

LEGAL PROFESSION ACT

RULES OF THE LAW SOCIETY OF THE NORTHWEST TERRITORIES

R-044-2012

INCLUDING AMENDMENTS MADE BY

R-077-2012

R-078-2012

R-079-2012

R-080-2012 (In force April 1, 2013)

R-081-2012 (In force April 1, 2013)

R-090-2013

R-005-2014

R-136-2014

R-137-2014

R-138-2014

R-139-2014

R-136-2016

R-019-2017

R-096-2017

R-097-2017

R-162-2018

R-001-2019

R-002-2019

R-106-2019 (In force January 2, 2020)

R-126-2020

R-127-2020

R-001-2021

R-024-2021

R-063-2021

R-024-2022

R-025-2022

R-001-2024 (In force January 11, 2024 but not yet confirmed at AGM)

This consolidation is not an official statement of the law. It is an office consolidation prepared by the Rules Committee of the Law Society of the Northwest Territories, for convenience of reference only. This consolidation is current to January 11, 2024.

Copies of this consolidation and regulations amending the rules are available on the website of the Law Society of the Northwest Territories (www.lawsociety.nt.ca) or can be obtained from the Law Society at the following address:

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LEGAL PROFESSION ACT

RULES OF THE LAW SOCIETY OF THE NORTHWEST TERRITORIES

The Executive of the Law Society of the Northwest Territories, under section 8 of the *Legal Profession Act* and every enabling power, makes the *Rules of the Law Society of the Northwest Territories*.

INTERPRETATION

1. (1) In these rules,

"Act" means the *Legal Profession Act*;

"approved form" means a form approved by the Executive under subrule 1(3);

"assurance fund levy" means the annual assessment levied by the Society under rule 87;

"auditor" means the auditor for the Society appointed under subsection 9(1) of the Act;

"books of account" means the books, ledgers, journals, records and accounts referred to in section 43 of the Act;

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

"Code of Professional Conduct" means the *Code of Professional Conduct* adopted under rule 86.1;

"conduct deserving of discipline" means unprofessional conduct by a barrister and solicitor or student-at-law;

"Deputy Secretary" means the Deputy Secretary appointed under subsection 6(2) of the Act;

"Executive member" means a person elected or appointed to the Executive;

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

"insurance levy" means the annual assessment levied by the Society under subrule 90(2);

"lawyer" means an advocate or a notary in Quebec and a barrister and solicitor in any other province or territory;

"money" includes cash, cheques, drafts, negotiable instruments, credit card transactions, post office orders, express money orders, bank money orders and electronic transfers of deposits at financial institutions;

"principal" means a member to whom articles of clerkship are being served by a student-at-law;

"Record" means the record referred to in section 14 of the Act;

"resident" means resident in the Northwest Territories;

"Secretary" includes the Deputy Secretary unless the context requires otherwise;

"Treasurer" includes the Deputy Treasurer.

(2) A term defined in the Act has the same meaning when used in these rules.

(3) A reference in these rules to an approved form shall be construed as a reference to the appropriate form as approved by the Executive. R-136-2014,s.1; R-106-2019,s.1; R-127-2020,s.1; R-001-2021,s.1; R-063-2021,s.1; R-025-2022,s.1.

PART 1 THE SOCIETY

2. The registered office of the Society is in Yellowknife in the Northwest Territories.

3. (1) Subject to these rules, each instrument to which the seal of the Society is affixed must be signed by the President or Vice-President and countersigned by the Secretary or Treasurer.

(2) The Secretary shall sign and affix the seal of the Society to annual certificates, certificates of admission and certificates of standing. R-136-2016,s.1.

HONORARY EXECUTIVE MEMBERS

4. (1) The Attorney General for the Northwest Territories, the Attorney General for Canada and past Presidents of the Society are honorary members of the Executive.

(2) The Executive may, by resolution, authorize at least two officers of the Society to act as signing authorities of the Society.

(3) The authorized signing authorities referred to in subrule (2) may cause funds to be paid out from the accounts of the Society as they consider necessary, in the manner and up to the limit, if any, specified by the Executive.

(4) The authorized signing authorities shall report all payments made under subrule (3) to the Executive. R-136-2016,s.2.

ELECTION OF THE EXECUTIVE

5. (1) Not more than five active members may be elected to the Executive under paragraph 3(2)(b) of the Act, and each must be

- (a) resident in the Northwest Territories;
- (b) in good standing with the Society; and
- (c) elected in accordance with these rules.

(2) No person is eligible for nomination or election to the Executive if he or she

- (a) has been struck off the Roll, or
- (b) has, within five years before the date of an election, been found guilty of conduct deserving of discipline,

unless the Executive, on the application of the person seeking nomination or election, waives the restrictions imposed by this subrule. R-077-2012,s.1.

6. (1) The election of an Executive member must be conducted by secret ballot.

(2) Electronic processes, including online voting systems and databases, may be used for

- (a) circulating election notices, forms, ballots, documents and other materials;
- (b) voting; and
- (c) counting and recording votes.

(3) The Executive may approve procedures by which an election is to be conducted, including the giving of instructions to vote. R-078-2012,s.1.

7. (1) At an election of Executive members, if anything required to be done before a time fixed under these rules has not been done, the Executive may, in its discretion and before or after the time has expired, direct another time for doing it.

(2) Anything done within the time specified in a direction under subrule (1) is valid as if it had been done within the time fixed under these rules.

8. (1) At least 45 days before the annual general meeting, the Secretary shall send a Notice of Election in an approved form to each member entitled to vote.

- (2) A nomination for election to the Executive must be
- (a) in writing;
 - (b) signed by three active members;
 - (c) accompanied by the written consent of the member nominated; and
 - (d) sent or returned to the Society's registered office at least 30 days before the annual general meeting. R-090-2013,s.1; R-127-2020,s.2;R-063-2021,s.2.

9. (1) At least 20 days before the annual general meeting, the Secretary shall send each member entitled to vote

- (a) a Copy of Instructions to Vote in an approved form;
- (b) a Ballot in an approved form; and
- (c) an envelope marked "Ballot".

(2) Notwithstanding subrule (1), if electronic processes are used under rule 6, the Secretary shall, at least 20 days before the annual general meeting,

- (a) send to each member entitled to vote a copy of the instructions to vote approved by the Executive under subrule 6(3); and
- (b) provide an opportunity to vote for each member entitled to vote. R-078-2012,s.2; R-090-2013,s.2; R-127-2020,s.3; R-063-2021,s.3.

10. (1) A member voting in an election shall

- (a) mark and enclose the ballot in the envelope marked "Ballot";
- (b) seal and enclose the envelope marked "Ballot" in a second envelope; and
- (c) send or return the envelope to the registered office of the Society before 11 a.m. on the day preceding the annual general meeting.

(2) The Secretary shall, with at least one member open the envelopes marked "Ballot", scrutinize the ballots and count and record the votes cast for each candidate.

(3) Notwithstanding subrules (1) and (2), if electronic processes are used under rule 6, the Secretary shall ensure that the procedures approved under subrule 6(3) are applied. R-078-2012,s.3; R-106-2019,s.2; R-025-2022,s.2.

11. (1) A ballot that is not marked according to the Instructions to Vote must not be counted.

(2) A ballot marked for more votes than the number of candidates to be elected must not be counted. R-090-2013,s.3; R-127-2020,s.4; R-063-2021,s.4, **R-025-2022, s. 3.**

12. (1) A candidate or his or her agent may be present at the opening and scrutinizing of ballots and the counting of votes.

(2) If electronic processes are used, a candidate or his or her agent may request to inspect the data files used as part of the electronic processes.

- (3) A copy of a data file referred to in subrule (2)
 - (a) must be stripped of information that identifies individual voters in order to ensure that the voting remains secret;
 - (b) must only be provided to a candidate or his or her agent; and
 - (c) remains the property of the Society. R-078-2012,s.4.

13. After the votes for the candidates are counted, those candidates who have received the greatest number of votes for each available position are elected as Executive members for a term of three years. R-077-2012,s.2.

14. Where an equal number of votes is cast for two or more candidates, the Secretary shall, if it is necessary for the purposes of determining the outcome of the election,

- (a) put into a ballot box the names of the candidates for whom an equal number of votes has been cast,
- (b) mix the names together, and
- (c) draw the name or names,

and the candidate whose name is first drawn is deemed to have received a higher number of votes than the candidate whose name is drawn second, and so on.

15. The Secretary shall

- (a) notify all candidates of the election results;
- (b) on request, provide a copy of the election results to a candidate; and
- (c) submit a notice of members elected to the Executive for publication in the Northwest Territories Gazette.

16. The Executive takes office at the first Executive meeting following the election, which must be held within 30 days after the election, and the Executive in office before the election continues in office until that meeting.

17. (1) A member may dispute the validity of an election of an Executive member on application by way of originating notice to the Supreme Court filed within 30 days after the date of the election.

(2) A judge may hear the application in a summary way.

(3) A judge who determines that an election has been conducted substantially in accordance with the Act and these rules and that any noncompliance did not materially affect the result of the election, may declare the election valid.

- (4) A judge who declares that an election of an Executive member is invalid, shall
 - (a) direct the remaining Executive members to appoint another active resident member to fill the vacancy; or
 - (b) give directions for the holding of another election to fill the vacancy.

(5) Where the election of one Executive member is declared invalid and directions are given for the holding of another election under paragraph (4)(b), the following persons constitute the Executive until the Executive meeting referred to in rule 16:

- (a) the person appointed under paragraph 3(2)(a) of the Act;
- (b) the persons whose elections have not been declared invalid; and
- (c) such other active members as may be appointed by the persons referred to in paragraphs (a) and (b).

(6) Where the election of more than one member to the Executive is found invalid and directions are given for the holding of another election under paragraph (4)(b), the Executive members who held office immediately before the election continue to hold office until the Executive meeting referred to in rule 16.

(7) A declaration made by a judge under this rule is final.

18. (1) Where an Executive member, other than a layperson appointed under paragraph 3(2)(a) of the Act, dies, resigns, is suspended, is struck off the Roll or is found guilty of conduct deserving of discipline, his or her office is vacant.

(2) An Executive member may be removed for cause including, but not limited to, the refusal or inability of the member to perform his or her duties.

(3) Proceedings to remove an Executive member for cause must be conducted at a special meeting of the Society called for that purpose, and a motion for removal requires the approval of two-thirds of the members present and voting at the meeting.

(4) Subject to subrule (5), where a vacancy on the Executive occurs in a position other than that of the layperson appointed under paragraph 3(2)(a) of the Act, the remaining Executive members shall appoint an active resident member to fill the vacancy.

- (5) Notwithstanding subrule (4), where a quorum of the Executive has been lost as a result of vacancies,
- (a) the remaining Executive members shall direct the Secretary to hold an election for the purpose of filling the vacancies, and rules 6 to 15 apply to the conduct of the election with such modifications as the circumstances require; and
 - (b) the remaining Executive members continue to hold office and constitute a quorum for the conduct of the business of the Executive until the vacancies are filled.

R-025-2022,s.4.

18.1. Any motion tabled at the Society's annual general meeting or a special meeting must be presented in a Notice of Motion in an approved form. R-162-2018,s.1; R-127-2020,s.5; R-053-2021,s.5.

EXECUTIVE MEETINGS AND DUTIES OF OFFICERS

19. (1) An Executive meeting may be called at any time by any two Executive members, by the President, or in his or her absence, by the Vice-President.

(2) Subject to paragraph 18(5)(b), three members constitute a quorum at a meeting of the Executive.

(3) Subject to subrule (6), written notice stating the time, date and place of a meeting must be given at least 24 hours in advance to each Executive member.

(4) A resolution approved in writing by all Executive members is as valid and effective as if it had been approved at a properly constituted and duly called Executive meeting.

(5) Executive members may participate in an Executive meeting by telephone or by another means that permits all members to hear each other, and all members so participating are deemed to be in attendance for the purposes of the meeting.

(6) An Executive member's attendance at an Executive meeting is deemed to constitute a waiver of the notice required under subrule (3).

20. The Secretary and either the President or the Vice-President shall sign minutes approved by the Executive.

21. (1) Officers shall be appointed at the meeting referred to in rule 16.

(2) Any Executive member may act in the temporary absence or inability of an officer to perform the duties of his or her office.

22. (1) The Deputy Secretary shall be paid such remuneration as may be fixed by the Executive, and shall perform such duties as may be required by the Act or these rules or as may be directed by the Executive.

(2) Where the Executive appoints a Deputy Secretary under subsection 6(2) of the Act, the person so appointed may be required to give security to the Society for the performance of his or her duties in a form and for such amount as may be directed by the Executive, and the Society shall pay the cost of such security.

23. The Secretary shall

- (a) keep minutes of the proceedings of Executive meetings;
- (b) prepare or have prepared the certificates and other documents pertaining to the Society;
- (c) serve as custodian of the documents and correspondence belonging to or filed with the Society; and
- (d) perform any other duty or service incidental to the office of Secretary.

24. The Treasurer shall

- (a) receive money payable to the Society and deposit it to the credit of the applicable accounts of the Society;
- (b) pay the necessary expenses of the Society included in the estimate of expenditures and receipts referred to in rule 26 and any other expenses authorized by the Executive;
- (c) keep proper books of account; and
- (d) perform any other duty or service incidental to the office of Treasurer.

25. The Treasurer shall present, to an Executive meeting held before the annual general meeting, an audited statement of the accounts of the Society for the preceding fiscal year.

26. The Treasurer shall present to the Finance Committee, before the second meeting of the Executive after the annual general meeting, an estimate of expenditures and receipts for the coming year.

EXPENSES

27. An Executive member who is engaged in a matter related to his or her office at a place other than his or her place of residence, shall be reimbursed for reasonable transportation and living expenses.

BANKING AND FINANCIAL MATTERS

28. (1) The accounts of the Society must be maintained at a chartered bank chosen by the Executive.

(2) The Executive may, by resolution, authorize at least two officers of the Society to act as signing authorities of the Society.

(3) The authorized signing authorities referred to in subrule (2) may cause funds to be paid out from the accounts of the Society as they consider necessary, in the manner and up to the limit, if any, specified by the Executive.

(4) The authorized signing authorities shall report all payments made under subrule (3) to the Executive.

29. The auditor shall audit the accounts of the Society as soon as is reasonably practicable after January 1 in each year and at such other times as may be directed by the Executive, and the auditor's report must be submitted to the Treasurer.

30. The fiscal year of the Society begins on January 1 and ends on December 31 in the same year. R-136-2016,s.2.

COMMITTEES

- 31.** (1) The Executive shall appoint the following standing committees to perform the following duties:
- (a) an Admissions Committee, to examine applications for admission as students-at-law and members, and to make recommendations to the Executive on any other matter relating to admissions coming within the jurisdiction of the Executive;
 - (b) a Finance Committee, to administer the investment of the funds of the Society in accordance with policies determined by the Executive, and to make recommendations to the Executive before the Society's fiscal year end concerning
 - (i) the funds of the Society,
 - (ii) the amount of the annual fees,
 - (iii) the amount of the assurance fund levy, and
 - (iv) any other matter concerning the Society's revenues;
 - (c) a Legal Ethics and Practice Committee,
 - (i) to report and make recommendations on any question concerning the ethics of the profession submitted to the Committee,
 - (ii) to report and make recommendations respecting any complaint of unauthorized practice submitted to the Committee;
 - (d) an Insurance Committee, to supervise and investigate all aspects of insurance for the Society, and to report and make recommendations to the Executive on matters of insurance.
- (2) The Finance Committee shall consider the estimate of expenditures and receipts of the general fund presented by the Treasurer under rule 26, and shall submit its recommendations on the estimate to the Executive.
- (3) The Executive may, from time to time, appoint any other committees and may fill vacancies on or add members to any committee.
- (4) A committee, in addition to the duties assigned to it by the Act and these rules, may be given additional duties by the Executive.
- (5) Where a committee consists of at least three members, two members constitute a quorum for the transaction of business.
- (6) The President is *ex-officio* a member of each committee.
- (7) Each committee shall appoint a chairperson and vice-chairperson from among its members.
- R-025-2022,s.5.

