

CLIENT IDENTIFICATION AND VERIFICATION

ACTIVITY

PROFESSIONAL SERVICES

Lawyer retained to provide legal services regardless of whether new or existing client

REQUIREMENT

CLIENT IDENTIFICATION

“Shall obtain” the following information about:

- Client
- Third Party
- Individuals authorized to give and providing instructions on behalf of an organization

ACTIVITY

RECEIVING, PAYING OR TRANSFERRING OF FUNDS

Lawyer engages in or gives instructions on behalf of an organization

REQUIREMENT

VERIFICATION

A Lawyer must verify the identity of:

- Client
- Third Party
- Individuals authorized to give and providing instructions on behalf of an organization

EXCEPTIONS TO IDENTIFICATION AND VERIFICATION

- Engaged by employer (in-house counsel)
- Engaged as agent for another lawyer who has already complied
- Engaged for client referred by another lawyer who has already complied
- Duty counsel sponsored by a non-profit organization, except when engaged in the receipt, payment or transfer of funds other than an electronic funds transfer

INDIVIDUALS

- Full Name
- Business address and telephone
- Home address and telephone
- Occupation(s)

ORGANIZATIONS

- Full Name
- Business address and telephone
- Incorporation or business ID number and place of incorporation/issue (except financial institutions, public bodies and reporting issuers)
- General nature of business (except financial institutions, public bodies, and reporting issuers)
- Name, position and contact information for individuals authorized to give, and providing, instructions

EXCEPTIONS

- Client is a financial institution, public body or reporting issuer
- Funds are received, paid or transferred by electronic funds transfer
- Funds are paid by or to a financial institution, public body or reporting issuer
- Funds are received from the trust account of another lawyer
- Funds are received from a peace officer, law enforcement agency, or other public official acting in their official capacity
- Funds are paid or received to pay a fine, penalty or bail
- Funds are paid or received for professional fees, disbursements or expenses

PLEASE SEE PAGE 2 & 3 FOR ADDITIONAL INFORMATION:

Methods to Verify an Individual and Methods to Verify an Organizational Client

USE OF AGENTS

- Agent must be retained on behalf of lawyer pursuant to a written agreement or arrangement specifying steps to be taken; obtain identification or attestation

SOURCE OF FUNDS

- Obtain from the individual or organizational client and record, with the applicable date, information about the source of funds. This refers to the origin of the particular funds or any other monetary instrument which are the subject of the transaction

METHODS TO VERIFY AN INDIVIDUAL

1. GOVERNMENT-ISSUED PHOTO IDENTIFICATION METHOD (THE INDIVIDUAL MUST BE PHYSICALLY PRESENT)

- Review photo identification issued by government
- Name and photograph must match
- Record and keep client identification information, type of document, document number, issuing jurisdiction and country, expiry date and date



2. CREDIT FILE METHOD (THE INDIVIDUAL DOES NOT NEED TO BE PHYSICALLY PRESENT)

- Review Canadian credit file in existence for at least three years
- Name, address and date of birth must match
- Record and keep client identification information, source of credit file, reference number and date of verification



3. DUAL PROCESS METHOD (THE INDIVIDUAL DOES NOT NEED TO BE PHYSICALLY PRESENT)

- Review two original, valid and current documents or information from independent and reliable sources
- Name, address and date of birth must match
- Record and keep client identification information, the name of the two different sources used to identify your client, the type of information, account or reference number and date of verification



TIMING FOR VERIFICATION: IMMEDIATELY

METHODS TO VERIFY AN ORGANIZATIONAL CLIENT

I. CONFIRMING THE EXISTENCE OF AN ENTITY THAT IS A CORPORATION

- Review certificate of corporate status, annual filings, annual reports, notice of assessment
- The name and address of the corporation and names of the directors must match
- If you referred to an electronic document you must record:
 - The corporation's registration number;
 - The type of document referred to; and
 - The source of the electronic version of the document.
- If you referred to a paper copy of a document you must keep the paper document, or a copy of it.



2. CONFIRMING THE EXISTENCE OF AN ENTITY OTHER THAN A CORPORATION

- Review the partnership agreement; articles of association; or any other similar record that confirms the entity's existence.
- Name and address of the entity must match

If you referred to an electronic record you must record:

- The entity's registration number;
 - The type of record referred to; and
 - The source of the electronic version of the record.
- If you referred to a paper document, you must keep the paper document, or a copy of it.



3. BENEFICIAL OWNERSHIP

Beneficial owners are the actual individuals who are the trustees, and known beneficiaries and settlors of a trust, or who directly or indirectly own or control 25% or more of a corporation or an entity other than a corporation or trust, such as a partnership.

Various means can be used to obtain beneficial ownership information e.g. the entity can provide, tell or fill out a document, and various reasonable measures can be used to confirm the accuracy of beneficial ownership information e.g. referring to official documentation or having the client sign a document to confirm the veracity of the information.



REQUIREMENT:

- Obtain information that describes the ownership, control and structure of the entity, including corporations and trusts; and
 - If the entity is a corporation, obtaining the names of all the directors, as well as the names and addresses of the beneficial owners;
 - If the entity is a trust, obtaining the names and addresses of all trustees and known beneficiaries and settlors of the trust;
 - If the entity is other than a corporation or trust, obtaining the names and addresses of the beneficial owners; and
- Take reasonable measures to confirm the accuracy of the information obtained and keep records of the information obtained and the measures taken to confirm its accuracy.



TIMING FOR VERIFICATION: WITHIN 30 DAYS