same financial institution as the pooled trust account.

[next rule is Rule 950]

F. Withdrawal of Funds From a SIBA

Transfer of Funds to a Pooled Trust Account

950. A member who makes or authorizes the withdrawal of funds from a SIBA shall do so only by providing the financial institution with written authorization signed by the member to pay or transfer the funds only into the firm's pooled trust account.

G. Books, Records and Accounts Required to be Maintained

Object of Maintaining Books, Records and Accounts

960. (1) A firm shall maintain an adequate accounting system, including the books, records and accounts described in this Part, in order to record all funds and other negotiable property received and disbursed in connection with the practice of law by its members.

(2) A firm shall, at the written direction of the Executive Director, make such modifications to the firm's accounting system and/or accounting records as the Executive Director considers necessary.

Form of Books, Records and Accounts

961. (1) A firm's books, records and accounts shall be maintained in Saskatchewan and shall be:

(a) in legibly handwritten form, in ink or other duplicated or permanent form;

(b) in printed form; or

(c) subject to subrule (2), in electronic form.

(2) A firm using a computerized accounting system shall

a) print the following records monthly:

(i) trust journal;

(ii) trust reconciliation including client trust listing;

(iii) trust property record.

(b) print the client trust ledger cards:

(i) monthly, unless they can be printed in their entirety upon demand; and

(ii) at the conclusion of the matter and store a complete copy in the client file.

(c) print the following records monthly, unless they can be printed upon demand:

(i) general journal;

(ii) general bank reconciliation;

(iii) billing journal;

(iv) accounts receivable detail and listings;

(v) billings for all fees, charges and disbursements in chronological or numerical order.

(d) maintain an electronic backup of the accounting records updated on a weekly or more frequent basis in a safe and secure offsite location.

(3) The transactions recorded in a firm's books, records and accounts shall be up-to-date, recorded using the double entry basis of accounting, in chronological order, and in an easily-traceable form.

Trust Books, Records and Accounts Required to be Maintained

962. A firm shall maintain at least the following trust books, records and accounts:

(a) a **daily journal** or other book of original entry recording:

(i) for all funds received in trust for each client; the date of receipt, the receipt number, source of the funds, the form in which the funds are received, and the identity of the client on whose behalf the trust funds are received;

(ii) for all funds disbursed out of trust for each client; the cheque or reference number, the date of each disbursement, the name of the recipient and the identity of the client or the file reference on whose behalf the trust funds are disbursed; and

(iii) a running balance of the total amount in trust.

(b) a client trust ledger recording separately for each client matter:

(i) the name, matter description and file number of the client; and

(ii) all trust funds received and disbursed, and the unexpended balance.

(c) a transfer record showing each transfer of funds between client trust ledgers containing:

(i) an explanation of the purpose for which each transfer is made; and

(ii) the member's signed approval of the transfer.

(d) the monthly trust reconciliations required to be prepared under Rule 970(1), and the detailed listings and reconciliations described in Rule 970(2), along with any and all supporting documentation and reports;
(e) a current listing of all valuable property showing all valuable property, other than money, held in trust for each client; and
(f) all supporting documents and records, including but not limited to:
  (i) validated, detailed deposit receipts or readable digital deposit images;
  (ii) periodic bank statements;
  (iii) passbooks;
  (iv) cancelled and voided cheques or digital cheque images (front & back of cancelled cheques); and
  (v) bank vouchers and similar documents.

Non-Trust Books, Records and Accounts Required to be Maintained

963. (1) A firm shall maintain at least the following non-trust books, records and accounts:
(a) a daily journal or other book of original entry recording;
  (i) for all non-trust funds received, the date of receipt, receipt number, the amount received, the form in which the money is received, and the source of the funds; and
  (ii) for all non-trust funds disbursed, the amount, the cheque or reference number, the date of each payment or transfer and the name of each recipient.
(b) an accounts receivable ledger or other suitable system to record in chronological order the firm/client position for each client showing statements of account rendered, payments on account and a continual running balance;
(c) copies of billings for fees, charges and disbursements filed in chronological or numerical order in accordance with Rule 941(1) showing all fees charged or other billings made to clients, the dates such charges are made, and the names of the clients charged; and
(d) all supporting records, including:
  (i) validated detailed deposit receipts or readable digital deposit images;
  (ii) bank statements;
  (iii) passbooks;
  (iv) cancelled or printed digital images (front & back of cancelled cheques);
  (v) bank vouchers and similar documents;
  (vi) vendor invoices; and
  (vii) bills for fees, charges and disbursements.

(2) The information required to be recorded on the accounts receivable ledger referred to in subrule (1)(b) may be recorded on the client trust ledger referred to in Rule 962(b), provided that the entries are clearly identified and are not combined with trust account information.

Recording of Transactions in Books, Records and Accounts

964. (1) A member shall ensure that each trust transaction is recorded in the firm's books, records and accounts including the trust journal and the client trust ledger promptly, and in any event, not more than 3 business days after the transaction.

(2) A member shall ensure that each non-trust transaction is recorded in the firm's books, records and accounts, including the general journal promptly, and in any event, not later than 7 business days after the end of the month in which the transaction occurred.

Adding and Balancing Daily Journals

965. A firm shall ensure that each trust and non-trust daily journal is added and balanced at least monthly, and in any event, not more than 30 days after the end of the month in which the transaction occurred.

Disclosure by Financial Institution

966. (1) A firm that maintains a trust account or trust accounts in any financial institution shall execute an authorization in Form TA-2 or its equivalent, permitting the institution to disclose to the Law Foundation of Saskatchewan any of the following:

(a) an overdraft in that trust account;

(b) the presentation of a cheque to the financial institution which, if honored, would result in an overdraft;

(c) any other circumstance which may indicate that the balance of the trust account may be insufficient to satisfy the legitimate claims against it.

(2) The authorization referred to in subrule (1) shall contain a release and waiver signed by a member of the firm of any claim whatever which the firm or members of the firm may have as against the financial institution or any of its officers, agents or employees arising from such disclosure.

H. Monthly Trust and Non-Trust Reconciliations

Preparation of Monthly Reconciliations

970. (1) A firm shall ensure that a monthly trust reconciliation is prepared for each pooled trust account and SIBA showing:

(a) the total of all unexpended balances of funds held in trust for clients, as they appear in the client trust ledger; and

(b) the total of trust fund balances held in all trust accounts, as they appear in the records of the financial institution together with the reasons for any differences between the totals.

(2) The monthly trust reconciliation shall include all pooled trust accounts and SIBAs and be supported by:

(a) a detailed listing showing the unexpended balance of pooled trust funds held for each client, identifying each client for whom trust funds are held, and the date of the last transaction recorded in that client's trust ledger for the fiscal year end listing;

(b) a detailed monthly bank reconciliation for each pooled trust account;

(c) a listing of balances of each SIBA identifying the client for whom each is held;

(d) a trust journal; and

(e) a listing of trust property received and delivered and the undelivered portion of valuables held for each client.

(3) The listings and reconciliations described in subrule (2) shall be retained as records supporting the monthly trust reconciliation.

(4) The trust reconciliation required under subrule (1) shall be prepared and completed within 30 days after the end of the period to which it pertains.

(5) A firm shall ensure that a monthly reconciliation is prepared for each non-trust account showing:

(a) the amount of funds in the bank according to the firm's records;

(b) the amount of funds in the bank according to the bank's records; and

(c) a listing of reconciling items with supporting explanations and documentation as necessary.

(6) Completed monthly trust and non-trust reconciliations shall be reviewed, signed and dated by a member not more than 30 days after the end of the period to which it pertains.