SPECIAL COUNSEL

- 32.** The Executive or the chairperson of the Discipline Committee may retain the services of legal counsel and authorize the payment of their reasonable fees and expenses.

PART 2 MEMBERSHIP AND ENROLMENT

- 33.** In this Part,

"Canadian legal advisor" means a person admitted to the Society under rule 52;

"law student" means a person who is not a member or a student-at-law but is admitted to the Society as a law student under rule 53 to pursue temporary articles.

THE ROLL

- 34.** The Roll must contain the following information in respect of each member:
- (a) full name, date of admission to the Society, address and number of the Roll assigned to the member;
 - (b) date and particulars of the member's removal from the Roll, if any;
 - (c) date and particulars of the member's reinstatement to the Roll, if any. R-097-2017,s.1.

THE RECORD

- 35.** The Record pertaining to persons admitted to the Society as members must contain the following information in respect of each member:

- (a) full name, address and number on the Roll assigned to the member;
- (b) date on which the member's application for membership was approved by the Executive;
- (c) details of membership in any other law society or comparable body;
- (d) election of the member to the Executive;
- (e) dates of any findings of guilt for conduct deserving of discipline and any sanctions imposed;
- (f) date and particulars of the member's removal from the Roll, if any;
- (g) date and particulars of the member's reinstatement to the Roll, if any;
- (h) such further particulars as the Executive may direct. R-097-2017,s.1.

- 36.** The Record pertaining to persons admitted to the Society as students-at-law must contain the following information in respect of each student-at-law:

- (a) full name and address;
- (b) date on which articles of the student-at-law commence;
- (c) details of membership in any other law society or comparable body;
- (d) dates of any findings of guilt for conduct deserving of discipline and any sanctions imposed;
- (e) such further particulars as the Executive may direct. R-097-2017,s.1.

- 37.** The Record pertaining to persons admitted to the Society as law students must contain the following information in respect of each law student:

- (a) full name and address;
- (b) date on which temporary articles of the law student commence and cease;
- (c) details of the law student's academic program or pending application as a student-at-law;
- (d) details of membership in any other law society or comparable body;
- (e) dates of any findings of guilt for conduct deserving of discipline and any sanctions imposed;
- (f) such further particulars as the Executive may direct. R-097-2017,s.1.

- 38.** (1) The Secretary shall maintain a record of active members called the "practising list", which must contain the last known professional address of each active member.

(2) The Secretary shall maintain a record of inactive members called the "non-practising list", which must contain the last known address of each inactive member.

- (3) The Secretary shall prepare such other records respecting members as the Executive may direct.

BAR ADMISSION EXAMINATIONS

- 39.** The Society may establish such written and oral bar admission examinations as it considers necessary.

REGULAR MEMBERS

- 40.** (1) An applicant for admission under paragraph 18(1)(b) of the Act may apply for membership as an active member or as an inactive member, and shall submit to the Secretary
- (a) an Application for Admission as Member in an approved form;
 - (b) two letters of good character from members in good standing of a provincial or territorial law society or a comparable body of which the applicant is a member, or from judges of a provincial, territorial or superior court of the jurisdiction of the law society or body of which the applicant is a member;
 - (c) a certificate from each provincial or territorial law society or comparable body of which the applicant is a member dated not earlier than 45 days before the receipt of the application by the Secretary, stating
 - (i) the standing of the applicant,
 - (ii) the period of time during which the applicant has been listed as an active member of the society or body,
 - (iii) whether disciplinary proceedings are pending against the applicant, and
 - (iv) the nature and disposition of any disciplinary action that has been taken against the applicant;
 - (d) payment of the insurance levy, or if the applicant is exempt under subrule 90(4), proof that he or she
 - (i) is covered by errors and omissions insurance referred to in paragraph 90(4)(a), or
 - (ii) is exempt under paragraph 90(4)(b);
 - (e) payment of any assurance fund levy;
 - (f) payment of the application, admission and annual fees set out in Schedule A;
 - (g) a notarized copy of a document acceptable to the Secretary indicating proof of identity; and
 - (h) any other information requested by the Secretary.
- (2) Subject to subrule (3), an applicant shall pass such bar admission examinations as may be established under rule 39.
- (3) An applicant may petition the Executive to waive the requirement for the taking of any bar admission examination. R-079-2012,s.1; R-090-2013,s.4,5; R-139-2014,s.1; R-136-2016, s.3(1),(2); R-097-2017,s.2; R-127-2020,s.6(2); R-063-2021,s.6; R-025-2022,s.6.

STUDENTS-AT-LAW

- 41.** (1) An applicant for admission as a student-at-law under subsection 17(1) of the Act shall submit to the Secretary
- (a) an Application for Admission as Student-at-Law in an approved form;
 - (b) two letters of good character from reputable persons;
 - (c) a Certificate of Qualification from the National Committee on Accreditation, or proof from the proper authority of graduation from a law school approved by the Executive;
 - (d) a duly signed articling Agreement in an approved form, with two additional copies;
 - (e) an education plan in an approved form;
 - (f) payment of the application and admission fees set out in Schedule A;
 - (g) a notarized copy of a document acceptable to the Secretary indicating proof of identity; and
 - (h) any other information requested by the Secretary.

(2) When the Admissions Committee has recommended and the Executive has approved an application for admission as a student-at-law, the applicant's term of service under the articles begins on the day the applicant complies with all requirements of the Act and these rules for admission or on a date fixed by the Executive, and the applicant is deemed to be admitted as a student-at-law as of that date.

(3) On the admission of an applicant as a student-at-law, the Secretary shall issue a certificate of admission as a student-at-law. R-081-2012,s.1; R-090-2013,s.4,6; R-136-2016,s.4; R-106-2019,s.3; R-127-2020,s.7; R-063-2021,s.7; R-025-2022,s.7.

42. (1) The Executive may require a student-at-law to successfully complete a bar admission course and bar admission examinations of a province or territory.

(2) In addition to satisfying the requirements of subrule (1), a student-at-law is required to pass such bar admission examinations as may be established under rule 39.

43. An active member of the Society may not act as principal to more than two students-at-law at any time without the prior written approval of the Executive.

44. (1) On the recommendation of the Admissions Committee and with the approval of the Executive, articles may be

- (a) assigned by an Assignment of Articles in an approved form to a barrister and solicitor who is qualified under subsection 18(2) of the Act; or
- (b) assigned by a Temporary Assignment of Articles in an approved form to a barrister and solicitor who is qualified under subsection 18(2) of the Act.

(2) The assignment must be delivered promptly to the Secretary, and if approved, takes effect from the date of its delivery with payment of the fee set out in Schedule A. R-127-2020,s.8; R-063-2021,s.8; R-025-2022,s.8.

45. (1) Articles of a student-at-law terminate where a principal to whom the student-at-law is articulated dies, has his or her name struck off the Roll, is suspended from practising as a result of being found guilty of conduct deserving of discipline or ceases to be actively engaged in the practice of law in the Northwest Territories.

(2) Where a principal is found guilty of conduct deserving of discipline, the Executive may, on the advice of the chairperson of the Discipline Committee and in the interest of the student-at-law articulated to the principal, terminate the articles of the student-at-law.

(3) A student-at-law or a principal may, on giving notice to his or her principal or student-at-law as the case may be, apply to the Admissions Committee to be relieved of the articles, and the Admissions Committee may recommend to the Executive that the articles be terminated or make any other recommendation that is appropriate in the circumstances.

(4) When articles of a student-at-law are terminated under this rule, the student-at-law may enter into new articles, and in that event shall be allowed credit for the whole or such part of his or her service under the original articles as may be approved by the Executive, on the recommendation of the Admissions Committee.

(5) When new articles are entered into under subrule (4), the student-at-law is not liable to pay any fee in respect of the new articles.

46. During the term of articles of a student-at-law, the student-at-law shall well and faithfully serve his or her principal as a student-at-law and shall not engage in any other employment without the written authorization of the Executive, which authorization must not be given if the Executive considers that such other employment could adversely interfere with the service of the student-at-law under articles.

47. (1) Where a student-at-law is not admitted as a member of the Society within two years after the completion of the term of his or her articles or after the requirement to serve articles is waived under subsection 16(2) of the Act, the Secretary may serve on the student-at-law a written notice to show cause before the

Admissions Committee, at the time and place specified in the notice, why the Admissions Committee should not recommend that the student-at-law's name be struck from the Record.

(2) At a hearing held under subrule (1), the student-at-law may appear and make representations, and the Admissions Committee may recommend to the Executive that

- (a) the student-at-law serve a further term of articles;
- (b) the time for application for admission as a member be extended; or
- (c) the name of the student-at-law be struck from the Record.

48. On the recommendation of the Admissions Committee, the Executive may require a student-at-law who fails to successfully complete a bar admission course and bar admission examinations in accordance with subrule 42(1) or fails to pass such bar admission examinations as may be required under subrule 42(2), to do one or more of the following:

- (a) serve a further period of articles;
- (b) successfully complete a further bar admission course or bar admission examinations;
- (c) pass such further bar admission examinations as may be set by the Society.

49. A student-at-law may apply for membership as an active member or inactive member at the completion of his or her articles, and shall, in addition to any other requirements for membership, submit to the Secretary

- (a) an Application for Admission as Member by Student-at-Law in an approved form;
- (b) except where service under articles has been waived under subsection 16(2) of the Act,
 - (i) a Declaration of Principal in an approved form signed by the principal under whom the student-at-law has served his or her articles, and
 - (ii) a Declaration of Student-at-Law in an approved form signed by the student-at-law;
- (c) payment of the insurance levy, or if the applicant is exempt under subrule 90(4), proof that he or she
 - (i) is covered by errors and omissions insurance referred to in paragraph 90(4)(a),
 - (ii) is exempt under paragraph 90(4)(b), or
 - (iii) has submitted an undertaking under paragraph 90(4)(c);
- (d) payment of the insurance levy, or if the applicant is exempt under subrule 90(4), proof that he or she
 - (i) is covered by errors and omissions insurance referred to in paragraph 90(4)(a), or
 - (ii) is exempt under paragraph 90(4)(b);
- (e) payment of any assurance fund levy; and
- (f) payment of the application, admission and annual fees set out in Schedule A. R-079-2012,s.1; R-090-2013,s.4,5,7; R-136-2016,s.5; R-097-2017,s.3; R-162-2018, s.2; R-127-2020,s.9; R-063-2021,s.9; R-025-2022,s.9.

LEGAL SERVICES A STUDENT-AT-LAW MAY PROVIDE

- 50.** (1) A student-at-law may act as counsel in the Court of Appeal in
- (a) a civil proceeding before a judge in chambers;
 - (b) a proceeding for speaking to the list in a civil or criminal matter;
 - (c) a taxation of costs before the Registrar;
 - (d) an application with respect to judicial interim release pending appeal; or
 - (e) an interlocutory application in a criminal matter.
- (2) A student-at-law may act as counsel in the Supreme Court in
- (a) a civil proceeding before a judge in chambers, other than a pre-trial conference or a mini-trial;
 - (b) an examination for discovery;
 - (c) an examination of a debtor in aid of execution;

- (d) any other examination provided for in the Rules of the Supreme Court of the Northwest Territories if it is conducted before an officer of the Court or a person authorized by the Court to conduct it;
 - (e) a proceeding for the taxation of costs before an officer of the Court;
 - (f) an appeal respecting a civil claim taken under the *Territorial Court Act*; or
 - (g) an application in a criminal proceeding, if the application relates to any of the following:
 - (i) entering an election respecting the mode of trial,
 - (ii) entering a plea of not guilty,
 - (iii) fixing the date for a trial or a hearing,
 - (iv) an application for an adjournment, where the matter has been brought forward to speak to the adjournment, or
 - (v) an application pertaining to judicial interim release.
- (3) A student-at-law may act as counsel in the Territorial Court, whether the Court is sitting as a youth court or adult court, in
- (a) a proceeding pertaining to an offence punishable on summary conviction;
 - (b) a proceeding pertaining to an offence prosecutable either as an indictable offence or a summary conviction offence, where the Crown elects or is deemed to have elected to proceed by summary conviction procedure;
 - (c) a proceeding pertaining to an indictable offence in respect of which a Territorial Court judge has absolute jurisdiction; or
 - (d) a proceeding pertaining to any other kind of indictable offence, if it relates to any of the following:
 - (i) entering an election respecting the mode of trial,
 - (ii) entering a plea of not guilty,
 - (iii) fixing the date for a trial, a preliminary inquiry or a hearing,
 - (iv) an application for an adjournment, where the matter has been brought forward to speak to the adjournment, or
 - (v) an application pertaining to judicial interim release.
- (4) A student-at-law may act as counsel in the Territorial Court in
- (a) an application for a maintenance order or for the enforcement of a maintenance order;
 - (b) an application for an order for custody of or access to a child or an application for a review of such an order;
 - (c) a proceeding under the *Children's Law Act* or the *Child and Family Services Act*; or
 - (d) a civil claim action under the *Territorial Court Act*.
- (5) A student-at-law may act as counsel in any matter properly before a justice of the peace.
- (6) A student-at-law may, with leave of the court, act as counsel in any matter, whether contested or not, before the Court of Appeal, the Supreme Court or the Territorial Court, if
- (a) the student-at-law is present for the purpose of assisting a member who is that student-at-law's principal or who is qualified to be a principal; and
 - (b) the student-at-law acts in the presence of and under the supervision of the member.
- (7) This rule does not affect the obligation of the principal of a student-at-law to ensure
- (a) that the student-at-law is instructed to act as counsel only on matters where the services of a member are unnecessary; and
 - (b) that the student-at-law is properly prepared before appearing before a court or an officer of a court.
- (8) This rule does not operate to entitle a student-at-law to act as counsel before a court if he or she is prohibited from doing so by an enactment of Canada or of the Northwest Territories. R-025-2022,s.10.

RESTRICTED APPEARANCE CERTIFICATE

- 51.** (1) A person who has been duly called to the bar of a province or territory or has been admitted to practice as an attorney, advocate, barrister or solicitor in the superior courts of a province or territory may apply to the Executive for a Restricted Appearance Certificate to appear or to act as an active member on a single matter or for a number of closely-related matters over a limited period of time.
- (2) An applicant under subrule (1) shall submit to the Secretary
- (a) an Application for Restricted Appearance Certificate in an approved form;
 - (b) two letters of good character from members in good standing of a provincial or territorial law society or comparable body of which the applicant is a member or from judges of a provincial, territorial or superior court of the jurisdiction of the law society or body of which the applicant is a member;
 - (c) a certificate from each provincial or territorial law society or comparable body of which the applicant is a member dated not earlier than 45 days before the receipt of the application by the Secretary, stating
 - (i) the standing of the applicant,
 - (ii) the period of time during which the applicant has been listed as an active member of the society or body,
 - (iii) whether disciplinary proceedings are pending against the applicant, and
 - (iv) the nature and disposition of any disciplinary action that has been taken against the applicant;
 - (d) payment of the insurance levy, or if the applicant is exempt under subrule 90(4), proof that he or she is
 - (i) covered by errors and omissions insurance referred to in paragraph 90(4)(a), or
 - (ii) exempt under paragraph 90(4)(b);
 - (e) payment of any assurance fund levy;
 - (f) payment of the application and admission fees set out in Schedule A;
 - (g) if required by the Executive, proof that the applicant has passed such bar admission examinations as may be established under rule 39;
 - (h) a notarized copy of a document acceptable to the Secretary indicating proof of identity; and
 - (i) any other information requested by the Secretary.
- (3) On the recommendation of the Secretary, or on the recommendation of the Admissions Committee in respect of an application referred to the Admissions Committee, the Executive may, if it considers that the nature or circumstances of the matter or matters warrant, grant a Restricted Appearance Certificate in an approved form to the applicant to act or appear as an active member in the matter or matters in respect of which the applicant has applied to act or appear.
- (4) A member holding a Restricted Appearance Certificate ceases to be entitled to appear or act as an active member if
- (a) the matter or matters in respect of which he or she has applied to act or appear conclude; or
 - (b) the certificate granted under subrule (3) is not renewed by the anniversary of the day it was granted.
- (5) A member holding a Restricted Appearance Certificate may renew the certificate before each anniversary of the day it was granted, by submitting to the Secretary
- (a) a current certificate in the form required by paragraph (2)(c);
 - (b) payment of the renewal fee set out in Schedule A;
 - (c) payment of the assurance fund levy; and
 - (d) payment of the insurance levy, or if the member is exempt under subrule 90(4), proof that he or she is

- (i) covered by errors and omissions insurance as required by paragraph (2)(e), or
- (ii) exempt under paragraph 90(4)(b). R-078-2012,s.5; R-079-2012,s.1; R-090-2013,s.4,5; R-005-2014,s.2(1),(2); R-139-2014,s.1; R-136-2016,s.6(1),(2); R-097-2017,s.4; R-127-2020,s.10(1), (2),(3); R-063-2021,s.11.