I. Maintaining a Sufficient Balance in Trust Accounts

971. (1) A firm must at all times maintain sufficient funds on deposit in each pooled trust account or SIBA to meet the firm's obligations with respect to funds held in trust for clients in each trust account.

(2) A member shall at no time permit:

(a) any of his or her pooled trust accounts or SIBAs to be overdrawn; or

(b) any individual client trust ledger account to be overdrawn.

(3) In this Rule, an account is overdrawn when, according to the firm's books, records and accounts, the firm holds less funds to the credit of a particular client or other person on whose behalf an account is maintained, than the firm owes to that particular client or other person under that account.

Duty on Firm to Eliminate a Trust Shortage and to Report to the Society

972. (1) Members of a firm whose trust account becomes overdrawn shall pay funds into the account sufficient to eliminate the shortage within 3 business days of discovering the shortfall, unless a written extension is provided by the Executive Director.

(2) Where the trust shortage referred to in subrule (1) exceeds $1,000, the firm shall within 3 business days of discovery, report the shortage and the circumstances surrounding it, to the Executive Director in writing.

Duty to Report to the Society an Inability to Deliver up Trust Funds or Trust Property when Due

973. A member who discovers that he or she will be unable to deliver when due any trust funds or trust property held by the firm shall immediately upon discovery, report that fact and the reasons for it, to the Executive Director in writing.

Duty to Report All Thefts

974. As soon as practicable after any member of the firm becomes aware of any theft by any person of trust or non-trust monies from the firm, the firm shall report the theft to the Executive Director.

J. Retention Period for Trust and Non-Trust Books, Records and Accounts

Retention Period

980. (1) Subject to subrule (2), a member shall retain for at least 6 years all the books, records and accounts required to be maintained under this Part.

(2) Notwithstanding subrule (1), a member shall retain for at least 10 years the books, records and accounts referred to in Rule 962(a) and (b) and Rule 963(c), unless the Executive Director authorizes in writing a shorter retention period.

Retention Location

981. (1) Subject to subrules (2) and (3), a firm shall retain:

(a) at its chief place of practice in Saskatchewan the books, records and accounts referred to in Rule 980 pertaining to the most recent 2-year period; and

(b) at a location in Saskatchewan the other books, records and accounts required to be retained under this Part.

(2) A firm practicing in Lloydminster, Alberta or Flin Flon, Manitoba shall retain:

(a) at its chief place of practice in Lloydminster or Flin Flon, as the case may be, the books, records and accounts referred to in Rule 980 pertaining to the most recent 2-year period; and

(b) at a location in Lloydminster or Flin Flon, as the case may be, the other books, records and accounts required to be retained under this Part.

(3) Prior to giving up possession of a file, the member shall make a copy of the parts of the file that support financial transactions and record the name and contact information of the person receiving the file.

(4) A member of the Society who practices law as a member of an interjurisdictional law firm shall ensure that, with respect to the firm's practice of law in Saskatchewan, the firm's books, records and accounts, wherever maintained, are available on demand by the Executive Director of the Law Society of Saskatchewan or its designated agent.

K. Canadian Deposit Insurance Corporation ("CDIC") Requirements

Filing Annual CDIC Report with Each Savings Institution

991. A firm that maintains a pooled trust account in a financial institution which is insured by CDIC shall file an annual report for each such account with that institution in accordance with the *Canada Deposit Insurance Corporation Act*, so that each client's funds, rather than the pooled trust account itself, is insured up to the limit of CDIC insurance.

L. Member's Right to Claim Funds

Rules Do Not Deprive Member of Right to Claim Funds

992. Nothing in this Part deprives a firm or members of the firm 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 maintained by the firm; or
(b) valuables held for a client.

M. Examination of a Firm's Records

Audits

995. (1) The auditor is authorized to attend at the offices and branch offices of any member to review any or all of the member's books and records required to be kept pursuant to the *Act* and these Rules. The auditor may conduct an examination of these books and records in order to ascertain compliance with the *Act,* these Rules or the *Code of Professional Conduct.* This examination may be performed in the office(s) of the firm, the Law Society's offices or such other location approved by the Executive Director.

(2) The firm and its members shall cooperate with the auditor or such other person(s) authorized by Section 10(t) of the *Act* and comply on a timely basis with all reasonable requests.

(3) A firm shall, upon request, grant authorization to their financial institutions(s) to provide firm bank account information directly to the Law Society and/or its representatives. Costs relating to the provision of bank account information are the responsibility of the firm unless otherwise directed by the Executive Director.

(4) The auditor may complete or cause to be completed the financial and/or other records of any firm when considered necessary to ascertain as to whether the provisions of the *Act*, these Rules and/or the provisions of the *Code of Professional Conduct* have been and/or are being complied with by the firm and/or its members. At the discretion of the Executive Director, any or all costs associated with the completion of records may be charged to the firm and/or its members.

Practice Reviews

997. (1) The Executive Director may direct a review of any member's practice to determine whether the member is in compliance with the *Act,* these Rules and the *Code of Professional Conduct*.

(2) The Executive Director shall appoint a person or persons authorized by section 10(t) of the *Act* to conduct any review conducted pursuant to this Rule.

(3) Without limiting subrule (1), a review conducted in relation to a member's practice may include:

(a) a review of any or all of the member's:
  (i) files;
  (ii) books;
  (iii) records, including electronic records; and
  (iv) office management systems, including but not limited to the procedures in place to reduce the risk of complaints and liability for insurance claims; and
(b) interviews with the member's staff;

at any or all of the member's offices.

(4) Members shall cooperate with the person carrying out the practice review authorized by this Rule and comply with all reasonable requests.

(5) A review under this Rule may be conducted whether or not a complaint has been made against a member.

(6) Any report arising from a review conducted pursuant to this Rule:

(a) shall be provided to the Executive Director;

(b) unless otherwise ordered by the Professional Standards Committee, shall not be disclosed except for the purpose of complying with the objects of the *Act*.

Person Designated to Make a Demand

1000. The person designated by the Benchers to make a demand under section 63(1) of the *Act* is the Executive Director.

Contents of Service of a Demand

1001. A demand under section 63(1) of the *Act* shall:

(a) be in writing, signed by the Executive Director;

(b) state:

(i) the nature of the investigation in respect of which the demand is made;

(ii) which categories of the member's records or other property are to be produced;

(iii) the time by which and the person to whom the member's records or other property are to be produced; and

(iv) the text outlining sections 60 and 63 of the *Act*; and

(c) be given personally to the member or served on the member in accordance with section 85 of the *Act*.

Duty to Preserve Confidentiality

1003. A person who, in the course of acting under section 63(4) of the *Act* or under Rule 995 becomes privy to information, files or records that are confidential or are subject to solicitor and client privilege, has the same obligation respecting the disclosure of that information as the member from whom the information, files or records were obtained.

N. Bankruptcy of a Member

Definition

1010. In Rules 1010 to 1013,

"a member who is the subject of bankruptcy proceedings" means a member who:

(a) is bankrupt;

(b) is an insolvent person;

(c) commits an act of bankruptcy;

(d) has made a proposal, including a consumer proposal; or

(e) has applied for a consolidation order;

pursuant to the *Bankruptcy and Insolvency Act*, as amended and includes students-at-law and applicants for admission or re-admission.

Duty to Report Bankruptcy to the Society

1011. A member who is the subject of bankruptcy proceedings shall forthwith:

(a) notify the Executive Director in writing of that fact; and

(b) provide to the Executive Director such information and documents in the member's possession or control relating to the bankruptcy proceedings that the Executive Director reasonably requests.

Practice Conditions

1012. With respect to a member who is the subject of bankruptcy proceedings, the Executive Director may:

(a) impose any practice conditions that are determined to be appropriate in the circumstances, including but not limited to restrictions on access to trust accounts;

(b) in cases where the Executive Director has reason to believe that the bankruptcy proceedings are a result of conduct unbecoming, refer the matter to Complaints Counsel, in accordance with section 40(1)(b) of *The Legal Profession Act, 1990*; or

(c) in cases where the Executive Director has reason to believe that the member's competency may be a factor in the bankruptcy proceedings, refer the matter to Complaints Counsel, in accordance with section 40(1)(d) of the *Act*.

Notification to the Membership

1013. There will be no notification to the membership that a member has become the subject of bankruptcy proceedings unless the Chairperson of the Professional Standards Committee is of the opinion that there is a significant reason to do so. In that event, the Chairperson shall direct the Executive Director to promptly notify the membership of:

(a) the identity of the member who becomes the subject of bankruptcy proceedings;

(b) any practice conditions imposed on the member under Rule 1012; and

(c) the identity of a member who has ceased to be the subject of bankruptcy proceedings, where that member's identity was published under clause (a).

0. Client Identification and Verification Requirements

Definitions

1020. In this Part,

"electronic funds transfer" means an electronic transmission of funds conducted by and received at a financial institution or a financial entity headquartered in and operating in a country that is a member of the Financial Action Task Force, where neither the sending nor the receiving account holders handle or transfer the funds, and where the transmission record contains a reference number, the date, transfer amount, currency and the names of the sending and receiving account holders and the conducting and receiving entities;

"financial institution" means:

(a) an authorized foreign bank within the meaning of section 2 of the *Bank Act* in respect of its business in Canada or a bank to which the *Bank Act* applies;

(b) a cooperative credit society, savings and credit union or caisse populaire that is regulated by a provincial Act;

(c) an association that is regulated by the *Cooperative Credit Associations Act* (Canada);

(d) a company to which the *Trust and Loan Companies Act* (Canada) applies;

(e) a trust company or loan company regulated by a provincial Act;

(f) a department or agent of Her Majesty in right of Canada or of a province where the department or agent accepts deposit liabilities in the course of providing financial service to the public; or

(g) a subsidiary of the financial institution whose financial statements are consolidated with those of the financial institution.

"funds" means cash, currency, securities and negotiable instruments or other financial instruments that indicate the person's title or interest in them;

"lawyer" means, in the Province of Quebec, an advocate or a notary and, in any other province, a barrister or solicitor;

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

"proceedings" means a legal action, application or other proceeding commenced before a court of any level, a statutory tribunal in Canada or an arbitration panel or arbitrator established pursuant to provincial, federal or foreign legislation and includes proceedings before foreign courts;

"public body" means:

(a) a department or agent of Her Majesty in right of Canada or of a province;

(b) an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body or an agent of any of them;

(c) a local board of a municipality incorporated by or under an Act of a province or territory of Canada including any local board as defined in the Municipal Act (Ontario) [or equivalent legislation] or similar body incorporated under the law of another province or territory;

(d) an organization that operates a public hospital authority and that is designated by the Minister of National Revenue as a hospital under the *Excise Tax Act* (Canada) or an agent of the organization;

(e) a body incorporated by or under the law of an Act of a province or territory of Canada for a public purpose; or

(f) a subsidiary of a public body whose financial statements are consolidated with those of the public body.

"reporting issuer" means an organization that is a reporting issuer within the meaning of the securities laws of any province or territory of Canada, or a corporation whose shares are traded on a stock exchange designated under section 262 of the *Income Tax Act* (Canada) and operates in a country that is a member of the Financial Action Task Force, or is controlled by a reporting issuer including but not limited to a subsidiary of that organization or corporation whose financial statements are consolidated with those of the organization or corporation;

"securities dealer" means a person or entity that is authorized under provincial legislation to engage in the business of dealing in securities or any other financial instruments or to provide portfolio management or investment advising services.

Client Identity

1021. (1) Subject to subrule (3), a lawyer who is retained by a client to provide legal services must comply with the requirements of this Rule.

(2) A lawyer's responsibilities under this Rule may be fulfilled by any member, associate or employee of the lawyer's firm, wherever located.

(3) Rules 1022 through 1029 do not apply to:

(a) a lawyer when he or she provides legal services or engages in or gives instructions in respect of any of the activities described in Rule 1023 on behalf of his or her employer;

(b) a lawyer

(i) who is engaged as an agent by the lawyer for a client to provide legal services to the client; or

(ii) to whom a matter for the provision of legal services is referred by the lawyer for a client, when the client's lawyer has complied with Rules 1022 through 1029; or

(c) a lawyer providing legal services as part of a duty counsel program sponsored by a non-profit organization, except where the lawyer engages in or gives instructions in respect of the receiving, paying or transferring of funds other than an electronic funds transfer.

Information Required to be Recorded

1022. A lawyer who is retained by a client as described in Rule 1021(1) shall obtain and record the following information:

(a) the client's full name;

(b) the client's business address and business telephone number, if applicable;

(c) if the client is an individual, the client's home address and home telephone number;

(d) if the client is an organization, other than a financial institution, public body or reporting issuer, the organization's incorporation or business identification number and the place of issue of its incorporation or business identification number, if applicable;

(e) if the client is an individual, the client's occupation or occupations;

(f) if the client is an organization;

(i) other than a financial institution, public body or a reporting issuer, the general nature of the type of business or businesses or activity or activities engaged in by the client, where applicable; and
(ii) the name, position, and contact information for the individual(s) authorized to provide and give instructions to the lawyer with respect to the matter for which the lawyer is retained.

(g) if the client is acting for or representing a third party, information about the third party as set out in subrules (a) to (f) as applicable.

Client Identity and Verification

1023. Subject to Rule 1024, Rule 1025 applies where a lawyer who has been retained by a client to provide legal services engages in or gives instructions in respect of the receiving, paying or transferring of funds, other than an electronic funds transfer.

Exemptions Regarding Certain Funds

1024. (1) Rule 1025 does not apply where the client is a financial institution, public body or reporting issuer.

(2) Rule 1025 does not apply in respect of funds:
(a) paid by or to a financial institution, public body or a reporting issuer;
(b) received by a lawyer from the trust account of another lawyer;
(c) received from a peace officer, law enforcement agency or other public official acting in their official capacity;
(d) paid or received pursuant to a court order or to pay a fine or penalty;
(e) paid or received as a settlement of any proceedings; or
(f) paid or received for professional fees, disbursements, expenses or bail.

Verify the Identity of the Client

1025. (1) When a lawyer is engaged in or gives instructions in respect of any of the activities described in Rule 1023, including non-face-to-face transactions, the lawyer shall take reasonable steps to verify the identity of the client, including the individual(s) described in Rule 1022(f)(ii), and, where appropriate, the third party, using what the lawyer reasonably considers to be reliable, independent source documents, data or information.

(2) For the purposes of subrule (1), independent source documents may include:
(a) if the client or third party is an individual, valid original government issued identification, including a driver's license, birth certificate, provincial or territorial health insurance card (if such use of the card is not prohibited by the applicable provincial or territorial law), passport or similar record;
(b) if the client or third party 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; and
(c) if the client or third party is an organization, other than a corporation or society, 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) When a lawyer is engaged in or receives instructions in respect of any of the activities in Rule 1023 for a client or third party that is an organization referred to in subrules (2)(b) or (c), the lawyer shall make reasonable efforts to obtain, and if obtained, record,
(a) the name and occupation of all directors of the organization, other than an organization that is a securities dealer; and

(b) the name, address and occupation of all persons who own 25 per cent or more of the organization or of the shares of the organization.