CANADIAN LEGAL ADVISOR

- 52.** (1) A person who has been duly called to the *Chambre des notaires du Québec* may apply to the Executive for a Canadian legal advisor certificate or to act as a member who is a Canadian legal advisor.
- (2) An applicant for admission as a Canadian legal advisor shall submit to the Secretary
- (a) an Application for Admission as Canadian Legal Advisor in Form 2.13;
 - (b) two letters of good character from reputable persons;
 - (c) a certificate from the *Chambre des notaires du Québec*, dated not earlier than 45 days before the receipt of the application by the Secretary, stating
 - (i) the standing of the applicant,
 - (ii) the period of time during which the applicant has been listed as a member of the *Chambre*,
 - (iii) whether disciplinary proceedings are pending against the applicant, and
 - (iv) the nature and disposition of any disciplinary action that has been taken against the applicant;
 - (d) payment of the insurance levy, or if the applicant is exempt under subrule 90(4), proof that he or she
 - (i) is covered by errors and omissions insurance referred to in paragraph 90(4)(a), or
 - (ii) is exempt under paragraph 90(4)(b);
 - (e) payment of any assurance fund levy; and
 - (f) payment of the application, admission and annual fees set out in Schedule A.
- (3) On the recommendation of the Secretary, or on the recommendation of the Admissions Committee in respect of an application referred to the Admissions Committee, the Executive may grant a Canadian legal advisor certificate to the applicant to act or appear as an active member who is a Canadian legal advisor.
- (4) A Canadian legal advisor may
- (a) give legal advice on
 - (i) the law of Québec and matters involving the law of Québec, or
 - (ii) matters under federal jurisdiction, or
 - (iii) matters involving public international law;
 - (b) draw, revise or settle a document for use in a proceeding concerning matters under federal jurisdiction, if expressly permitted by a federal enactment; or
 - (c) appear as counsel or advocate before any tribunal with respect to matters under federal jurisdiction, if expressly permitted by a federal enactment.
- (5) A Canadian legal advisor shall not engage in the practice of law except as permitted under this rule.
- (6) A member granted a Canadian legal advisor certificate ceases to be entitled to appear or act as an active member if
- (a) he or she ceases to be authorized to practise law in Québec or ceases to be a member in good standing of the *Chambre des notaires du Québec*; or
 - (b) the certificate granted under subrule (3) is not renewed by the anniversary of the day it was granted. R-079-2012,s.1; R-090-2013,s.4,5; R-139-2014,s.1; R-136-2016,s.7; R-097-2017,s.5; R-002-2019,s.1; R-127-2020,s.11; R-025-2022,s.11.

LAW STUDENTS AND TEMPORARY ARTICLES

- 53.** (1) An applicant for admission as a law student shall submit to the Secretary
- (a) an application in an approved form;
 - (b) a temporary articling agreement in an approved form;
 - (c) two letters of good character from reputable persons;
 - (d) proof of
 - (i) registration as a student at a common law faculty of law in a Canadian university, or
 - (ii) qualification to practise law in a member state of the Commonwealth of Nations that was issued at least two years before the date of the application;
 - (e) payment of the application and enrolment fees set out in Schedule A;
 - (f) a notarized copy of a document acceptable to the Secretary indicating proof of identity; and
 - (g) any other information requested by the Secretary.
- (2) The Secretary may, on the recommendation of the Admissions Committee,
- (a) enrol as a law student an applicant who applies under subrule (1); and
 - (b) grant temporary articles to that law student.
- (3) Temporary articles are void if
- (a) the law student ceases to be registered as a student at a common law faculty of law in a Canadian university;
 - (b) the law student becomes a student-at-law or a member; or
 - (c) the law student is disqualified from the practice of law in a member state of the Commonwealth of Nations.
- (4) A grant of temporary articles must
- (a) specify a start date and termination date;
 - (b) be for a period not exceeding four months; and
 - (c) be granted no earlier than six weeks before the start date.
- (5) Time spent in temporary articles must not be considered as time spent articling as a student-at-law.
- (6) Except as otherwise specified in these rules, a law student has the rights, privileges and responsibilities of a student-at-law.
- (7) A law student may appear in court only on a summary conviction matter and under the direct supervision of an active member who is not a Canadian Legal Advisor.
- (8) The Secretary may revoke temporary articles at any time and for any reason without giving notice to the law student and without holding a hearing. R-005-2014,s.4; R-063-2021,s.12; R-025-2022,s.12.

GENERAL RULES APPLYING TO ALL APPLICATIONS FOR MEMBERSHIP

- 54.** (1) Where an applicant under rule 40, 49 or 51 whose application for admission is approved is not admitted as a member of the Society within one year after the date of such approval, the application lapses and any fees paid by the applicant are forfeited to the Society.
- (2) Where an applicant whose application for admission is approved as a student-at-law under rule 41 does not commence his or her articles within one year after the date of such approval, the application lapses and any fees paid by the applicant are forfeited to the Society.

(3) Where an application for admission under rule 40, 41, 49, 51, 52 or 53 is not approved or is withdrawn, the Secretary shall refund all fees and levies paid by the applicant other than the application fee, which is forfeited to the Society.

55. (1) In determining whether an applicant under rule 40, 41, 49, 51, 52 or 53 is of good character, the Executive is not bound by letters of character provided by the applicant but may make such inquiries and hold such hearings as it deems necessary or desirable under the circumstances.

(2) On receiving information adverse to the character of an applicant, the Executive shall inform the applicant of the information and give him or her a reasonable opportunity to respond.

56. (1) The Secretary shall review each application made under rule 40, 41, 49 or 53 and may refer the application or any other application to the Admissions Committee, which shall notify the Executive whether approval of the application is recommended, and if not recommended, the reasons why not.

(2) On receiving a recommendation of the Admissions Committee, the Executive shall consider the recommendation and inform the applicant of its decision.

(3) Where an application made under rule 40, 41, 49 or 51 is not approved, the applicant may apply to the Supreme Court under section 19 of the Act.

(4) An applicant for admission under rule 40 or 49 must be presented to a judge of the Supreme Court by an active member of the Society.

(5) On enrolling a person as a member of the Society under subsection 21(3) or (4) of the Act, the Secretary shall provide

- (a) a Certificate of Enrolment in an approved form, a Restricted Appearance Certificate in an approved form or a Canadian Legal Advisor Certificate in an approved form, as is appropriate; and
- (b) an Annual Certificate in an approved form. R-063-2021,s.13; R-090-2013,s.9; R-136-2016,s.8; R-063-2021,s.13.

CHANGE OF MEMBERSHIP STATUS

57. (1) A member may apply to the Executive to change his or her status from that of

- (a) an active member to an inactive member; or
- (b) an inactive member to an active member.

(2) A member applying under subrule (1) shall, not less than 14 days before the member plans to change his or her status, submit to the Secretary

- (a) an Application for Change of Status from Active to Inactive Member in an approved form, or an Application for Change of Status from Inactive to Active Member in an approved form, whichever is applicable;
- (b) where the member is applying to change his or her status from that of an inactive member to an active member and the member is a member of another provincial or territorial law society or comparable body, a certificate from each provincial or territorial law society or comparable body of which the applicant is a member dated not earlier than 45 days before the presentation of the application, stating
 - (i) the standing of the applicant, if the member is applying for a change of status from inactive member to active member,
 - (ii) the period of time during which the applicant has been listed as a member in the society or body,
 - (iii) whether disciplinary proceedings are pending against the applicant, and
 - (iv) the nature and disposition of any disciplinary action that has been taken against the applicant;

- (c) where the member is applying to change his or her status from that of an inactive member to an active member,
 - (i) payment of the insurance levy, or if the member is exempt under subrule 90(4), proof that he or she
 - (A) is covered by errors and omissions insurance referred to in paragraph 90(4)(a), or
 - (B) is exempt under paragraph 90(4)(b),
 - (ii) payment of any assurance fund levy, and
 - (iii) payment of the fee for a change of status set out in paragraph (f) of item 1 in Schedule A; and
- (d) where the member is becoming an active member,
 - (i) a statement saying that he or she is joining a law firm that already has a responsible lawyer,
 - (ii) payment of the insurance levy, or if the member is exempt under subrule 90(4), proof that he or she is
 - (A) covered by errors and omissions insurance referred to in paragraph 90(4)(a), or
 - (B) exempt under paragraph 90(4)(b),
 - (iii) payment of any assurance fund levy, and
 - (iv) payment of the fee for a change of status set out in paragraph (f) of item 1 in Schedule A, if applicable.

(3) The Executive may require a member applying to change his or her status from that of an inactive member to an active member under subrule (1), to pass such bar admission examinations as may be established under rule 39, if

- (a) the applicant has not previously been admitted as an active member and had been granted a waiver of the requirement to take bar admission examinations before being admitted as an inactive member; or
- (b) the applicant is shown on the Record as having been an inactive member for more than three years before the day the application is received by the Secretary.

(4) Where the Executive so directs, the Secretary shall refer an application made under subrule (1) to the Admissions Committee, which shall recommend to the Executive that the applicant's status either be changed, or not be changed.

(5) The Executive shall consider each application and any recommendation made by the Admissions Committee, and shall

- (a) approve the change of status of the applicant or refuse to approve the change of status of the applicant; and
- (b) advise the applicant of its decision under paragraph (a).

(6) Where an application made under subrule (1) is approved under subrule (5), the change of status takes effect on the date the application is approved by the Executive or at a later date requested by the member and approved by the Executive.

(7) Where an application made under subrule (1) is not approved under subrule (5) or is withdrawn, the Secretary shall refund the fee for a change of status application and any other levies paid by the applicant in respect of the application.

(8) Where an application made under subrule (1) is not approved, the member may apply to the Supreme Court under section 19 of the Act. R-079-2012,s.1; R-090-2013,s.4,5; R-139-2014,s.1; R-136-2016,s.9; R-097-2017,s.6; R-127-2020,s.12; R-024-2021,s.1; R-063-2021,s.14.

RENEWAL OF MEMBERSHIP

- 58.** (1) The Secretary shall, before February 1 in each year, send each member on the Record,
- (a) a Notice to Pay Annual Fees and Assurance Levy in an approved form; and
 - (b) a blank Application for Renewal in an approved form.
- (2) During the first week of March in each year, the Secretary shall send a reminder notice to each member on the Record whose membership has not been renewed before that time.
- (3) The Secretary may send by electronic means a notice that is required to be sent by this rule. R-078-2012,s.6; R-090-2013,s.10; R-097-2017,s.7; R-063-2021,s.15.
- 59.** (1) A member may renew his or her membership by submitting to the Secretary
- (a) an Application for Renewal in an approved form;
 - (b) a continuing professional development report in an approved form;
 - (c) payment of the insurance levy, or if the applicant is exempt under subrule 90(4), proof that he or she is
 - (i) covered by errors and omissions insurance referred to in paragraph 90(4)(a), or
 - (ii) exempt under paragraph 90(4)(b);
 - (d) payment of any assurance fund levy; and
 - (e) payment of the applicable annual fee set out in Schedule A.
- (2) A member may submit the documents referred to in paragraphs (1)(a), (b) and (c) by electronic means in a manner directed by the Secretary. R-078-2012,s.6; R-090-2013,s.4; R-097-2017,s.8; R-127-2020,s.13; R-024-2021,s.2; R-063-2021,s.16; R-025-2022,s.13.
- 60.** A member who fails to renew membership or to pay fees and levies related to that renewal on or before March 31 in a year is, without notice, automatically suspended from membership. R-025-2022,s.14.
- 61.** The Secretary shall issue an Annual Certificate in an approved form to each active member who has renewed his or her membership. R-090-2013,s.11; R-063-2021,s.17.
- 61.1. Repealed.** R-127-2020,s.14.

CESSATION OF PRACTICE R-127-2020,s.15(1)

- 62.** (1) An active member shall submit to the Executive a cessation of practice plan if he or she intends to cease or ceases
- (a) the practice of law in the Northwest Territories; or
 - (b) to be an active member.
- (2) The cessation of practice plan referred to in subrule (1) must be submitted not less than 14 days before the anticipated cessation of practice, and must include
- (a) the date when the anticipated cessation is to occur; and
 - (b) the intended disposition of all of the following that are within the control of the member and relate to his or her practice in the Northwest Territories:
 - (i) open and closed files,
 - (ii) wills, titles and other important or valuable documents,
 - (iii) non-documentary valuables,
 - (iv) trust money, trust accounts and books of account.
- (3) The Executive may, in respect of a cessation plan submitted under subrule (1),
- (a) approve of the plan; or

- (b) provide direction to the member as to what is required in the plan so that it complies with subrule (2) and addresses any concerns of the Executive.

(4) A person who submits a cessation of practice plan under subrule (1) shall, not more than 90 days after the cessation occurs, submit to the Executive a written report that includes a confirmation

- (a) of the disposition of those items referred to in paragraph (2)(b); and
- (b) that all balances have been remitted to former clients or other persons on whose behalf they were held, or have, at the request of the former clients, been transferred to another active member with written instructions as to the conditions attaching to the balances.

(5) On the written application of a member, the Executive may extend the time required for submitting a plan under subrule (1) or a written report under subrule (4) or waive the requirement for either. R-079-2012,s.3; R-127-2020,s.15; R-025-2022,s.15.

RESIGNATION OF MEMBER

63. (1) A member may submit to the Executive his or her resignation as a member, and on acceptance by the Executive, his or her rights and privileges as a member cease.

(2) A member who has resigned may not be reinstated as a member, but may apply for membership in the same manner as a new member.

(3) The Secretary shall make a note of each resignation on the Roll adjacent to the name of a member who has resigned, and shall provide notice of the resignation to the clerks or registrars of the Supreme Court of Canada, the Federal Court of Canada, the Supreme Court and the Territorial Court. R-025-2022,s.16.

APPOINTMENT TO THE BENCH AND REINSTATEMENT AS MEMBER

63.1. (1) A member who is appointed as a judge of the Supreme Court of Canada, the Federal Court of Canada, the Supreme Court, the Territorial Court or of a superior, district, county, provincial or territorial court of any other province or territory automatically ceases to be a member on such appointment.

(2) A former judge referred to in subrule (1) who becomes a member again may not appear in a court in the Northwest Territories without first obtaining the approval of the Executive. R-001-2021,s.3.

GENERAL

64. (1) A member shall, at least 14 days before any change in contact information last provided to the Society under these rules, notify the Secretary of the new information.

(2) An active member who engages in the private practice of law in the Northwest Territories from a location outside of the Northwest Territories, shall ensure that the Secretary

- (a) has the most current professional address at that location; and
- (b) is notified of any change of address 14 days before it occurs. R-097-2017,s.9; R-127-2020,s.16; R-001-2021,s.4.