(4) When a lawyer engages in or receives instructions in respect of any of the activities in Rule 1023 for a client or third party who is an individual who is not physically present before the lawyer but is present elsewhere in Canada, the lawyer shall verify the client's identity by obtaining an attestation from a commissioner of oaths in Canada, or a guarantor in Canada, that the commissioner or guarantor has seen one of the documents referred to in subrule (2)(a).

(5) When a lawyer who engages in or receives instructions in respect of any of the activities in Rule 1023 for a client that is an organization is instructed by an individual described in Rule 1022(f)(ii) who is not physically present before the lawyer but is present elsewhere in Canada, the lawyer shall verify the individual's identity by obtaining an attestation from a commissioner of oaths in Canada, or a guarantor in Canada, that the commissioner or guarantor has seen one of the documents referred to in subrule (2)(a).

(6) For the purpose of subrules (4) and (5), an attestation shall be produced on a legible photocopy of the document and shall include:

(a) the name, profession and address of the person providing the attestation;
(b) the signature of the person providing the attestation; and
(c) the type and number of the identifying document provided by the client, third party or instructing individual(s).

(7) For the purpose of subrules (4) and (5), a guarantor must be a person employed in one of the following occupations in Canada:

(a) dentist;
(b) medical doctor;
(c) chiropractor;
(d) judge;
(e) magistrate;
(f) lawyer;
(g) notary (in Quebec);
(h) notary public;
(i) optometrist;
(j) pharmacist;
(k) professional accountant (CPA [Chartered Professional Accountant], (APA [Accredited Public Accountant], PA [Public Accountant] or RPA [Registered Public Accountant]);
(l) professional engineer (P.Eng. [Professional Engineer, in a province other than Quebec] or Eng. [Engineer, in Quebec]);
(m) veterinarian;
(n) peace officer;
(o) paralegal licensee in Ontario;
(p) nurse; or
(q) school principal.

(8) A lawyer may, and where an individual client, third party or individual described in and in connection with subrule (2)(b), the individuals described in Rule 1022(f)(ii) is not physically present and is outside of Canada, shall rely on an agent to obtain the information described in subrule (2) to verify the person's identity, which may include, where applicable, an attestation described in this section, provided the lawyer and the agent have an agreement or arrangement in writing for this purpose.

(9) A lawyer who enters into an agreement or arrangement referred to in subrule (8) shall obtain from the agent the information obtained by the agent under that agreement or arrangement.

(10) A lawyer shall verify the identity of:

(a) a client who is an individual; and
(b) the individual(s) authorized to provide and give instructions on behalf of an organization with respect to the matter for which the lawyer is retained, upon engaging in or giving instructions in respect of any of the activities described in Rule 1023.

(11) Where a lawyer has verified the identity of an individual, the lawyer is not required to subsequently verify that same identity if the lawyer recognizes that person.

(12) A lawyer shall verify the identity of a client that is an organization within 60 days of engaging in or giving instructions in respect of any of the activities described in Rule 1023.

(13) Where the lawyer has verified the identity of a client that is an organization and obtained information pursuant to subrule (6), the lawyer is not required to subsequently verify that identity or obtain that information.

Record Keeping and Retention

1026. (1) A lawyer shall obtain and retain a copy of every document used to verify the identity of any individual or organization for the purposes of Rule 1025(1).

(2) The documents referred to in subrule (1) may be kept in a machine-readable or electronic form, if a readable paper copy can be produced upon request.

(3) A lawyer shall retain a record of the information and any documents obtained for the purposes of Rules 1022 and 1025(3) and copies of all documents received for the purposes of Rule 1025(1) 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 service to the client, and

(b) a period of at least 6 years following completion of the work for which the lawyer was retained.

Application

1027. Rules 1021 through 1026 do not apply to matters in respect of which a lawyer was retained before this Rule comes into force 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 at Time of Taking Information

1028. (1) If in the course of obtaining the information and taking the steps required in Rules 1022 and 1025(1) or (3), 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. The member shall also consider the provisions of the *Code* that relate to the duty to report criminal activity (7.1-3) and the circumstances under which disclosure of confidential information is permitted (3.3-3A).

(2) This section applies to all matters, including new matters for existing clients, for which a lawyer is retained after this Rule comes into force.

Criminal Activity, Duty to Withdraw After Being Retained

1029. (1) If while retained by a client, a lawyer knows or ought to know that he or she is or would be assisting the client in fraud or other illegal conduct, the lawyer must withdraw from representation of the client. The member shall also consider the provisions of the *Code* that relate to the duty to report criminal activity (7.1-3) and the circumstances under which disclosure of confidential information is permitted (3.3-3A).

(2) This section applies to all matters for which a lawyer was retained before this Rule comes into force and to all matters for which he or she is retained after that time.

[next rule is Rule 1050]

P. Withdrawal from Practice

1050. (1) The law firm shall close all trust accounts within 90 days after withdrawing from or winding up a practice, unless written consent from the Law Society is obtained.

(2) Within 90 days after withdrawing from the practice of law in Saskatchewan, a member or former member must:

(a) confirm to the Executive Director in writing that all trust accounts have been closed in accordance with Rule 1800(2)(b); and

(b) provide a letter from each bank in which a trust account was located stating that the trust account is closed.

[next rule is Rule 1200]

PART 15

Reporting Requirements

A. Definitions

Definitions

1200. In this Part,

"fiscal period" means the time period, not exceeding 12 months without the written approval of the Law Society for which the accounts of a member have been or ordinarily are made up;

"member" means an active member as defined in Part 7 of these Rules or a person entitled to practice law in Saskatchewan in accordance with mobility provisions set out in Part 7A of these Rules.

Filing of Report on Commencement of Practice

1201. (1) A firm shall, within 30 days after commencing to practice law, deliver to the Law Society:

(a) a Trust Account Commencement Report, in Form TA-1; or

(b) an Exemption Report, in Form TA-7, stating that the firm is exempt from compliance with subrule (a) on the basis that the firm does not:

(i) provide legal services to the public; or

(ii) receive or handle trust funds within the course of his or her practice.

Change in Fiscal Period

1202. A firm that changes the fiscal period shown in the Trust Account Commencement Report or the Annual Practice Declaration filed most recently with the Executive Director shall, within 30 days of the change, notify the Executive Director in writing of the firm's new fiscal period.

Filing of Annual Reports

1203. (1) A firm shall, within 3 months after the end of each fiscal period deliver or cause to be delivered to the Executive Director:

(a) an Annual Practice Declaration;

(b) a Power of Attorney; and

(c) an Accountant's Report, unless exempt under Rule 1204.

(2) A firm shall, within 3 months after termination of practice or termination of the existence of the firm or association in or with which a member formerly practiced, deliver or cause to be delivered to the Executive Director:

(a) an annual Practice Declaration; and

(b) an Accountant's Report.

(3) The Executive Director may approve a firm's written request that his or her Accountant's Report cover a time period greater than 12 months.

Exemption from Filing Accountant's Report

1204. (1) A firm that satisfies the Executive Director that during the most recent completed fiscal period or during the partial fiscal period immediately preceding ceasing or terminating practice:

(a) did not maintain a trust bank account or handle trust money at any time; or

(b) only used a trust bank account or handled trust money as a member of a firm required to file an annual trust account report;

(c) has not withdrawn any funds held in trust;

(d) was employed exclusively by a government body, except the Legal Aid Services Society of Saskatchewan and did not practice law outside the scope of that employment;

(e) has complied with Part 13 of these Rules; and
(f) within the time referred to in Rule 1203(1), has delivered to the Executive Director a statutory declaration in a form approved by the Executive Director may be exempt from the filing of the documents referred to in Rule 1203(1) for that time period.

(2) The Law Society of Saskatchewan may establish criteria upon which it may exempt a firm from the filing of documents referred to in Rule 1203(1)(c).

Late Filing of Reports

1205. (1) A firm that does not comply with Rule 1201 is in breach of these Rules and is liable to an assessment of $100 per month multiplied by the number of partners for each month the firm fails to comply.

(2) A firm that does not comply with Rule 1203:
(a) is in breach of these Rules and is liable to an assessment of $100 for the first month and $400 for every subsequent month, multiplied by the number of owners or partners in respect of whom the Practice Declaration and/or Accountant's Report applies; and
(b) shall, when the firm delivers the Accountant's Report, include a copy of listings and reconciliations referred to in Rule 970(2) for each month subsequent to the period to which the Accountant's Report applies.

(3) A firm that does not comply with Rule 1203(1) within 4 months after the end of the fiscal period shall, unless the Executive Director authorizes in writing to the contrary, deliver to the Executive Director by the end of each month until Rule 1203(1) is complied with, the monthly trust reconciliation referred to in Rule 970(1).

(4) Practice Declarations and Accountant's Reports filed for the purposes of this Rule must be completed in a form acceptable to the Executive Director.

(5) If a firm has not delivered an Accountant's Report when required, the Executive Director may:
(a) engage or assign a qualified accountant to complete the Accountant's Report and/or;
(b) order an examination of the firm's books, records and accounts under Rule 995(1).

Credentials to Complete Accountant's Report

1206. An Accountant's Report shall be completed and signed by a licensed Chartered Professional Accountant (CPA) in public practice.

Instruction Respecting Minimum Standards

1207. An Accountant's Report shall be completed in accordance with the minimum standards published by the Law Society.

Prohibited from the Practice of Law

1208. (1) The Executive Director shall not issue a practicing certificate to a member who is in breach of Rules 1203 or 1205(2)(b) or (3).

(2) The practicing certificate of a member who is in breach of Rules 1203, 1205(2)(b) or (3) or 1220 ceases to be valid 7 days after the Executive Director delivers to the member a written notification to that effect.

(3) A member prohibited from the practice of law under subrule (1) or (2) who:
(a) complies with Rules 1203 or 1205 within 5 months after the fiscal period or termination of practice referred to in Rule 1203(1); and
(b) pays to the Law Society any fees, assessments, fines, costs or other amounts owing to the Law Society is deemed to be insured, during the period of prohibition, for errors or omissions arising before or during the prohibition.

Monthly Reports

1220. (1) A firm shall deliver to the Law Society of Saskatchewan, on a monthly basis or on demand, any of the books, records and accounts described in Part 13 if required by:

(a) Rule 1201, Trust Account Commencement Report;

(b) any penalty or requirement assessed under sections 53(3) or 55(2) of the *Act*; or

(c) the Law Society of Saskatchewan, at its discretion.

(2) The books, records and accounts to be delivered under subrule (1) shall be delivered not more than 30 days after the end of the period to which they pertain, unless otherwise permitted in writing by the Law Society of Saskatchewan.

Late Filing of Monthly Reports

1225. A firm that does not comply with Rule 1220 is in breach of these Rules and is liable to an assessment of $100 per month for the first month multiplied by the number of partners and $200 per month multiplied by the number of owners or partners for each month thereafter until the reports are received by the Law Society.

Appeal of Late Filing Assessment

1230. A firm assessed a penalty pursuant to Rule 1205(1), 1205(2)(a), or 1225 may appeal the penalty in writing to the Executive Director within 15 days of the receipt of the assessment.

[next rule is Rule 1300]

PART 16

Unclaimed Trust Funds

A. Definitions

Definitions

1300. In this Part,

"member" means an active member as defined in Part 7 of these Rules or a person entitled to practice law in Saskatchewan in accordance with mobility provisions set out in Part 7A of these Rules.

Payment of Unclaimed Trust Funds to the Society

1301. (1) When funds held in trust for a particular client meet all the following criteria:

(a) the funds have been held in trust for at least two years;

(b) the amount of the funds in trust does not exceed $50; and

(c) reasonable efforts have been made to locate, identify and pay the person or entity entitled to receive the funds;

the name of each client, the date of payment, and the amount held may be entered on a list.

(2) The member shall file the list along with a cheque for the sum of all such funds annually with the Law Society as part of the annual trust reporting process.

(3) When a firm holds funds exceeding $50 for a particular client in trust for two years or more and there are no trust conditions or unfulfilled undertakings relating to the funds and has:

(a) made reasonable efforts to locate and pay the person or entity entitled to receive the funds; and

(b) ascertain the identity of the person or entity entitled to receive the funds;

The firm may apply for permission to pay the funds to the Law Society by submitting a properly completed Unclaimed Trust Funds Form (TA9) to the Executive Director.

(4) A firm that cannot provide all the information described in subrule (2) must advise the Executive Director of the reasons why the firm does not have that information and deliver to the Executive Director copies of all records in the firm's power or possession that relate to the ownership and source of the funds.

(5) When a practice has been terminated, an application may be made to pay trust funds to the Law Society before the time periods specified in subrules (1) and (3). The Executive Director may accept such funds if it is in the public interest.

Procedure to Claim Unclaimed Trust Funds

1302. (1) A person or his or her legal representative who claims entitlement to funds held by the Law Society under section 14 of the *Act* may make a claim in writing to the Law Society within 10 years of the Law Society receiving those funds.

(2) A claimant shall provide the Society with information and documents relating to the claim which the Society reasonably requires.

(3) In order to determine the validity of a claim, the Society may make or authorize such inquiries or further investigations as it considers necessary.

Procedure for Adjudication of Claims

1303. (1) The Executive Director may:

(a) approve or reject a claim based on the information received under Rule 1302; or

(b) appoint a hearing committee to conduct a hearing to determine the validity of the claim.

(2) Where a hearing is ordered:

(a) the Society shall notify the claimant in writing of the date, time and place of the hearing;

(b) a notice referred to in subrule (2)(a) shall be served in accordance with section 85 of the *Act* and, unless the claimant consents in writing to a shorter time, not less than 30 days before the date set for the commencement of the hearing;

(c) the hearing shall be conducted in private unless the hearing committee determines, in the public interest, that a specific individual or the public generally may be present for part or all of the hearing;
(d) the hearing committee may determine, subject to the *Act* and these Rules, the practice and procedure to be followed at the hearing;
(e) any witness shall, before testifying, take an oath or make a solemn affirmation;
(f) if the hearing committee decides that the proceedings at a hearing shall be recorded by a Court Reporter, a person may obtain, at his or her expense, a transcript of any part of the hearing which he or she was entitled to attend; and
(g) the hearing committee may:
(i) make such inquiries of a witness as it considers desirable; and
(ii) accept any evidence that it considers appropriate, and is not bound by the rules of law concerning evidence.

(3) Following the hearing of the evidence and submissions, the hearing committee shall determine whether the claimant is entitled to the funds held in trust by the Society.