65. The Secretary shall, on application, issue a certificate of standing in respect of a member, and such certificate must disclose any findings of guilt for conduct deserving of discipline and the sanctions imposed, and any disciplinary proceedings pending against the member.

66. (1) Where in these rules the time limited for the doing of a thing expires or falls on a Saturday or on a holiday, the thing may be done on the day next following that is not a Saturday or a holiday.

(2) Notwithstanding any other provision in these rules, where anything to be done before a time fixed under these rules is not done, the Executive may, in its discretion and before or after the time has expired, direct another time for doing it.

67. (1) A provision of these rules requiring the payment of a fee or levy includes the requirement to pay any federal or Territorial taxes payable in respect of the fee or levy.

(2) A provision of these rules requiring the suspension of a member for failure to pay a fee or levy includes the suspension of a member for failure to pay any federal or Territorial taxes payable in respect of the fee or levy.

(3) Unless these rules provide otherwise, payment of all fees, levies, fines, penalties, insurance premium assessments, insurance deductibles, custodianship costs and any other amount assessed, levied or imposed at any time under the Act or these rules, is a condition of the practice of law in the Northwest Territories and must be paid to the Society before the issuance by the Society of an annual certificate of membership, a certificate of admission as a student-at-law or a Restricted Appearance Certificate. R-005-2014,s.2(1).

68. (1) Subject to subrule (2), the fees set out in Schedule A are

- (a) payable in advance to the Society; and
- (b) exclusive of the assurance fund levy and any federal or Territorial taxes payable in respect of those fees.

(2) The following fees may be prorated, in accordance with subrule (3), if the fee applies to a period of not more than from January 1 to March 31 of any given year:

- (a) if an active or inactive member is required to pay an annual fee under paragraph 40(1)(f);
- (b) if an active or inactive Canadian Legal Advisor is required to pay an annual fee under paragraph 52(2)(h).

(3) If a fee is to be prorated under subrule (2), it must be determined by the following formula:

$$RF \times \frac{NUM}{12}$$

where

- (a) RF is the regular fee that applies under subsection (1) without any prorating applied; and
- (b) NUM is
 - (i) the number 3 if the month when the fee payment is required is January,
 - (ii) the number 2 if the month when the fee payment is required is February, and
 - (iii) the number 1 if the month when the fee payment is required is March. R-090-2013,s.13; R-005-2014,s.5; R-001-2024,s.1.

69. **Repealed.** R-063-2021,s.18.

CONTINUING PROFESSIONAL DEVELOPMENT

70. (1) The Executive may approve any activity for credit as continuing professional development unless the activity is

- (a) political in nature; or
- (b) oriented towards marketing or promotion of legal services.

(2) A member shall, in each reporting year commencing April 1, engage in 12 hours of continuing professional development, two hours of which must be oriented towards legal ethics or law practice management.

(3) A member shall, on renewing membership under rule 59, submit the following to the Executive Director:

- (a) a completed continuing professional development report referred to in paragraph 59(b) certifying compliance with subrule (2); and
- (b) any other information that demonstrates the member's compliance with the requirement under subrule (2).

(4) Notwithstanding subrules (2) and (3), a member who in a reporting year successfully completes a bar admission program or its equivalent in another Canadian jurisdiction is deemed to have fulfilled the annual requirement for continuing professional development for that year.

(5) Notwithstanding subrules (2) and (3), the Executive may vary the required continuing professional development hours for a member.

(6) Subject to rule 71, credit for continuing professional development may only be recognized for the reporting year in which it is completed. R-025-2022,s.17.

71. (1) A member who is unable to comply with rule 70 by March 31 of a reporting year may, before March 31 of that year, request an extension by submitting to the Executive

- (a) the approved form;
- (b) an undertaking to comply with rule 70 within the extension period;
- (c) a completed continuing professional development report and plan referred to in paragraph 59(b) for the extension period; and
- (d) the late fee set out in Schedule A.

(2) The Executive may, in respect of a member who submits a request for an extension in accordance with subrule (1), grant

- (a) an extension of 90 days; or
- (b) a further extension as the Executive considers appropriate; or
- (c) a waiver of the continuing professional development requirement for that reporting year.

(3) Where a member meets the requirements of rule 70 under an extension granted under subrule (2), the member is deemed to have complied with that rule for the reporting year in default.

- (4) A member is automatically suspended if the member fails to
- (a) comply with rule 70 and does not seek an extension under subrule (2); or
 - (b) meet his or her undertaking made under subrule (1).

(5) The Executive may, in addition to the suspension under subrule (4), refer the member to the chairperson of the Discipline Committee in accordance with Part 3. R-025-2022,s.18.

PART 3 DISCIPLINE

- 72.** (1) In order to be eligible to serve on the Discipline Committee a person must
- (a) be a member in good standing or a layperson appointed under paragraph 23(1)(a) of the Act;
 - (b) not have been found guilty of conduct deserving of discipline within five years before an appointment to the Discipline Committee; and
 - (c) be a member engaged in the practice of law in the Northwest Territories for a minimum of three years, where the member is a resident, or for a minimum of five years, where the member is a non-resident.

(2) A member of the Discipline Committee who is engaged in a matter related to the member's office at a place other than his or her place of residence, shall be reimbursed for reasonable transportation and living expenses.

(3) A member of the Discipline Committee may be paid such honorarium as the Executive may determine.

73. (1) Subject to subrule (2), a person may make a complaint about a member or student-at-law by submitting to the chairperson of the Discipline Committee a written complaint in a form directed by the chairperson.

(2) If a person makes an oral complaint about a member or student-at-law, the chairperson of the Discipline Committee shall make a written record of the complaint and have the complainant sign the record.

(3) A complaint shall not be acted on unless it is signed or adopted by the complainant.

(4) On receipt of a signed or adopted complaint, the chairperson of the Discipline Committee shall provide to the complainant a copy of the relevant sections of the Act and these rules respecting the initial procedures followed by the Society in dealing with complaints.

(5) After receipt of a signed or adopted complaint, the chairperson of the Discipline Committee shall provide a copy of the complaint to the member or student-at-law in respect of whom the complaint is made, and shall request a written response from the member or student-at-law.

(6) Failure of a member or student-at-law to reply to a request from the chairperson of the Discipline Committee for a written response within a reasonable period of time may constitute conduct deserving of discipline. R-079-2012,s.4.

73.1. (1) After receiving either a complaint or an investigation report, the chairperson of the Discipline Committee may attempt to resolve the complaint with the agreement of the complainant and the member or student-at-law using any process the chairperson considers appropriate.

(2) The chairperson may participate in a mediation process to ensure that any mediated resolution meets the public interest.

(3) If a complainant and the member or student-at-law are unable to reach a mediated resolution that the chairperson considers to meet the public interest, the chairperson may refer the matter back to the investigation and inquiry process.

(4) If the chairperson considers that a member or student-at-law has failed to fulfill the terms of a mediated resolution, the chairperson may bring the matter to the attention of the Discipline Committee

(5) Any matter brought to the attention of the Discipline Committee under subrule (4) is deemed to be a complaint under section 24 of the Act. R-024-2022,s.1.

74. Failure of a member or student-at-law to comply with rulings and directives of the Society may constitute conduct deserving of discipline.

75. On disposing of a matter under section 24 of the Act, the chairperson of the Discipline Committee shall prepare a written report concerning the investigation of the complaint and the direction taken, and shall provide copies of the report to the Executive, the member or student-at-law complained of, the complainant and any other person having a legitimate interest in the report. R-097-2017,s.10.

76. (1) In appointing a Sole Inquirer or the members of a Committee of Inquiry, the chairperson of the Discipline Committee

- (a) shall not appoint persons who have been involved in the investigation of the conduct of the member or student-at-law whose conduct is being inquired into; and
- (b) shall, where practical, appoint resident members of the Discipline Committee.

(2) Subject to subsection 24.6(3) of the Act, a Committee of Inquiry shall consist of three members of the Discipline Committee. R-136-2016,s.10.

77. (1) Subject to this rule, a Sole Inquirer or Committee of Inquiry shall conduct an inquiry in public.
- (2) A Sole Inquirer or Committee of Inquiry shall conduct all or portions of an inquiry in camera where
- (a) an application to have all or portions of the inquiry held in camera is made in accordance with subrules (3) and (4); and
 - (b) the Committee of Inquiry is of the opinion, after considering the nature of the complaint and any submissions made on the issue, that the interest in holding all or portions of the inquiry in camera outweighs all other interests, including the public interest, that would be better served by holding the inquiry in public.
- (3) An application to have all or portions of the inquiry held in camera
- (a) may be made by the member or student-at-law whose conduct is being inquired into, the complainant or counsel for the Society;
 - (b) may be heard at any time during the inquiry, or before the inquiry on a date set by the Committee of Inquiry or Sole Inquirer; and
 - (c) must be in writing and made on notice to the Committee of Inquiry or Sole Inquirer, and
 - (i) where the applicant is the member or student-at-law whose conduct is being inquired into, to the complainant and counsel for the Society,
 - (ii) where the applicant is the complainant, to the member or student-at-law whose conduct is being inquired into and counsel for the Society,
 - (iii) where the applicant is counsel to the Society, to the member or student-at-law whose conduct is being inquired into and the complainant.
- (4) Notice of an application to have all or a portion of the inquiry held in camera must be given at least 14 days before the commencement of the inquiry, unless such period of notice is dispensed with by the Sole Inquirer or Committee of Inquiry. R-001-2021,s.5.

78. (1) Notwithstanding any provision to the contrary, the chairperson of the Discipline Committee may on his or her own motion consider any conduct on the part of a member or student-at-law coming to the chairperson's attention that might constitute conduct deserving of discipline.

(2) Where the chairperson of the Discipline Committee decides to consider any conduct under subrule (1), he or she shall notify the Secretary that the conduct of a member or student-at-law is under review and the Secretary shall notify the member or student-at-law in question of the review and provide particulars.

(3) On notifying the Secretary under subrule (2), the chairperson of the Discipline Committee shall proceed in accordance with subrules 73(4) and (5) and rules 74 to 77, with such modifications as the circumstances require.

79. (1) Where the Executive receives a report of a Sole Inquirer or Committee of Inquiry under section 32 of the Act indicating that a member or student-at-law has been found guilty of conduct deserving of discipline, the Secretary shall prepare and send a notice to all members and students-at-law setting out

- (a) the nature of the conduct deserving of discipline of which the member or student-at-law has been found guilty;
- (b) a brief summary of the facts with respect to the conduct deserving of discipline of which the member or student-at-law has been found guilty; and
- (c) the disciplinary action taken in respect of the member or student-at-law.

(2) Where a Committee of Inquiry orders that the name of a member be struck from the Roll or that he or she be suspended, or that the articles of a student-at-law be terminated or suspended, the Secretary shall

- (a) set out in the notice prepared under subrule (1) the name of the member or student-at-law; and
- (b) in addition to sending the notice to all members and students-at-law under subrule (1) and giving notice in accordance with section 32.2 of the Act, publish the notice

- (i) by posting the notice at a notice board at the courthouse in each of Yellowknife, Hay River and Inuvik, and
- (ii) by sending copies of the notice to the Clerk of the Supreme Court and the Clerk of the Territorial Court.

(3) Where a Committee of Inquiry orders that the name of a member be struck from the Roll or that he or she be suspended, or that the articles of a student-at-law be terminated or suspended, and the Committee of Inquiry is of the opinion that it is necessary for the protection of the public, it may, in its report to the Executive under section 32 of the Act, recommend that the notice under subrule (1) be published in accordance with paragraph 32.2(c) of the Act in such publications, or in such manner, as the Committee of Inquiry considers necessary to inform the public of the disciplinary action taken.

80. (1) Where the Executive receives a report of a Sole Inquirer or Committee of Inquiry under 32 of the Act indicating that a member or student-at-law has been found not guilty of conduct deserving of discipline or where a finding of guilt is reversed on appeal under section 33 of the Act, the Secretary shall, on receipt of a written request from the member or student-at-law whose conduct was inquired into, send a notice to all members and students-at-law setting out

- (a) the name of the member or student-at-law whose conduct was inquired into;
- (b) the nature of the conduct that was inquired into; and
- (c) the findings of the Sole Inquirer or Committee of Inquiry or the decision of the Court of Appeal, as the case may be.

(2) Where a request received from a member or student-at-law under subrule (1) specifies that public notice be given of the findings of the Sole Inquirer or Committee of Inquiry or the decision of the Court of Appeal, as the case may be, the Secretary shall, in addition to the notice required under subrule (1), give public notice of the findings or decision, as the case may be, in the manner and form and at the time determined by the Executive.

81. Where a Committee of Inquiry or Sole Inquirer conducts an inquiry in public, and the member or student-at-law is found not guilty of conduct deserving of discipline or a finding of guilt is subsequently reversed on appeal under section 33 of the Act, the Secretary shall, on the request of any person, disclose to that person the fact that the member or student-at-law has been found not guilty of conduct deserving of discipline with respect to the complaint at issue.

REINSTATEMENT OF AND STRIKING OFF SUSPENDED MEMBERS

82. (1) Subject to subrule (2), the Executive Director shall reinstate a member suspended under section 48.1 of the Act or under these rules for reasons other than discipline, on payment of the reinstatement fee set out in Schedule A.

(2) The Executive Director shall reinstate a suspended member when the member pays the reinstatement fee set out in Schedule A and satisfies whichever of the following requirements is applicable:

- (a) where the suspension relates to a failure to renew membership or pay fees and levies related to that renewal under rule 60, the member has filed an Application for Renewal in an approved form and paid those fees and levies;
- (b) where the suspension relates to a failure to pay the assessment under paragraph 90(11)(a), the member has paid that assessment;
- (c) where the suspension relates to a failure to certify in writing the circumstances entitling the member to the exemption under subrule 90(7) and paragraph 90(11)(c), the member certifies the circumstances to the Executive Director;
- (d) where the suspension relates to a failure to provide proof of exemption from payment of the levy under paragraph 90(11)(b), the member has certified in writing the facts entitling the member to the exemption and submitted that certification to the Executive Director;
- (e) where the suspension results under paragraph 90(11)(d) for a failure to comply with subrule 91(2), the member has provided
 - (i) the notifications required by paragraph 91(1)(a), and

- (ii) proof of payment of the insurance levy;
- (f) where the suspension relates to a failure to file a Law Firm Self-Report or an Accountant's Report under Part VI of the Act or subrule 101(3) or (4), the member has filed the required form with the Secretary;
- (g) where the suspension relates to a failure to give evidence, answer inquiries or produce or make available records or other property under Part VI of the Act or subrule 103(4), the member has given the evidence, answered the inquiries or produced or made available the records or other property.

(3) Where a member is suspended for more than two years under section 48.1 of the Act or under these rules for reasons other than discipline, the Executive may require the member to pass the bar admission examinations established under rule 39. R-079-2012,s.5; R-090-2013,s.14; R-097-2017,s.11; R-127-2020,s.17; R-063-2021,s.19; R-025-2022,s.19.

83. (1) A member suspended for a specified period of time under section 30 of the Act shall be reinstated at the conclusion of the period, if the Secretary is satisfied that the member

- (a) has paid any fines or costs levied within the time fixed for payment;
- (b) has paid any fees and levies owed by the member; and
- (c) has submitted any other documents that may be required by these rules.

(2) Where articles of a student-at-law are suspended for a specified period of time under section 31 of the Act, the articles shall be reinstated at the conclusion of the period on the Secretary being satisfied that the student-at-law has paid any fines or costs levied within the time fixed for payment.

(3) Where the articles of a student-at-law are reinstated under this rule, the Executive, on the recommendation of the Admissions Committee, shall determine any further period the student-at-law is required to serve under his or her articles. R-079-2012,s.1; R-090-2013,s.15; R-025-2022,s.20.

84. (1) Where a member is suspended under these rules and the suspension continues for five years, the member ceases to be a member and his or her name shall be struck from the Roll.

(2) The Secretary shall

- (a) make a note on the Roll adjacent to the name of each member who is suspended under the Act or these rules or whose name has been struck under subrule (1); and
- (b) provide notice of the suspension or striking off to the member, the law societies of each province and territory and the clerks or registrars of the Supreme Court, the Territorial Court, the Federal Court of Canada and the Supreme Court of Canada.

85. The Secretary shall, in the manner and form and at the time so directed by the Executive, give public notice of

- (a) the striking of a member or student-at-law from the Roll;
- (b) the suspension of a member or student-at-law from the Roll;
- (c) the suspension or termination of the articles of a student-at-law; or
- (d) the suspension or termination of the temporary articles of a law student.

Repealed. R-001-2021,s.6.

86. Repealed. R-001-2021,s.6.

CODE OF PROFESSIONAL CONDUCT

86.1. (1) The Law Society of the Northwest Territories, *Code of Professional Conduct* (March 16, 2021), is adopted as amended from time to time.

(2) Each provision of the code adopted under subrule (1) is a rule and has the same legal effect as a rule.

(3) If a person is disciplined under the Act or rules for a breach of the code adopted under subrule (1), a copy or printout of the code is admissible as evidence in a proceeding against the person. R-136-2014,s.2; R-024-2022,s.2.

PART 4
ASSURANCE FUND

87. An annual assessment shall be levied on active members in such amount as may be fixed by the Executive from time to time for the purpose of maintaining and augmenting the Assurance Fund.

87.1. An active member may apply for permission to maintain status as an active member but to be exempted from the annual assessment, by submitting to the Executive Director

- (a) an application; and
- (b) an undertaking by the member not to engage in the practice of law. R-136-2016,s.11; R-096-2017,s.1.

88. (1) No payment may be made from the Assurance Fund in respect of a matter that arose before January 1, 1978.

(2) No payment in respect of a claim may be made from the Assurance Fund where a loss arises from the misappropriation or wrongful conversion by a member outside of the Northwest Territories, unless it is directly related to the member's practice in the Northwest Territories or as a result of the member practising in another province or territory on a temporary basis.

(3) Subject to subrule (4), no payment in respect of a claim may be made from the Assurance Fund unless notice of the claim is given to the Society within one year after the day notice of the misappropriation or wrongful conversion came to the attention of the claimant.

(4) The Executive may extend the period during which a claim may be made if it considers that special circumstances warrant the extension.

89. (1) A claimant shall apply in writing to the Executive for reimbursement from the Assurance Fund, stating the full particulars of the loss alleged to have been sustained by the claimant, including

- (a) the name and address of the member whose misappropriation or wrongful conversion is alleged to have led to the loss;
- (b) the amount of the alleged loss;
- (c) the business or transaction out of which it is alleged that the loss arose; and
- (d) the date on which the alleged loss first came to the knowledge of the claimant.

(2) The Executive may require a claimant to give further or better written particulars of the facts on which the application is based.

(3) The Executive shall consider the application and may appoint a committee to inquire into the matter for the purpose of

- (a) determining the facts on which the claimant relies;
- (b) determining whether the application comes within subsection 34(1) of the Act;
- (c) determining whether the claimant is in need of assistance; and
- (d) recommending to the Executive whether a payment should or should not be made to the claimant.

(4) At the conclusion of an inquiry under subrule (3), the committee shall report its findings and recommendations in writing to the Executive.

(5) The Executive may, after reviewing the written report and recommendations of the committee, determine that no payment is to be made to the claimant or that a payment is to be made to the claimant in such amount as the Executive considers appropriate to relieve or mitigate the loss of the claimant in whole or in part.

- (6) A payment made under subrule (5) is subject to
 - (a) a condition, unless waived by the Executive, that the claimant shall assign to the Society whatever rights the claimant has against the member who caused the loss; and
 - (b) such other conditions as may be specified by the Executive.

PART 5
PROFESSIONAL LIABILITY LEVY

Professional Liability Claims

90. (1) The Professional Liability Claims Fund that receives money collected from members for the payment of premiums payable by the Society under a group contract entered into by the Society under subsection 61(1) of the Act, is continued.

(2) An annual insurance levy shall be levied on active members in such amount as may be fixed by the Executive from time to time for the purpose of maintaining and augmenting the Professional Liability Claims Fund, and such annual assessment may, in the discretion of the Executive, be paid in one or more instalments on such dates as may be specified by the Executive.

(3) In determining the amount or amounts of the assessment fund referred to in subrule (2), the Executive may include in the levy on particular members an additional amount based on the paid claims record of those members.

(4) The following categories of active members are exempt from payment of the assessment and are not entitled to indemnification under the group contract entered into under subsection 61(1) of the Act:

- (a) an active member who does not ordinarily reside in nor carry on his or her principal practice of law in the Northwest Territories and proves to the satisfaction of the Executive that he or she has errors and omissions insurance that covers him or her in the practice of law in the Northwest Territories and that entitles him or her to indemnification to the same extent and for the same limits as the group contract entered into under subsection 61(1) of the Act;
- (b) an active member who is employed by and whose professional services are provided exclusively to
 - (i) a government or government agency, or
 - (ii) an employer that does not practise law; or
- (c) an active member who has submitted to the Executive Director an undertaking that he or she will not engage in the practice of law during a period of leave or sabbatical.

(5) The exemption under paragraph (4)(b) does not apply to an active member, however employed, who renders legal services to the public in the Northwest Territories.

(6) Each applicant for membership and each member who claims to be exempt from payment of the insurance levy by virtue of subrule (4), shall provide proof to the satisfaction of the Executive of his or her entitlement to the exemption with his or her application and annually on or before March 31 in each year.

(7) In addition to the requirements of subrule (6), each member who claims to be exempt from payment of an assessment under subrule (4) shall, at the request of the Secretary and within the time specified in the request, certify in writing to the Executive the circumstances entitling the member to the exemption.

(8) An active member who does not carry on the principal practice of law in the Northwest Territories and who does not qualify for an exemption under subrule (4), shall participate in the indemnity program and pay the assessment referred to in subrule (2).

(9) The coverage provided under subrule (8) is restricted to the member's practice of law in the Northwest Territories.

(10) Where the Executive considers that a member no longer qualifies for exemption under subrule (4), it shall request the member to pay to the Society the full amount of the assessment payable by that member.

- (11) A member is automatically suspended from membership, without notice, if he or she fails
- (a) to pay the assessment;
 - (b) to comply with subrule (6);
 - (c) to comply with a request made under subrule (7); or
 - (d) to comply with subrule 91(2).

(12) Notwithstanding subrule (4), an active member who is exempt under subrule (4), a suspended member or an inactive, deceased or former member, is entitled to indemnification provided under the group contract entered into under subsection 61(1) of the Act, but only with respect to professional services performed while the member was not exempt and was an active member in good standing. R-025-2022,s.21.

91. (1) Where a member exempted under subrule 90(4) intends to practise law in the Northwest Territories in circumstances where the exemptions are no longer applicable,

- (a) the member shall so notify the Secretary; and
- (b) the Secretary shall, on receiving notification, give the member written notice of the amount of the insurance levy payable by him or her and the date payment is due to the Society.

(2) No member exempted under subrule 90(4) shall begin to practise law in the Northwest Territories in circumstances where the exemptions are no longer applicable, until he or she has paid to the Society the full amount of the insurance levy payable. R-025-2022,s.11.

92. Where a member is enrolled under subsection 21(3) of the Act or where a member who is exempted under subrule 90(4) begins to practise law in the Northwest Territories in circumstances where the exemptions are no longer applicable, the insurance levy must be pro-rated so that the member is levied one-twelfth of the insurance levy for each month or unexpired portion of a month remaining in the period for which the levy is payable. R-025-2022,s.11.

93. A member shall promptly notify the Secretary and the insurer under the group contract of any situation that may result in a claim being made against the Professional Liability Claims Fund or the group contract entered into by the Society under subsection 61(1) of the Act.

94. A member is deemed to have instructed the insurer under the group contract to release to the Society sufficient information respecting a professional liability claim, excluding the name of the member, to enable the Society to

- (a) publish bulletins for the education of its members to assist them in avoiding similar claims and to improve the profession's service to the public;
- (b) compile claims experience under the group contract.

PART 6 FINANCIAL MATTERS

Interpretation

95. (1) In this Part,

"accountant" means a professional accounting firm as defined in subsection 1(1) of the *Chartered Professional Accountants Act*;

"disbursement" means an amount paid or required to be paid to a third party by the lawyer or the lawyer's firm on a client's behalf in connection with the provision of legal services to the client by the lawyer or the lawyer's firm which will be reimbursed by the client;

“expenses” means costs incurred by a lawyer or law firm in connection with the provision of legal services to a client which will be reimbursed by the client including such items as photocopying, travel, courier, postage, and paralegal costs;

"financial institution" means

- (a) a bank that is regulated by the *Bank Act* (Canada),
- (b) an authorized foreign bank within the meaning of section 2 of the *Bank Act* in respect of its business in Canada,
- (c) a cooperative credit society, savings and credit union or *caisse populaire* that is regulated by a provincial or territorial Act,
- (d) an association that is regulated by the *Cooperative Credit Associations Act* (Canada),
- (e) a financial services cooperative that is regulated by *An Act respecting financial services cooperatives*, C.Q.L.R., c. C-67.3, or *An Act respecting the Mouvement Desjardins*, S.Q. 2000, c.77, other than a *caisse populaire*,
- (f) a central cooperative credit society, as defined in section 2 of the *Cooperative Credit Associations Act* (Canada), or a credit union central or a federation of credit unions or *caisses populaires* that is regulated by a provincial or territorial Act other than one enacted by the legislature of Québec,
- (g) a company that is regulated by the *Trust and Loan Companies Act* (Canada),
- (h) a trust company or loan company that is regulated by a provincial or territorial Act,
- (i) a department or an entity that is an agent of Her Majesty in right of Canada or of a province or territory when it accepts deposit liabilities in the course of providing financial services to the public, or
- (j) a subsidiary of the financial institution whose financial statements are consolidated with those of the financial institution;

"organization" means a body corporate, partnership, fund, trust, cooperative or an unincorporated association;

"professional fees" means amounts billed or to be billed to a client for legal services provided or to be provided to the client by the lawyer or the lawyer's firm;

"public body" means

- (a) a department or agent of Her Majesty in right of Canada or of a province or territory,
- (b) an incorporated city, town, village, hamlet, charter community, Tłı̨chǫ community government, metropolitan authority, township, district, county, rural municipality, or other incorporated municipal body in Canada, or an agent in Canada of any of them,
- (c) a local board or similar body of a municipality incorporated by or under an Act of a 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 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.

(2) For the purposes of this Part, "law firm" or "firm" means any of the following that owns and carries on a law practice in the Northwest Territories and has a physical presence in the Northwest Territories, including an LLP as defined in rule 142:

- (a) a sole practitioner;
- (b) a professional corporation that is not part of a partnership; or
- (c) a partnership consisting wholly or partly of active members or professional corporations.

- (3) For the purposes of this Part, a member is an owner of a law firm if
 - (a) the firm consists of a sole practitioner and the member is the sole practitioner;
 - (b) the law firm is a professional corporation that is not part of a partnership, and the member is the sole voting shareholder of the corporation or one of the voting shareholders of the corporation; or
 - (c) the law firm is a partnership, and the member is one of the partners or is a voting shareholder of a professional corporation that is one of the partners.
 - (4) For the purposes of this Part, a member "practises with" a law firm if the member is the owner or one of the owners of the law firm or is an associate of the firm.
 - (5) Where a provision of this Part imposes a duty on a law firm,
 - (a) the owner of the law firm is responsible for performing the duty, if the firm has only one owner; and
 - (b) the owners of the law firm are jointly and severally responsible for performing the duty, if the firm has two or more owners. R-106-2019,s.4; R-001-2021,s.7; R-025-2022,s.22.
96. Each member shall comply with sections 43, 44, 45 and 48 of the Act. R-106-2019,s.4.

DIVISION 1 - ACCOUNTS

Interpretation

97. In this Division,

"Accountant's Report" means the annual report prepared by the law firm's accountant in accordance with subrule 101(4);

"general account" means an account, other than a trust account, maintained by a law firm in connection with the firm's law practice;

"Law Firm Self-Report" means the annual report prepared by the law firm in accordance with subrule 101(3);

"pooled trust account" means an interest-bearing trust account required to be maintained for one or more clients at an financial institution and designated as a trust account in the name of the law firm;

"responsible lawyer" means a lawyer designated as a responsible lawyer under rule 118;

"separate interest-bearing account" means

- (a) trust money deposited with a financial institution in an interest-bearing form either for a fixed period or in a separate account, or
- (b) a treasury bill purchased with trust money through a financial institution, where the trust money or treasury bill is deposited or purchased on behalf of a specified client;

"trust account" means a pooled trust account or a separate interest-bearing account;

"trust money" means

- (a) money entrusted to or received by a lawyer in his or her capacity as a barrister and solicitor in connection with his or her practice in the Northwest Territories and the provision by the lawyer of legal services, and that belongs in whole or in part to a client of the law firm or is received on a client's behalf or to the direction or order of a client; or
- (b) money received by a lawyer as a general retainer, subject to paragraph (d), or on account of fees for services not yet rendered or on account of disbursements not yet made,

but does not include

- (c) money received on account of the law firm's fees or disbursements respecting services already performed and for which a written billing has been rendered and delivered or for which a written billing is rendered and forwarded without delay after receipt of the money; or
- (d) money received as a general retainer where the client has signed a written acknowledgment, to be retained by the law firm in accordance with paragraph 108(1)(f), that
 - (i) the money is non-refundable and belongs to the law firm immediately upon receipt,
 - (ii) the law firm is not obliged either to account for the money or to render services with respect to the money, and
 - (iii) services may never be rendered in respect of the money;

"trust property" means any property of value 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 lawyer or law firm. R-106-2019,s.4; R-025-2022,s.23.

Cash Transactions

98. (1) A lawyer shall not receive or accept cash in an aggregate amount greater than \$7,500 Canadian in respect of any one client matter.

(2) For the purposes of this rule, when a lawyer receives or accepts cash in a foreign currency that cash is deemed to have been received or accepted as 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 lawyer receives or accepts the cash; or
- (b) the official conversion rate of the Bank of Canada in effect on the most recent business day preceding the day on which the lawyer receives or accepts the cash, if the day on which the lawyer receives or accepts cash is a holiday.

(3) Subrule (2) applies when a lawyer 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;
- (c) transferring funds by any means.

(4) Notwithstanding subrule (3), subrule (1) does not apply when the lawyer receives cash in connection with the provision of legal services by the lawyer or the lawyer's firm

- (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) to pay a fine, penalty or bail; or
- (d) for professional fees, disbursements, or expenses, provided that any refund out of such receipts is also made in cash. R-106-2019,s.4.

Record Keeping Requirements for Cash Transactions

99. (1) A lawyer, in addition to existing financial record keeping requirements to record all money and other property received and disbursed in connection with the lawyer's practice, shall maintain a book of original entry

- (a) identifying the method by which money is received in trust for a client; and
- (b) showing the method by which money, other than money received in trust for a client, is received.

(2) A lawyer who receives cash for a client shall, in addition to existing financial record keeping requirements, maintain a book of duplicate receipts, with each receipt

- (a) identifying
 - (i) the date on which cash is received,
 - (ii) the person from whom cash is received,
 - (iii) the amount of cash received,
 - (iv) the client for whom cash is received,
 - (v) any file number in respect of which cash is received; and
- (b) featuring the signature
 - (i) of the lawyer who receives cash, and
 - (ii) of the person from whom cash is received.