(4) Where a claim is approved under subrule (1)(a) or (3), the amount owing to the claimant shall be determined by the Executive Director or the hearing committee, as the case may be, and the Executive Director shall pay that amount to the claimant out of the trust account referred to in section 14(2)(a) of the *Act*.

[Parts 13, 15 and 16 were amended extensively, therefore have been replaced in their entirety, September 22, 2017]

[next rule is Rule 1400]

Part 17

Forms of Practice

Registrar

1400. The Executive Director is designated as the "Registrar" as defined in *The Professional Corporations Act*.

Approval for Incorporation

1401. (1) Any member or members who intend to incorporate a Professional Corporation for the practice of law in Saskatchewan shall first forward to the Executive Director the proposed articles of incorporation.

(2) If the Executive Director is satisfied that:

(a) the proposed name of the corporation complies with the provisions of Part 19 of these Rules and is not so similar to other Professional Corporate names as to be misleading or confusing; and

(b) the voting shares will be legally and beneficially owned by practicing members of the Law Society; and

(c) the directors will be members of the Law Society

then he/she may provide his/her consent to the incorporation.

Application for Permit

1402. (1) A member may apply to the Law Society on behalf of a corporation for a permit pursuant to section 8 of *The Professional Corporations Act* by providing to the Executive Director:

(a) a completed Form C-1;

(b) a copy of the articles of incorporation including any amendments;

(c) a current certificate of status issued pursuant to *The Business Corporations Act* **OR** a certificate of incorporation, showing that the corporation was incorporated less than 60 days prior to the application having been received by the Law Society;

(d) the fee prescribed by the Benchers in Schedule 1; and

(e) any other information required by the Executive Director.

(2) Subject to subrule (3), the Executive Director may issue a permit to a corporation which complies with the requirements of the provision of *The Professional Corporations Act, The Legal Profession Act (1990)* and these Rules.

(3) A permit shall be in Form C-2 and may contain any conditions that the Executive Director thinks appropriate.

(4) A permit shall, unless sooner revoked, expire on December 31 of the year for which it was issued.

[Rule 1402(1)(c) amended October, 2002]

Renewal of Permit

1403. (1) A corporation wishing to have its permit renewed for the following calendar year shall forward to the Executive Director:

(a) Form C-3;

(b) Certificate of Status **OR** a written certification signed by the member that the corporation remains in good standing; and

(c) The renewal fee approved by the Benchers in Schedule 1.

[Rule 1403(1) amended April, 2003]

Revocation of Permit

1404. (1) The Executive Director may revoke the permit of any Professional Corporation which fails to meet the requirements set out in *The Professional Corporations Act* or these Rules or fails to comply with any term or condition contained in the permit.

(2) A permit shall be immediately revoked where only one member of the Law Society provides legal services in the name of the Professional Corporation and that person dies or is disbarred or is suspended from the practice of law or ceases to be a member.

(3) The Executive Director shall notify the corporation by registered mail of the revocation of its permit.

Changes in the Corporate Structure

1405. (1) A Professional Corporation shall notify the Executive Director in writing within 10 days of any change in its corporate structure, ownership or directors.

(2) Upon receipt of a notice pursuant to subrule (1), the Executive Director may:

(a) continue the permit;

(b) amend the permit to add or delete any terms or conditions; or

(c) revoke the permit.

Corporate Register

1406. (1) The Executive Director shall maintain a corporate register containing the name and address of each Professional Corporation to which a permit is issued and the name and address of each Professional Corporation to which a permit is issued.

(2) The information contained in the corporate register shall be available to the public and the corporate register shall be open for inspection by the public at the Law Society Office during office hours.

Review of the Executive Director's Decision

1407. (1) A decision by the Executive Director under this Part may be reviewed on the application of an aggrieved person by giving notice in writing to the Law Society that he/she wishes the matter reviewed by the Benchers.

(2) The Benchers may designate a review panel composed of Benchers to consider the application for review and report to the Benchers with recommendations.

(3) The application for review may state that the applicant wishes to appear personally before the Benchers and in such circumstance the applicant shall be given an opportunity to speak to the matter at the next Convocation of Benchers.

(4) The Executive Director shall advise the applicant in writing of the results of the review under this Rule.

Professional Responsibility of Members

1408. All members who are directors of a Professional Corporation are responsible for the activities of the corporation and may be subject to discipline for any breach of the Rules or *Code of Professional Conduct* by the Corporation.

[Rules 1400 – 1408 added September, 2001]

Limited Liability Partnerships (LLP)

1450. A law firm which intends to apply to the Corporations Branch to be registered as an LLP shall forward to the Executive Director a copy of the proposed application, the prescribed fee under Schedule 1, and any other information necessary to process the application.

1451. The Executive Director shall, upon receiving the material mentioned in Rule 1450, review the status of each partner listed in the application and provide the law firm with a certificate in Form C-4 certifying that each proposed partner in the LLP is or is not entitled to practice law in Saskatchewan, and shall include any conditions or limitations on his or her practice.

1452. A law firm which is registered as an LLP in another jurisdiction which intends to apply to the Corporations Branch to be registered in Saskatchewan as an LLP shall forward to the Executive Director the prescribed fee under Schedule 1, a copy of the proposed application, and any other information the Executive Director may require to process the application.

1453. (1) The Executive Director, upon receiving the material mentioned in Rule 1452, shall review the application and if satisfied that:

(a) the proposed LLP will engage only in the practice of law;

(b) there are one or more partners in the proposed LLP who are eligible to practice law in Saskatchewan;
(c) each member of the LLP who is eligible to practice law in Saskatchewan has professional liability insurance which is substantially equivalent to that provided by SLIA; and
(d) the proposed LLP has made adequate arrangements to ensure that it will comply with Parts XIII and XIX of the Rules

he/she may provide a certificate in Form C-5 certifying that the proposed LLP and its Saskatchewan partners meet the eligibility requirements of *The Legal Profession Act (1990)* and the Law Society Rules.

1454. The Executive Director shall keep a register of all LLP's carrying on the practice of law in the Province of Saskatchewan, including the names and addresses of all partners, and any limitations on the practice of the LLP.

1455. Upon registration, an LLP shall immediately give notice to all its existing clients advising of its registration and explaining in general terms the potential changes in liability to the partners.

1456. An LLP shall report immediately any changes in its partnership to the Executive Director.

1457. All members of The Law Society of Saskatchewan who are partners in an LLP are responsible to ensure that the LLP, and any persons practicing through it, comply with *The Partnership Act*, *The Legal Profession Act (1990)* and the Rules of The Law Society of Saskatchewan.

Sharing Premises with Non-Lawyers

1458. A member may share premises, facilities and staff with a person who is not a member of the Society, provided that:

(a) the non-member's reputation or activities do not jeopardize the integrity of the profession;
(b) the business of the member and the non-member are kept entirely separate; and
(c) clients of the member are not confused as to the person with whom they are dealing.

[Rules 1450 – 1457 added May, 2001]
[Rule 1458 added June 21, 2012]

[next rule is Rule 1500]

Part 18

Contingent Fee and Retainer Agreements

Definitions

1500. In this Part

"contingent fee agreement" means an agreement which provides that a member's remuneration for services to be provided for or on behalf of a client is contingent, in whole or in part, on the successful disposition of the matter in respect of which the services are provided;

"retainer agreement" means an agreement which provides that a member is retained by a client to act on the client's behalf for one or more matters or generally for a specified period of time for a sum of money paid by the client in advance of any services performed by the lawyer.

[Rule 1500 amended April 15, 1994]
[Rule 1500 "retainer agreement" definition amended November 27, 2015]

Contents of Contingent Fee Agreements

1501. (1) Every contingent fee agreement entered into by a member shall be in writing.

(2) A member who enters into a contingent fee agreement shall ensure that the agreement:

(a) is fair and the member's remuneration provided for in the agreement is reasonable, under the circumstances existing at the time the contract is entered into;

(b) states that any party to the agreement may apply to the Court under section 64(3) of the *Act* for a determination as to whether or not the agreement is fair and reasonable;

(c) does not purport to exclude the member's liability for negligence;

(d) does not purport to require the member's consent before a client's cause may be abandoned, discontinued or settled; or

(e) does not purport to prevent the client from changing solicitors before the conclusion of the retainer.

(3) Every contingent fee agreement shall be signed by each party to it, and the member shall deliver a copy of the agreement to each such party.

Prohibited Agreements

1502. A member shall not enter into a contingent fee agreement:

(a) for services which relate to a child custody or access matter; or

(b) for services which relate to a family law dispute, unless the form and content of the agreement have been approved by the Court.

[Rule 1502(b) amended, April 28, 2017]

Fees Payable under Contingent Fee Agreements

1503. A member who prepares a bill for fees earned and disbursements and other expenses charged under a contingent fee agreement shall ensure that the total remuneration payable to the member:

(a) does not exceed the remuneration provided for in the agreement; and

(b) regardless of the remuneration provided for in the agreement, is reasonable under the circumstances existing at the time the bill is prepared.

[Rule 1503 amended December 2, 2010]

Retainer Agreements

1504. (1) Every retainer agreement entered into by a member shall be in writing.

(2) A member who enters into a retainer agreement shall ensure that the agreement:

(a) specifies in clear and unequivocal language the term of the agreement, whether or not any further fees or disbursements will be charged, what specific matters are covered by the agreement; and

(b) does not mislead clients in any way with respect to the services covered by the agreement.

(3) Funds received pursuant to a retainer agreement are considered trust funds as defined in Rule 900 and must be treated as such, in accordance with Part 13 of these Rules.

[Rule 1504 amended April 15, 1994]
[Rule 1504(2)(a) amended; (2)(c) deleted; and (3) amended November 27, 2015]

Application of this Part

1505. This Part applies only to agreements entered into on or after the date on which the individual sections come into effect.

[Rule 1505 added April 15, 1994]

[next rule is Rule 1600]

Part 19

Marketing of Legal Services

Definitions

1600. In this Part,

"weakened state" means a physical, emotional or mental condition which may render a prospective client unduly vulnerable to persuasion or importuning by a lawyer and shall, without limiting the generality of the foregoing, be deemed to include the state of any prospective client who is an alleged victim of physical and/or sexual abuse.

[Rule 1600 "weakened state" added June 10, 1999]

Specific Prohibitions

1602.1(1) No member shall initiate contact with a prospective client who is in a weakened state for the purpose of soliciting the prospective client's legal work except by mail or advertisement.

(2) Any correspondence, brochure or informational package sent to or intended to be provided to prospective clients shall state in bold letters at the bottom of every page "Advertising material. This is a commercial solicitation".

(3) Any correspondence sent to a named prospective client in physical and sexual abuse cases must be marked personal and confidential and state how the member obtained the identity of the prospective client.

(4) A member may only attend a meeting held to provide information to a group of prospective clients who are in a weakened state if:

(a) the meeting is arranged by the prospective clients or other non-members who are not connected to the member; and

(b) the member has been invited by the prospective clients or non-members who are arranging the meeting.

[Rule 1602.1 added June 10, 1999]
[Rule 1602.1(1) and (4)(a)(b) amended November 28, 2013]

[This section of the Rules have been repealed in their entirety, with the exception of Rules 1600 and 1602.1. Marketing of Legal Services is regulated by the *Code of Professional Conduct*. Sharing Premises with Non Lawyers has been moved to Forms of Practice, and inserted as Rule 1458 June 21, 2012]

[next rule is Rule 1650]

Part 19A

Prepaid Legal Services

Definitions

1650. In this Part,

"plan" means an agreement or arrangement whereby a lawyer agrees to provide legal services to a plan member according to the terms of the plan.

"plan sponsor" means any person or persons including trade unions, associations, corporations, etc.

"plan member" means any person who is eligible to receive legal services from a lawyer by virtue of and pursuant to the terms of a plan.

No Participation Fee

1651. No lawyer may participate in a plan which requires that the lawyer provide any fee or consideration of any kind directly or indirectly to the plan sponsor as a condition of the lawyer's participation in the plan.

Agreement with the Plan Sponsor

1652. Prior to participating in a plan, every lawyer shall execute with the plan sponsor a written agreement containing the following provisions or their equivalent:

(a) a stated recognition by the plan sponsor that there is no solicitor/client relationship between the plan sponsor and the lawyer. The plan member, in all cases, is the client; and

Agreement that:

(b) after referral by the plan sponsor of a plan member to a lawyer, the plan sponsor shall not communicate with the plan member concerning the matters upon which the plan member is seeking legal advice;

(c) the plan sponsor shall not purport to direct the lawyer with respect to the conduct of the plan member's affairs or in any way attempt to influence the plan member or the lawyer, respecting legal matters. Specifically, and without limiting the generality of the foregoing, monies paid into trust by or on behalf of a client are not subject to direction by the plan sponsor;

(d) all information received by the lawyer in the course of his or her representation of a plan member shall be confidential and, subject to (e) below, shall not be communicated to the plan sponsor;

(e) the lawyer may release information to the plan sponsor which, in the opinion of the lawyer, is necessary for the purposes of billing or paying of fees or for statistical purposes, upon execution by the plan member of a written authorization for such release. It shall not be a requirement of participation in the plan by any plan member that any information other than the above shall be released to the plan sponsor;

(f) the lawyer may withdraw from representation of the plan member where it is appropriate to do so having regard to *The Code of Professional Conduct* of the Law Society of Saskatchewan;

(g) any complaints against a lawyer involving professional conduct by either the plan member or the plan sponsor will be referred to the Law Society of Saskatchewan;

(h) in case of any dispute with respect to a lawyer's fees, the taxation provisions of *The Legal Profession Act, 1990* are available in all cases.

Duties Regarding Conflicts of Interest

1653. A lawyer shall not participate in a plan which interferes with the lawyer's duties and obligations with respect to conflicts of interest as defined by *The Code of Professional Conduct* of the Law Society of Saskatchewan.

Duties Regarding Plan's Advertising

1654. A lawyer may only participate in the plan if the plan's advertising and promotional material conforms to the Law Society's advertising Rules and *The Code of Professional Conduct*.

Duties Regarding Unauthorized Practice

1655. A lawyer shall not participate in a plan which attempts to limit his or her duty to report unauthorized practice to the Law Society of Saskatchewan.

Acceptance of Responsibilities

1656. A lawyer shall ensure that every plan sponsor is aware of and accepts the lawyer's responsibilities pursuant to *The Code of Professional Conduct* of the Law Society of Saskatchewan and the Rules relating to prepaid legal service plans.

Prohibition

1657. A lawyer shall not participate in a plan which attempts to circumvent any of the provisions of this Part.

[Rule 1650 to Rule 1657 added January 28, 1994 effective April 15, 1994]

[next rule is Rule 1700]

Part 20

Commencement of Proceedings

Summary Offences

1700. The Executive Director, or any other person authorized by the Executive Committee in a specific case, may act as informant in proceedings instituted under the *Summary Offences Procedure Act*.

Injunction

1701. The Executive Director, or any other person authorized by the Executive Committee in a specific case, may authorize the initiation of proceedings for an injunction under section 82 of the *Act*.