(3) The financial records described in subrules (1) and (2) may be entered and posted by hand or by mechanical or electronic means, but if the records are entered and posted by hand, they must be entered and posted in ink.

(4) The financial records described in subrules (1) and (2) must be entered and posted so as to be current at all times.

(5) A lawyer shall keep the financial records described in subrules (1) and (2) for at least the six-year period immediately preceding the lawyer's most recent fiscal year end. R-106-2019,s.4.

Reporting Requirements for Law Firms

100. (1) A lawyer shall only pay into and withdraw from, or permit the payment into or withdrawal from, a trust account such money as is directly related to legal services that the lawyer or the lawyer's law firm is providing.

(2) A lawyer shall pay out money held in a trust account as soon as is practicable upon completion of the legal services to which that the money relates. R-106-2019,s.4; R-025-2022,s.24.

101. (1) A law firm shall, within four months after receiving approval to operate a trust account,

- (a) retain an accountant to complete a Start Up Report, in the approved form; and
- (b) submit a copy to the Executive Director.

(2) The Start Up Report must be submitted in a manner approved by the Executive Director, and must include a designated filing date for the law firm.

(3) A law firm shall

- (a) on or before September 1 in each year, file with the Executive Director a completed Law Firm Self-Report, in a form and manner approved by the Executive Director, and provide a copy of it to the law firm's accountant; and
- (b) retain, as part of the law firm's financial records, a copy of each Law Firm Self-Report provided under paragraph (a).

(4) A law firm, if approved to operate a trust account, shall, on or before September 1 in each year,

- (a) have the law firm's financial records reviewed by an accountant; and
- (b) cause an Accountant's Report, in a form and manner method approved by the Executive Director, to be completed by an accountant and filed with the Executive Director by the accountant responsible for the review.

(5) The duty of a law firm to comply with subrules (3) and (4), as applicable, ceases only when

- (a) the law firm's trust accounts and financial records are closed; and
- (b) the final Law Firm Self-Report and the final Accountant's Report are provided in accordance with subrule (8).

(6) A law firm that terminates its practice shall file with the Executive Director written notice of

- (a) termination of the law firm practice before or as soon as is practicable after the date on which the firm's financial records are closed; and

- (b) the effective date of the law firm's termination of practice, which becomes the law firm's new designated filing date.

(7) A law firm that provides notice to the Executive Director in accordance with subrule (6) shall comply with subrules (3) and (4), as applicable.

(8) Any Law Firm Self-Report or final Accountant's Report filed under this rule must be made up to the end of a 12-month fiscal period ending no earlier than June 1 of the previous year, unless the Executive designates alternative periods after receiving an application from the member under subsection 48(2) of the Act.

(9) A law firm shall comply with subrules (1) through (8), unless specifically exempted from the requirement to do so by the Executive Director.

(10) For greater certainty, each Accountant's Report filed under this rule is a certificate referred to in section 48 of the Act. R-106-2019,s.4; R-127-2020,s.18; R-025-2022,s.25.

Notices to the Executive Director

102. A law firm shall file with the Executive Director written notice of

- (a) any change in the law firm name or the designated filing date, before or immediately after the change is made, and
- (b) a lawyer becoming or ceasing to be an owner or associate of a law firm, before or immediately after the event occurs. R-106-2019,s.4.

Examination, Review, Audit or Investigation of Financial Records

103. (1) The chairperson of the Discipline Committee may designate a person to examine, review, audit, investigate or complete the financial records and other records of any lawyer or law firm that in any way relate to a lawyer's or the firm's practice of law for the purpose of ascertaining and advising as to whether the provisions of the Act and the rules have been and are being complied with by a lawyer or law firm.

(2) Where a person conducts an examination, review, audit or investigation under this rule

- (a) a lawyer shall produce all records and supporting documentation, including client files that the person may require for the examination, review, audit or investigation,
- (b) the examination, review, audit or investigation must, where practicable, be held in the office of the lawyer or law firm whose financial records and other records are the subject of the examination, review, audit or investigation, or must be held in the Society's offices, and
- (c) a law firm shall, upon request, grant authorization to the Society to obtain law firm bank account information directly from the law firm's banking institution.

(3) The person conducting an examination, review, audit or investigation under this rule shall provide a report to the chairperson of the Discipline Committee with a copy to any of the lawyer, the responsible lawyer and the law firm, as may be applicable, advising whether the provisions of the Act and these rules have been and are being complied with, giving full particulars of any breach of those provisions and of any attempt to remedy any breach.

(4) A lawyer or law firm may not refuse to give evidence, answer inquiries or produce or make available any records or other property in compliance with the firm's obligations under this Part on the grounds of solicitor and client privilege.

(5) The disclosure of privileged information to the Society is not a waiver of privilege for any other purpose.

(6) If an examination, review, audit or investigation has been made under this rule, the Executive may order, with reasons stated, that the cost of the examination, review, audit or investigation be either paid

- (a) from the Assurance Fund; or
- (b) by the subject member. R-106-2019,s.4.

Notice of Bankruptcy Proceedings or Writ of Execution

104. (1) A lawyer, student-at-law, or applicant for admission or re-admission, shall immediately notify the law firm's responsible lawyer and the Executive Director, in writing, of

- (a) service on the lawyer or a member of the law firm of a petition under the *Bankruptcy and Insolvency Act* for a receiving order in respect of the property of the lawyer or law firm;
- (b) the making by the lawyer or the law firm of an assignment under the *Bankruptcy and Insolvency Act*;
- (c) the filing by the lawyer or the law firm under section 50.4 of the *Bankruptcy and Insolvency Act* of a notice of intention to make a proposal under that Act;
- (d) the lodging of a proposal in respect of the lawyer or law firm under the *Bankruptcy and Insolvency Act*; or
- (e) the issuance of a writ of enforcement against the lawyer or law firm.

(2) A notice under subrule (1) shall include a full explanation of the circumstances of the matter and must be accompanied by copies of all materials relating to proceedings taken in that matter.

(3) On receiving a notice referred to in subrule (1) or on learning of any of the matters referred to in subrule (1), the Executive Director may do any of the following:

- (a) give notice of the referral to the responsible lawyer of the law firm concerned; or
- (b) reconsider the trust account approval of the law firm.

(4) A decision under this rule made by the Executive Director under this rule may be appealed to the Executive. R-106-2019,s.4.

Location of Financial Records

105. A law firm shall maintain all its financial records at its offices in the Northwest Territories unless exempted by the Executive Director. R-106-2019,s.4.

Financial Records

106. (1) A law firm shall record in its financial records, in a legible form, in ink or other permanent form, all financial transactions related to its practice of law.

(2) A law firm shall keep current the recorded financial transactions in subrule (1).

(3) A law firm shall maintain financial records that

- (a) record, on a double entry basis, all money received and paid out in connection with its practice in the Northwest Territories; and
- (b) show and distinguish
 - (i) all receipts and payments of money by the law firm,
 - (ii) the balances of money held by the law firm, and
 - (iii) on the face of the bank statement, whether the account is a general account or a trust account.

(4) The financial records for trust money shall consist of at least the following:

- (a) a chronological trust journal of all trust receipts and trust withdrawals, and all transfers between individual client ledgers showing the following details:
 - (i) the date of receipt or date of withdrawal,
 - (ii) the source of the trust money received or the name of the payee to whom the trust payment or withdrawal is made,

- (iii) the form in which the money is received,
 - (iv) the client name and file number,
 - (v) in the case of transfers between individual client ledgers, the client name and file number for both the source and destination of the trust money between client files,
 - (vi) the receipt or cheque number,
 - (vii) the amount of the receipt, withdrawal or transfer, and
 - (viii) a running balance of the total amount in trust;
- (b) a trust ledger consisting of separate trust ledger accounts for each client matter in respect of every client from whom the law firm has received trust money or on whose behalf or at whose direction or order the law firm has received trust money, with each trust ledger account showing
- (i) the name, matter description and file number of the client,
 - (ii) all receipts and withdrawals, in chronological order with the dates of receipt and withdrawal and indicating the source of the money or the payee, the receipt or cheque number, if applicable, and a description of the nature of the receipt or withdrawal, and
 - (iii) the running balance of the amount remaining in the account;
- (c) a journal showing all transfers of money between trust ledger accounts or a chronological file of copies of all documents by which transfers of money between trust ledger accounts were effected;
- (d) a comparison prepared within one month after the last day of each month, between the total of the trust accounts of the law firm and the total of all unexpended trust balances as per the trust ledger accounts, together with the reasons for and steps taken to correct any differences, supported by
- (i) a detailed bank reconciliation including the disclosure of the balance of each bank account, deposits in transit, outstanding cheques itemized by date, cheque number, payee and amount and any other items necessary for the reconciliation which would be fully detailed and explained, and
 - (ii) a detailed listing made monthly by trust account showing the unexpended balance of money in each trust ledger account;
- (e) a general journal showing;
- (i) the date of receipt or date of withdrawal,
 - (ii) the source of the general money received or the name of the payee to whom the general payment or withdrawal is made,
 - (iii) the form in which the money is received,
 - (iv) the client name and file number, if applicable,
 - (v) the receipt or cheque number,
 - (vi) the amount of the receipt, withdrawal or transfer, and
 - (vii) a running balance of the total amount in the general account;
- (f) a separate billing journal showing all fees and charges to clients, the dates of the statements of account for those fees and charges and the names of the clients;
- (g) a chronological fees and disbursements receivable ledger to record the law firm-client position for each client, showing statements of account rendered, payments on account and a continual running balance owing;
- (h) bank statements or passbooks, negotiated cheques, printed digital images of negotiated cheques, transfers between accounts and detailed duplicate deposit slips for all trust accounts and general accounts, bank advices, credit card slips, interac slips invoices and such parts of client files as are necessary to support the financial transactions;
- (i) a central record of all non-monetary client trust property received from and returned to the client by the law firm. R-106-2019,s.4; R-025-2022,s.26.

Monthly Trust Reconciliations

107. (1) Except where monthly trust reconciliations are not required, a member shall prepare a monthly trust reconciliation of the total of all unexpended balances of trust money held for clients as they appear in the trust

ledger, with the total of balances held in the trust account or accounts, together with the reasons for any differences between the totals and supported by the following:

- (a) a detailed monthly listing showing the unexpended balance of trust money held for each client, and identifying each client for whom trust money is held;
- (b) a detailed monthly bank reconciliation for each trust account held for more than one client;
- (c) a listing of balances of each separate trust account, identifying the client for whom each account is held;
- (d) a listing of balances of trust money received under rule 128.

(2) The member shall retain the detailed listings described in paragraphs (1)(a) to (d) as records supporting the monthly trust reconciliations.

(3) The member shall prepare the monthly trust reconciliation required by subrule (1) not more than 30 days after the effective date of the reconciliation.

(4) Notwithstanding subrule (1) and subject to subrule (5), monthly trust reconciliations are not required in months where there has been no activity in the member's trust account.

(5) Where a trust reconciliation is reconciled to the most recent member's trust account reconciliation, the monthly trust reconciliation must be prepared the later of

- (a) 30 days after the last activity in the trust account; and
- (b) 10 days after the date the member first became aware of the activity in the trust account.

(6) Notwithstanding subrule (3), all trust accounts must

- (a) be reconciled at least once in each 12-month period and at the end of the member's fiscal year; and
- (b) relate back to the date of the last trust account reconciliation. R-106-2019,s.4; R-127-2020,s.19.

Client Files

108. (1) Except as otherwise authorized by the Executive Director, a law firm shall:

- (a) maintain its financial records in a safe and secure location;
- (b) maintain its most recent two years of financial records at its principal place of practice in the Northwest Territories;
- (c) upon completion and closing of a client file, place a copy of the client trust ledger card on the client file;
- (d) retain its trust ledger accounts referred to in paragraphs 106(4)(b) and (c) for at least the 10-year period following the fiscal year of the law firm in which the trust ledger account was closed;
- (e) retain all other financial records referred to in rule 106, for at least the 10-year period following the fiscal year of the law firm in which the records came into existence;
- (f) retain such parts of the files of the law firm, relating to the affairs of clients or former clients of the law firm, as are necessary to support the financial records for at least the 10-year period following the fiscal year of the law firm in which the file was closed.

(2) A law firm must not give up possession of any financial records and client files of the law firm relating to the affairs of its clients or former clients to a person other than a lawyer, unless the law firm retains or makes a copy of such parts of the file as are necessary to support the financial records, which copy is deemed to be an original for the purposes of the Act and these rules. R-106-2019,s.4; R-025-2022,s.27.

Electronic Banking Withdrawals

109. A law firm may withdraw money from trust electronically subject to the following conditions:

- (a) the system used must be able to produce a hard copy confirmation from the financial institution within two banking days after the withdrawal showing the details (date, amount, source account number, and destination account number and name) of the withdrawal or the withdrawal instructions to the financial institution;
- (b) if the money is withdrawn online,
 - (i) the system used must be one where each law firm user has an individual password or access code, and only a lawyer of the law firm can authorize the financial institution to carry out the withdrawal unless otherwise approved by the Executive Director, and
 - (ii) only a lawyer of the law firm, using his or her password, may execute the instruction to the financial institution authorizing the withdrawal of money unless otherwise approved by the Executive Director;
- (c) the law firm shall obtain written instructions from the payee detailing the destination account (account name, account number, financial institution and financial institution address), unless the money is being transferred to another account of the law firm;
- (d) the law firm shall complete a non-cheque withdrawal form in a form approved by the Executive Director;
- (e) the law firm shall obtain a confirmation from the financial institution, and within two banking days after the withdrawal shall write the name of the client and file number on the confirmation if not already present;
- (f) the written instructions from the payee and the financial institution, confirmation must be maintained with the law firm banking records as part of the financial records. R-106-2019,s.4; R-025-2022,s.28.

Electronic Banking Deposits

110. (1) A law firm may receive money into a law firm trust account electronically subject to the following conditions:

- (a) the law firm shall obtain a confirmation from the financial institution or other remitter of the funds within two banking days after the deposit;
- (b) where practicable, the law firm shall request that the confirmation include the name of the client or file number;
- (c) the law firm must retain any confirmation received with the law firm banking records. R-106-2019,s.4; R-025-2022,s.29.

Credit and Debit Card Receipts

111. (1) 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 two banking days, directly into a trust account;
- (b) general receipts must be deposited directly into a general account, or subject to the following conditions, may be deposited to a trust account:
 - (i) the general portion of the receipt must be transferred expeditiously 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 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;
- (e) the receipt must be recorded in the applicable trust or general journal and the merchant slip must be attached to the deposit slip;
- (f) all service charges and discounts, including those related to trust receipts, must be withdrawn from the law firm general account. R-106-2019,s.4.

ATM Deposits

- 112.** (1) Law firms may, subject to the following conditions, deposit trust and general receipts into automated teller machines (ATMs):
- (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 law firm on or before the next banking day;
 - (c) the payor, client name and file number, if applicable, must be recorded on all ATM slips.
- (2) The receipt must be recorded in the applicable trust or general journal and the ATM slip must be attached to the deposit slip. R-106-2019,s.4.

Bank Drafts and Money Orders

- 113.** (1) Trust withdrawals may be made by a bank draft or money order in the form designated by the Executive Director.
- (2) If a withdrawal is made by a bank draft or money order, the lawyer shall:
- (a) obtain the recipient's written authorization to receive the funds in the form of a bank draft or money order;
 - (b) document the transaction on the client file using the designated form;
 - (c) purchase the money order only at a financial institution where the law firm has a pooled trust account;
 - (d) maintain a copy of the bank draft or money order on the client file; and
 - (e) obtain the recipient's written acknowledgment of receipt of the funds. R-106-2019,s.4; R-025-2022,s.30.