Unauthorized Practice Proceedings

1702. The Executive Director shall supervise the Society's activities respecting unauthorized practice in accordance with this Part and sections 30, 32, 33 and 80 – 82 of the *Act*.

[Rule 1702 added – relocated from Part 6, Committees; Part 20 title amended; February 13, 2015]

[next rule is Rule 1800]

Part 21

Withdrawal from Practice

Disposition of Files, Trust Monies and Other Documents and Valuables

1800. (1) Subject to subrule (4), a member who intends to withdraw from the practice of law in Saskatchewan shall, before the withdrawal occurs, advise the Executive Director in writing of his or her intended disposition of all:

(a) open and closed files;
(b) wills and wills indices;
(c) titles and other important documents and records;
(d) other valuables; and
(e) trust accounts and trust funds

which relate to the member's practice and are within the member's possession or power.

(2) Subject to subrule (4), a member who has withdrawn from the practice of law in Saskatchewan shall, within 3 months after the withdrawal occurs, 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); and
(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; or
    (B) transferred to another member with written instructions concerning the conditions attaching to them; and
  (ii) any interest earned on a mixed trust account has been remitted to the Law Foundation in accordance with Part 13 of these Rules.

(3) The Executive Director may, upon application in writing by the member or former member, extend the time limit referred to in subrule (2).

(4) A member who withdraws from a law firm in circumstances where the firm will continue in existence and will continue to have possession and power over the documents, property and accounts described in subrule (1), is not required to comply with subrule (1) or (2).

Succession Plan

1801. (1) A member who practices with a firm shall maintain a succession plan for the member's law practice.

(2) A member's succession plan shall contemplate the unique arrangements that will be necessary in the event of each of the following:

(a) temporary disability;
(b) long term disability; and
(c) death

of the member.

(3) At a minimum, a member's succession plan shall include adequate arrangements for clients, including management of the following where applicable:

(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; and
(f) other accounts related to the member's practice; and

any other arrangements necessary to carry on or wind up the member's unique practice.

[Rule 1801 Succession Plan added May 2, 2014, effective July 1, 2014]

[next rule is Rule 1900]

Part 22

Repeal and Commencement of Rules

Repeal of Former Rules and Bylaws

1900. The Law Society Rules and Bylaws which were in effect immediately before the *Act* comes into force are repealed as of the date on which the *Act* comes into force.

Commencement of these Rules

1901. These Rules come into effect on the day on which the *Act* comes into force.

Transitional

1902. (1) Rules 17, 19 and 21(1) of these Rules do not apply to the 1991 election of Benchers.

(2) For the purposes of the 1991 election of Benchers, the words “Rule 21” in Rule 23 of these Rules shall be interpreted to mean “The Rules of the Law Society of Saskatchewan which were in effect immediately prior to October 1, 1991”.

Waiver of Rule

1903. The Benchers may, by a decision of 2/3 of the Benchers present and entitled to vote, vary, waive or suspend any Rule other than subrule 92(3) or subrule 470(6).

[Rule 1903 amended April 22, 1999]

Schedule 2

1. Electoral Divisions – See Rule 15(2)

REGINA CITY ELECTORAL DIVISION

That part of the Province of Saskatchewan from time to time comprising of the City of Regina.

SOUTH EAST ELECTORAL DIVISION

That part of the Province of Saskatchewan that is bounded as follows: commencing at intersection of the north boundary of township eighteen and the east boundary of the province; thence southerly along the east boundary of the province to the south boundary of the province; thence westerly along the south boundary of the province to the dividing line between ranges twenty and twenty-one, west of the second meridian; thence northerly along the said dividing line between ranges twenty and twenty-one to the north boundary of township eighteen; thence easterly along the north boundary of township eighteen to the point of commencement. Excluding that part from time to time comprising of the City of Regina.

EAST CENTRAL ELECTORAL DIVISION

That part of the Province of Saskatchewan that is bounded as follows: commencing at the intersection of the east boundary of the province and the north boundary of township eighteen; thence westerly along the north boundary of township eighteen to the dividing line between ranges twenty and twenty-one, west of the second meridian; thence northerly along the said dividing line between ranges twenty and twenty-one to the north boundary of township thirty-five; thence easterly along the north boundary of township thirty-five to the east boundary of the province; thence southerly along the east boundary of the province to the point of commencement.

CENTRAL ELECTORAL DIVISION

That part of the Province of Saskatchewan that is bounded as follows: commencing at the intersection of the dividing line between ranges twenty and twenty-one, west of the second meridian and the south boundary of the province; thence westerly along the south boundary of the province to the dividing line between ranges five and six, west of the third meridian; thence northerly along the said dividing line between ranges five and six to the north boundary of township thirty-five; thence easterly along the north boundary of township thirty-five to the dividing line between ranges twenty and twenty-one, west of the second meridian; thence southerly along the said dividing line between ranges twenty and twenty-one to the point of commencement.

SOUTH WEST ELECTORAL DIVISION

That part of the Province of Saskatchewan that is bounded as follows: commencing at the intersection of the dividing line between ranges five and six, west of the third meridian and the south boundary of the province; thence westerly along the south boundary of the province to the west boundary of the province; thence northerly along the west boundary of the province to the north boundary of the township thirty-six; thence easterly along the north boundary of township thirty-six to the dividing line between ranges six and seven, west of the third meridian; thence southerly along the said dividing line between ranges six and seven to the north boundary of township thirty-five; thence easterly along the north boundary of township thirty-five to the dividing line between ranges five and six, west of the third meridian; thence southerly along the said dividing line between ranges five and six to the point of commencement.

NORTH EAST ELECTORAL DIVISION

That part of the Province of Saskatchewan that is bounded as follows: commencing at the intersection of the east boundary of the province and the north boundary of township thirty-five; thence westerly along the north boundary of township thirty-five to the dividing line between ranges six and seven, west of the third meridian; thence northerly along the said dividing line between ranges six and seven to the north boundary of township fifty-seven; thence easterly along the north boundary of township fifty-seven to the west boundary of Prince Albert National Park; thence northerly and easterly along the west and north boundaries of Prince Albert National Park to the meridian through the one hundred and sixth degree of West longitude; thence northerly along the said meridian of longitude to the north boundary of the province; thence easterly along the north boundary of the province to the east boundary of the province; thence southerly along the east boundary of the province to the point of commencement. Excluding those parts from time to time comprising of the City of Saskatoon and the City of Prince Albert.

SASKATOON CITY ELECTORAL DIVISION

That part of the Province of Saskatchewan from time to time comprising of the City of Saskatoon.

PRINCE ALBERT CITY ELECTORAL DIVISION

That part of the Province of Saskatchewan from time to time comprising of the City of Prince Albert.

NORTH WEST ELECTORAL DIVISION

That part of the Province of Saskatchewan that is bounded as follows: commencing at the intersection of the dividing line between ranges six and seven, west of the third meridian and the north boundary of township thirty-six; thence westerly along the north boundary of township thirty-six to the west boundary of the province; thence northerly along the west boundary of the province to the north boundary of the province; thence easterly along the north boundary of the province to the meridian through the one hundred and sixth degree of west longitude; thence southerly along the said meridian of longitude to the north boundary of Prince Albert National Park; thence westerly and southerly along the north and west boundaries of Prince Albert National Park to the north boundary of township fifty-seven; thence westerly along the north boundary of township fifty-seven to the dividing line between ranges six and seven, west of the third meridian; thence southerly along the said dividing line between ranges six and seven to the point of commencement.