Required Approvals for Lawyers and Law Firms

- 114.** Unless specifically exempted from these requirements by the Executive Director, a law firm shall, before commencing the carrying on of its law practice in the Northwest Territories, obtain and at all times thereafter maintain, the following approvals:
- (a) designation of a responsible lawyer; and
 - (b) authorization to maintain a trust account. R-106-2019,s.4.
- 115.** A lawyer employed by or who contracts with a person other than a law firm, and who practises law solely within the scope of that employment or contract, may operate a trust account, provided that
- (a) all trust money deposited into that trust account is disbursed for the benefit of the person who employs or contracts with that lawyer; and
 - (b) the lawyer otherwise complies with the rules set out in this Part as if he or she were the sole owner of a law firm. R-106-2019,s.4.
- 116.** Subject to rule 115, only a lawyer practising with a law firm approved to operate a trust account is permitted to receive trust money, unless a specific alternate arrangement is approved by the Executive Director, where
- (a) a lawyer approved as a responsible lawyer is permitted to receive trust money that will be held in the trust account of a law firm approved to operate a trust account where he or she is not practising; or
 - (b) a law firm approved to operate a trust account is permitted to hold trust money received by a lawyer approved as a responsible lawyer, who is not practising with that law firm. R-106-2019,s.4.

Accountability as Responsible Lawyer

- 117.** (1) The responsible lawyer is accountable for
- (a) the controls in relation to and the operation of all law firm trust accounts and general accounts,
 - (b) the accuracy of all reporting requirements of the law firm under this Part,
 - (c) the accuracy of all filing requirements of the law firm under this Part, and
 - (d) any of paragraphs (a), (b), or (c) that have been delegated to another person.
- (2) A lawyer shall not serve as responsible lawyer with more than one law firm unless authorized to do so by the Executive Director.
- (3) A lawyer may apply to the Executive Director to be designated as an alternate responsible lawyer.
- (4) A law firm shall allow only one lawyer to act as the responsible lawyer for the law firm at any one time, unless the law firm is specifically exempted from this requirement by the Executive Director. R-106-2019,s.4; R-025-2022,s.31.

Responsible Lawyer

- 118.** A responsible lawyer shall meet and continue to meet the following criteria:
- (a) be an active member of the Society;
 - (b) if employed by or contracting with a law firm, be covered by the professional liability insurance program, and the trust safety insurance program administered by the Canadian Lawyers Insurance or equivalent insurance in another province or territory;
 - (c) **Repealed.**
 - (d) reside in Canada;
 - (e) make an application for approval as responsible lawyer to the Executive Director; and
 - (f) fulfill any conditions in relation to the approval of responsible lawyer.
- R-106-2019,s.4; R-127-2020,s.20; R-001-2021,s.8.

Review of Application for Responsible Lawyer

- 119.** (1) An application to be designated as a responsible lawyer or as alternate responsible lawyer must be submitted to the Executive Director in a form and manner approved by the Executive Director.
- (2) In the course of a review under this rule the Executive Director may
- (a) approve the application with or without conditions;
 - (b) deny the application; or
 - (c) require the applicant to answer any inquiries or to provide any records that the Executive Director considers relevant for the purpose of the review.
- (3) An approval or denial under subrule (2) must be in the form of a written decision.
- (4) The Executive Director shall provide the applicant with a copy of the written decision. R-106-2019,s.4.

Revocation and Resignation of Responsible Lawyer

- 120.** (1) A responsible lawyer who is unable or unwilling to discharge the duties of a responsible lawyer shall, at least 14 days before the date he or she intends to cease to be responsible lawyer,
- (a) advise the Society of
 - (i) the intention to cease to be the responsible lawyer, and
 - (ii) the effective date of the responsible lawyer's departure (the "responsible lawyer departure date");
 - (b) ensure the preparation of a final Law Firm Self-Report;
 - (c) comply with any outstanding audit requirements;
 - (d) ensure a replacement responsible lawyer by confirming
 - (i) the necessary application has been filed with the Society, and
 - (ii) the necessary steps have been taken to enable the transfer of the responsible lawyer designation to another qualified member of the law firm.
- (2) The law firm shall file a Law Firm Self-Report in an approved form, within 14 days after the departure date of the responsible lawyer.
- (3) A replacement responsible lawyer assumes the responsibilities of and is accountable as the responsible lawyer effective the date the Executive Director provides approval of the designation of the replacement responsible lawyer under rule 104.
- (4) If the responsible lawyer fails to comply with subrule (1), the Executive Director shall send notice to all members of the responsible lawyer's law firm advising that the law firm is required to have a responsible lawyer and must comply with subrule (1) by a given date, and notice that failure to comply may result in the revocation of approval to operate a trust account.
- (5) If at any time the Executive Director considers that a responsible lawyer does not continue to be suitable to fulfill their duties, the Executive Director shall
- (a) attach conditions to the responsible lawyer approval; or
 - (b) revoke the responsible lawyer's designation as a responsible lawyer. R-106-2019,s.4; R-025-2022,s.32.

Qualifying for Trust Account

- 121.** (1) A law firm shall first obtain approval from the Society before opening a trust account, and shall thereafter keep current the approval to maintain and operate a trust account.

- (2) To satisfy the requirements in subrule (1) a law firm shall
 - (a) have at least one lawyer who is an active member of the Society and is resident in Canada;
 - (b) carry on business in Canada;
 - (c) include a lawyer who has been designated a responsible lawyer under rule 118; and
 - (d) use an accounting program approved by the Society, unless specifically exempted from this requirement by the Executive Director. R-106-2019,s.4; R-025-2022,s.33.

Review of Application for Trust Account

122. (1) An application for approval to open, operate and maintain a trust account must be submitted to the Executive Director by the responsible lawyer of a law firm, and must be in a form approved by the Executive Director.

- (2) After reviewing an application submitted under subrule (1), the Executive Director may
 - (a) request that the applicant provide further information or documentation;
 - (b) approve the application, with or without conditions;
 - (c) deny the application; and
 - (d) require the applicant to pay all or part of the costs incurred in any
 - (i) examination, review, audit or completion of the law firm's financial records, or
 - (ii) investigation in relation to the applicant's law firm.

(3) An approval or denial under subrule (2) must be in the form of a written decision.

(4) The Executive Director shall provide the applicant with a copy of the written decision. R-106-2019,s.4; R-025-2022,s.34.

Term of Trust Account Approval

123. (1) Approval to open, operate and maintain a trust account may be revoked if a law firm does not have an approved responsible lawyer, unless timely and adequate steps have been taken to comply with the requirements of rule 120.

(2) If the Executive Director receives a notice under rule 104 or considers that a law firm or responsible lawyer is failing to comply with these rules or actively assess or respond to risks to trust accounts, the Executive Director shall

- (a) attach conditions to the approval to open, operate and maintain a trust account; or
- (b) revoke the approval to open, operate and maintain a trust account. R-106-2019,s.4; R-127-2020,s.21; R-025-2022,s.35.

Pooled Trust Accounts and General Accounts

124. (1) A law firm shall, unless specifically exempted by the Executive Director, maintain

- (a) at least one pooled trust account in the name of the law firm; and
- (b) at least one general bank account in the name of the law firm.

(2) Every trust account must be

- (a) maintained with a financial institution in the name of the law firm; and
- (b) designated as a trust account.

(3) A law firm shall instruct each financial institution with which it maintains a pooled trust account to remit the interest earned on the bank account to the Northwest Territories Law Foundation at least once in each year.

(4) A law firm shall maintain the bank accounts referred to in subrule (1) in the Northwest Territories. R-106-2019,s.4; R-001-2021,s.9; R-025-2022,s.36.

Prohibition on Use of Trust Accounts

125. The use of a trust account is prohibited where no legal services are provided in relation to the trust money in the trust account. R-106-2019,s.4.

A lawyer or law firm must not benefit from trust money in a trust account

126. (1) A lawyer or law firm must not receive or permit any other person other than the client for whose benefit the funds are held or the Northwest Territories Law Foundation, to receive a benefit in any way calculated or determined as a consequence of depositing or maintaining funds in a trust account.

(2) Subrule (1) does not apply to an adjustment of trust account fees charged by the deposit taking institution. R-106-2019,s.4.

Conditions Upon Which Money is Held in Trust

127. (1) Only a law firm with an approved trust account may hold trust money.

(2) A lawyer receiving trust money shall, whenever it is reasonably practicable to do so, obtain the following, in writing:

- (a) confirmation that the money is to be held in trust;
- (b) any conditions upon which the money is to be held in trust;
- (c) any instructions directing that the money be paid to a person other than the client. R-106-2019,s.4.

Receiving Trust Money

128. (1) A law firm that receives trust money shall, within a reasonable time after receipt, deposit the money into a pooled trust account of the law firm.

(2) Trust money may not be withdrawn from a pooled trust account of a law firm or transferred to any other account until subrule (1) has been completed.

(3) A trust account of a law firm must be used only for the deposit and retention of trust money received by the law firm and must not be used as a general account by or for the law firm, except as follows:

- (a) money belonging to the law firm may be paid into a trust account of the firm with respect to an isolated transaction if the money is paid out expeditiously;
- (b) money paid to the law firm which belongs in part to the law firm and in part to another person must be paid into a trust account where it is impractical to split the payment;
- (c) money withdrawn from a trust account by mistake or accident or in contravention of these rules must be replaced without delay;
- (d) the law firm may maintain not more than \$500 of the firm's own money in each of the firm's pooled trust accounts.

(4) A lawyer or law firm is permitted to handle its 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. R-106-2019,s.4; R-025-2022,s.37.

Separate Interest-Bearing Accounts

129. (1) A law firm may, after first depositing trust money into a pooled trust account, transfer trust money into a separate interest-bearing account, subject to the following:

- (a) the separate interest-bearing account must be opened in the name of the law firm in trust for the client, and the name of the bank account must include a reference to the specific client;
- (b) the separate interest-bearing account must be recorded in the law firm trust records.

(2) Where interest is earned on a separate interest-bearing account held for a client, the amount of the interest must be credited to the client's trust ledger account when the law firm is informed of the amount of the interest earned, but in any event no later than the next monthly bank reconciliation of the separate interest-bearing account required to be made under subparagraph 106(4)(d)(i).

(3) In each of the following cases, money may be transferred by a law firm by a document signed in compliance with subrule 131(2) and showing the amount and date of the transfer, the pooled trust account or separate interest-bearing account involved and sufficient information to identify the client:

- (a) from a pooled trust account of the law firm to a separate interest-bearing account maintained by the firm in the same branch of the financial institution;
- (b) from a separate interest-bearing account maintained by the law firm to a pooled trust account maintained by the firm in the same branch of the financial institution.

(4) Withdrawals from a separate interest-bearing account must be returned to a pooled trust account before being disbursed. R-106-2019,s.4; R-025-2022,s.38.

Certification of Funds Prior to Signing Trust Withdrawals and Transfers

130. (1) All withdrawals and transfers from a trust account must be signed by a lawyer of the law firm, unless otherwise authorized in writing by the Executive Director.

- (2) A signature by the lawyer under subrule (1) is deemed to certify that
 - (a) the trust accounting records are current to the date of the signature;
 - (b) the withdrawal of money is properly required for payment for the legal matter for which the law firm was retained by the client;
 - (c) the money is not subject to trust conditions or restricted for another purpose;
 - (d) the lawyer has the explicit or implicit authority of the client to make the withdrawal, under subrule 127(2);
 - (e) the client has sufficient money in the trust account to cover the withdrawal; and
 - (f) the trust account has sufficient funds to permit the withdrawal to be completed.
- (3) Money must not be withdrawn from a trust account unless
 - (a) the money is properly required for
 - (i) a payment to the client for whom the money is held, or
 - (ii) a payment to any other person under the authorization of the client for whom the money is held;
 - (b) the money is properly required for payment of a billing for fees or disbursements, but only if the withdrawal is made in compliance with subrule (2);
 - (c) the money is being transferred directly into another trust account of the law firm;
 - (d) the money has by inadvertence been paid into a trust account in contravention of these rules;
 - (e) money paid to the law firm has been deposited in a trust account because the payment to the law firm belonged in part to the law firm and in part to another person; or
 - (f) the money is paid under a court order.

(4) Money that is not held for a designated purpose may be withdrawn from a trust account of a law firm under subrule (3)(b), but only in accordance with the following conditions:

- (a) money may be paid from the trust account to the law firm to reimburse the firm for a disbursement made by it if the law firm has prepared a billing respecting the disbursement and either delivers the billing to the client before the withdrawal or forwards the billing to the client concurrently with the withdrawal;

- (b) money may be paid from the trust account to the law firm to pay for the law firm's fees for services if the law firm has prepared a billing for the services, the billing relates to services actually provided and is not based on an estimate of the services, and the firm either delivers the billing to the client before the withdrawal or forwards the billing to the client concurrently with the withdrawal.

(5) Subject to subrules (3) and (4), money in a law firm's trust account that becomes payable to the firm must be withdrawn no later than one month after the law firm is entitled to the funds. R-106-2019,s.4; R-025-2022,s.39.

Trust Withdrawals by Cheque

131. (1) Except as provided in rules 109 and 114, trust money must be withdrawn by consecutively numbered cheques that, must at the time the cheque is signed by the lawyer,

- (a) clearly indicate that it is a cheque drawn on a trust account;
- (b) not be made payable to cash or bearer except where required to return cash to a person under paragraph 98(4)(d);
- (c) be made payable to the ultimate recipient;
- (d) if the payee is a financial institution, provide a reason for payment in the memo field of the cheque;
- (e) be dated, but not post-dated; and
- (f) be fully completed as to the payee and amount before being signed.

(2) A cheque referred to in subrule (1) or a transfer made under subrule 129(3) must bear the signature or counter-signature of a lawyer authorized by that law firm to sign it, except that in special circumstances, the Executive Director, on application and with or without conditions, may authorize

- (a) the withdrawal of money from a trust account by cheques signed by one or more persons who are not lawyers; or
- (b) transfers of money under subrule 129(3) by documents signed by one or more persons who are not lawyers. R-106-2019,s.4; R-001-2021,s.10; R-025-2022,s.40.

Additional Obligations Related to Trust Money

132. (1) A law firm shall at all times maintain money on deposit in its trust account or accounts in an aggregate amount sufficient to meet all obligations with respect to money held in trust for the firm's clients.

(2) If a lawyer becomes aware of a deficiency in a client's ledger account, the lawyer is required to immediately notify the law firm's responsible lawyer of the deficiency and of any relevant information regarding the reason for the deficiency.

(3) On becoming aware of a deficiency in a client's ledger account a responsible lawyer shall immediately notify the Executive Director of the deficiency in a form and manner approved by the Executive Director, and shall provide any relevant information explaining the deficiency if

- (a) the law firm does not correct the deficiency within seven days after the time the shortage arose; or
- (b) the deficiency is an amount greater than \$2,500, regardless of when it is corrected.

(4) Subject to subrule (5), a trust account may not be closed until the law firm's obligations in relation to the money in the account are discharged by doing one or more of the following:

- (a) distributing the money to the persons entitled to it;
- (b) making written arrangements for the transfer of the money to a trust account of another law firm and the assumption by that other law firm of the trust obligations applicable to that money;
- (c) transferring the money to another trust account of the same law firm;
- (d) paying the money into court under a court order.

(5) A trust account of a law firm may be closed before the law firm's obligations in relation to the money in the account are discharged if the trust account is transferred to a lawyer who is appointed under the Act as the custodian of the law firm's practice.

(6) A lawyer shall, on being requested to do so by a client, provide any information sought by the client with respect to

- (a) the balance of trust money held for the client at the time of the request or at any previous time and how the balance is or was calculated, or
- (b) any transactions relating to trust money held for the client.

(7) A law firm is required to immediately report to the Executive Director any theft of money by any person from the law firm's trust accounts or general accounts. R-106-2019,s.4; R-025-2022,s.41.

Transfers between Client Ledgers

133. Trust money may be transferred between client files but only under a transfer document signed by a lawyer showing the date of transfer, source file, destination file and amount. R-106-2019,s.4.

Lawyers Acting in a Representative Capacity

134. (1) In this rule, "estate" means the estate or property in respect of which a lawyer acts in a representative capacity.

(2) A lawyer acts in a representative capacity if he or she is

- (a) the personal representative, executor or administrator, or one of the personal representatives, executors or administrators, of the estate of a deceased person;
- (b) a trustee, or one of the trustees, of a trust under an appointment made under a trust instrument creating the trust;
- (c) a trustee, or one of the trustees, of the property of another person under an appointment by a court,
- (d) a *de facto* trustee; or
- (e) an attorney, or one of the attorneys, of a person under a power of attorney, whether general, special, enduring or otherwise.

(3) Rule 128 does not apply to trust money received by a lawyer acting in a representative capacity and money so received need not be paid into a trust account of the lawyer's law firm or recorded in the financial records of the lawyer's law firm, if

- (a) the total trust money held at one time in a representative capacity or the total combined receipts and disbursements made in a representative capacity in any one reporting year does not exceed \$20,000; or
- (b) the lawyer
 - (i) notifies the Executive Director, in writing, that the lawyer is acting in a representative capacity, within 14 days after the lawyer so commencing to act,
 - (ii) files with the Executive Director an undertaking to submit, on demand,
 - (A) particulars relating to the lawyer's appointment or assumption of a representative capacity and a list of the beneficiaries of the estate or trust together with their last known addresses, and
 - (B) to the extent that a lawyer is lawfully able, the books, records, accounts and documentation of the estate or trust in a form sufficient to accommodate an examination, review, audit or investigation ordered by the Executive Director, and
 - (iii) co-operates with the Society's auditor or investigator in the conduct of any examination, review, audit or investigation, to the extent that the lawyer is

lawfully able to do so. R-106-2019,s.4; R-001-2021,s.11; R-025-2022, s. 42.

Undisbursable Trust Money

- 134.1.** (1) An application to the Secretary under subsection 46.1(1) of the Act must be made by submitting a Declaration of Undisbursable Trust Money in an approved form.
- (2) An application to the Secretary under subsection 46.1(1) of the Act must
- (a) show the name of the member making the application and the name, address and phone number of the law firm holding the trust money that is the subject of the application;
 - (b) show the aggregate amount of the trust money that is the subject of the application; and
 - (c) contain a certification by the applicant that the statements made in the application are true and correct.
- (3) If the application relates to trust money to which one or more persons are entitled, the application shall state, in respect of each person so entitled,
- (a) the amount of the trust money to which the person is entitled, according to the law firm's trust account records;
 - (b) the name of the person so entitled and their last known address according to the law firm's records;
 - (c) if the person so entitled was a corporation in existence at the commencement of the two-year period preceding the date of filing of the application, whether the corporation still exists according to the official records of the government of the jurisdiction in which it was incorporated or continued;
 - (d) the name of the person who paid the money to the law firm, their last known address according to the law firm's records, and the date on which the money was paid to the firm;
 - (e) the details of the transaction under which the trust money was received by the law firm and the name and last known address of the client concerned;
 - (f) a description of the efforts made during the two-year period preceding the date of filing of the application to locate the person entitled to the trust money, including the date of the last uncashed cheque or the date of the last attempt to contact that person;
 - (g) in the case of a natural person, whether any request was made to pay the trust money to the Public Trustee;
 - (h) the name of the member in the law firm currently responsible for the file, if the applicant is not a sole practitioner; and
 - (i) that there are no trust conditions to which the trust money is subject.
- (4) An application that relates to trust money that cannot be attributed to any client or other person must state
- (a) the amount of the unattributed trust money;
 - (b) the period of time during which the trust money has been held in the law firm's trust account; and
 - (c) the reason, if known, why the money was credited to the law firm's trust account and why the money cannot be attributed to any particular client or other person.
- (5) A claim made under subsection 46.1(5) of the Act must be made by submitting a Claim to Trust Money in an approved form.
- (6) A claim made under subsection 46.1(5) of the Act must be adjudicated by
- (a) a committee consisting of the Executive Director and the Treasurer, if the claim does not exceed \$500.00; or
 - (b) the Finance Committee, in any other case.

- (7) The Finance Committee or the committee referred to in paragraph (6)(a) may, for the purpose of coming to its decision respecting a claim,
- (a) request that the claimant provide any further information and documents related to the claim that the Committee reasonably requires;
 - (b) make or authorize any enquiries or investigations as it considers necessary; and
 - (c) rely wholly or partly on the information and documents received by it.
- (8) The Finance Committee or the committee referred to in paragraph (6)(a) shall, on considering a claim,
- (a) approve the claim, with or without conditions; or
 - (b) reject the claim.
- (9) The Finance Committee or the Committee referred to in paragraph (6)(a) shall report its decisions to the Executive. R-106-2019,s.4; R-001-2021,s.12; R-063-2021,s.20; R-025-2022,s.43.

Obligations Related to Clients' Property

- 134.2.** On receiving trust property a law firm shall
- (a) promptly notify the client of its receipt of the trust property, unless the responsible lawyer is satisfied that the client is already aware of the receipt of the trust property by the law firm;
 - (b) if the trust property does not on its face contain any identification of the client, immediately label or otherwise identify the trust property as property of the client;
 - (c) maintain adequate records of the trust property;
 - (d) keep the trust property safe and secure and in such a manner that it cannot be examined by persons not entitled to do so; and
 - (e) provide to the client any information sought by the client with respect to the trust property. R-106-2019,s.4.

Custodianships

134.3. Where a lawyer's property or legal business comes under the administration of a custodian, the rules in this Part or any provisions of them may be suspended by the Executive, so that the administration by the custodian is governed by the Act, any guidelines adopted by the Executive with respect to custodianships, and any court order. R-106-2019,s.4.

DIVISION 2 - CLIENT IDENTITY AND VERIFICATION

Interpretation

134.4. In this Division,

"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 Action Task Force" means the inter-governmental body, of which Canada is a member, established in 1989 by the G-7 Summit held in Paris in 1989 and now responsible for combatting the threat posed by money laundering and terrorist financing and proliferation, and other related threats to the integrity of the international financial system;

"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 that is 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, and includes a subsidiary of that organization or corporation whose financial statements are consolidated with those of the organization or corporation;

"securities dealer" means persons and entities authorized under provincial or territorial legislation to engage in the business of dealing in securities or any other financial instruments or to provide portfolio management or investment advising services, other than persons who act exclusively on behalf of such an authorized person or entity. R-106-2019,s.4.

134.5. (1) Subject to subrule (3), a lawyer who is retained by a client to provide legal services shall comply with the requirements of this rule in keeping with the lawyer's obligation to know their client, understand the client's financial dealings in relation to the retainer, and manage any risks arising from the professional business relationship with the client.

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

(3) Rules 134.6 through 135.2 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 134.7 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 that 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 134.6 through 135.2; 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 by an electronic funds transfer. R-106-2019,s.4; R-001-2021,s.13; R-025-2022,s.44.

134.6. A lawyer who is retained by a client as described in subrule 134.5(1) shall obtain and record, with the applicable date, the following information:

- (a) for individuals:
 - (i) the client's full name,
 - (ii) the client's home address and home telephone number,
 - (iii) the client's occupation or occupations, and
 - (iv) the address and telephone number of the client's place of work or employment, where applicable;
- (b) for organizations:
 - (i) the client's full name, business address and business telephone number,
 - (ii) 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,
 - (iii) 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
 - (iv) the name and position of and contact information for the individual who is authorized to provide and gives instructions to the lawyer with respect to the matter for which the lawyer is retained;
- (c) if the client is acting for or representing a third party, information about the third party as set out paragraphs (a) and (b), as applicable. R-106-2019,s.4.

When Verification of Client Identity Required

134.7. Subject to subrule 134.8(1), subrule 134.8(2) 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. R-106-2019,s.4.

Requirement to Verify Client Identity

134.8. (1) This rule does not apply

- (a) where the client is a financial institution, public body or reporting issuer;
- (b) in respect of funds,
 - (i) paid by or to a financial institution, public body or a reporting issuer,
 - (ii) received by a lawyer from the trust account of another lawyer,
 - (iii) received from a peace officer, law enforcement agency or other public official acting in his or her official capacity,
 - (iv) paid or received to pay a fine, penalty or bail, or
 - (v) paid or received for professional fees, disbursements or expenses; or
- (c) to an electronic funds transfer.

(2) When a lawyer is engaged in or gives instructions in respect of any of the activities described in rule 134.7, the lawyer shall

- (a) obtain from the client and record, with the applicable date, information about the source of funds described in rule 134.7; and
- (b) verify the identity of the client, including the individual or individuals described in subparagraph 134.6(b)(iv), and where appropriate, the third party using the documents or information described in subrule (7).

(3) A lawyer may rely on an agent to obtain the information described in subrule (7) to verify the identity of an individual client, third party or individual described in subparagraph 134.6(b)(iv), provided the lawyer and the agent have an agreement or arrangement in writing for this purpose as described in subrule (5).

(4) Notwithstanding subrule (2), where an individual client, third party or individual described in subparagraph 134.6(b)(iv) is not physically present in Canada, a lawyer shall rely on an agent to obtain the information described in subrule (5) to verify the person's identity provided the lawyer and the agent have an agreement or arrangement in writing for this purpose as described in subrule (5).

- (5) A lawyer who enters into an agreement or arrangement referred to in subrule (3) or (4) shall:
- (a) obtain from the agent the information obtained by the agent under that agreement or arrangement; and
 - (b) satisfy himself or herself that the information is valid and current and that the agent verified identity in accordance with subrule (7).

(6) A lawyer may rely on the agent's previous verification of an individual client, third party or an individual described in subparagraph 134.6(b)(iv) if the agent was, at the time he or she verified the identity,

- (a) acting in his or her own capacity, whether or not he or she was required to verify identity under this rule; or
- (b) acting as an agent under an agreement or arrangement in writing, entered into with another lawyer who is required to verify identity under this rule, for the purpose of verifying identity under subrule (7).

(7) For the purposes of paragraph (2)(b), the client's identity must be verified by referring to the following documents, which must be valid, original and current, or the following information, which must be valid and current, and which must not include an electronic image of a document:

- (a) if the client or third party is an individual,
 - (i) an identification document containing the individual's name and photograph that is issued by the federal government, a provincial or

territorial government or a foreign government, that is used in the presence of the individual to verify that the name and photograph are those of the individual;

- (ii) information that is in the individual's credit file if that file is located in Canada and has been in existence for at least three years that is used to verify that the name, address and date of birth in the credit file are those of the individual;
 - (iii) any two of the following with respect to the individual:
 - (A) information from a reliable source that contains the individual's name and address that is used to verify that the name and address are of those of the individual,
 - (B) information from a reliable source that contains the individual's name and date of birth that is used to verify that the name and date of birth are those of the individual, or
 - (C) information that contains the individual's name and confirms that they have a deposit account or a credit card or other loan amount with a financial institution that is used to verify that information;
- (b) for the purposes of clauses (a)(iii)(A) to (C), the information referred to must be from different sources, and the individual, lawyer and agent cannot be a source;
 - (c) if the client or third party is an organization such as a body corporate that is created or registered under 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
 - (d) if the client or third party is an organization, other than a body corporate, 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.
- (8) To verify the identity of an individual who is
- (a) under 12 years of age, the lawyer shall verify the identity of one of the individual's parents or their guardian; and
 - (b) at least 12 years of age but not more than 15 years of age, the lawyer may refer to information under clause (7)(a)(iii)(A) that contains the name and address of a parent or guardian of the individual that verifies that the address is that of the individual.
- (9) When a lawyer is engaged in or gives instructions in respect of any of the activities in rule 134.7 for a client or third party that is an organization referred to in paragraph (7)(c) or (d), the lawyer shall
- (a) obtain and record, with the applicable date, the names of all directors of the organization, other than an organization that is a securities dealer; and
 - (b) make reasonable efforts to obtain, and if obtained, record with the applicable date,
 - (i) the names and addresses of all persons who own, directly or indirectly, 25% or more of the organization or of the shares of the organization,
 - (ii) the names and addresses of all trustees and all known beneficiaries and settlors of the trust, and
 - (iii) in all cases, information establishing the ownership, control and structure of the organization.

(10) A lawyer shall take reasonable measures to confirm the accuracy of the information obtained under subrule (9).

(11) A lawyer shall keep a record, with the applicable dates, that sets out the information obtained and the measures taken to confirm the accuracy of that information.

(12) A lawyer who is not able to obtain the information referred to in subrule (9) or to confirm the accuracy of that information in accordance with subrule (10), shall

- (a) take reasonable measures to ascertain the identity of the most senior managing officer of the organization;
- (b) determine whether
 - (i) the client's information in respect of their activities,
 - (ii) the client's information in respect of the source of the funds described in rule 134.7, and
 - (iii) the client's instructions in respect of the transaction,are consistent with the purpose of the retainer and the information obtained about the client as required by this rule;
- (c) assess whether there is a risk that the lawyer may be assisting in or encouraging fraud or other illegal conduct; and
- (d) keep a record, with the applicable date, of the results of the determination and assessment under paragraphs (b) and (c).

(13) A lawyer shall verify the identity of

- (a) a client who is an individual, and
- (b) the individual or individuals 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 134.7.

(14) A lawyer who has verified the identity of an individual is not required to subsequently verify that same identity unless the lawyer has reason to believe the information, or its accuracy, has changed.

(15) A lawyer shall verify the identity of a client that is an organization upon engaging in or giving instructions in respect of any of the activities described in rule 134.7, but in any event no later than 30 days thereafter.

(16) A lawyer who has verified the identity of a client that is an organization and obtained information under subrule (9) is not required to subsequently verify that identity or obtain that information, unless the lawyer has reason to believe the information, or its accuracy, has changed. R-106-2019,s.4; R-001-2021,s.14; R-025-2022,s.45.

Record Keeping and Retention

134.9. (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 subrule 134.8(2).

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

(3) A lawyer shall retain a record of the information, with the applicable date, and any documents obtained for the purposes of rule 134.6, subrule 134.8(10) and subrule 135.2(2), and copies of all documents received for the purposes of subrule 134.8(2), 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 six years following completion of the work for which the lawyer was retained. R-106-2019,s.4.

Application

135. Rules 134.4 through 134.9 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. R-106-2019,s.4.

Criminal Activity, Duty to Withdraw from Representation R-025-2022,s.46.

135.1. (1) If in the course of obtaining the information and taking the steps required in rule 134.6 and subrules 134.8(2), (9) or (12), 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 shall withdraw from representation of the client.

(2) This rule applies to all matters, including new matters for existing clients, for which a lawyer has been retained after this rule came into force on January 2, 2019. R-106-2019,s.4; R-001-2021,s.15; R-025-2022,s.47.

Monitoring

135.2. During a retainer with a client in which the lawyer is engaged in or gives instructions in respect of any of the activities described in rule 134.7, the lawyer shall

- (a) monitor on a periodic basis the professional business relationship with the client for the purposes of
 - (i) determining whether
 - (A) the client's information in respect of their activities,
 - (B) the client's information in respect of the source of the funds described in rule 134.7, and
 - (C) the client's instructions in respect of transactions are consistent with the purpose of the retainer and the information obtained about the client as required by this Division, and
 - (ii) assessing whether there is a risk that the lawyer may be assisting in or encouraging fraud or other illegal conduct; and
- (b) keep a record, with the applicable date, of the measures taken and the information obtained with respect to the requirements of subparagraph (a)(i). R-106-2019,s.4; R-025-2022,s.48.

Duty to Withdraw

135.3. If while retained by a client, including when taking the steps required in rule 135.2, 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 shall withdraw from representation of the client. R-106-2019,s.4.

PART 7 SELF-REPORTING

Reporting Criminal Charges

136. (1) Subject to subrule (4), a lawyer, student-at-law or applicant shall notify the Executive Director in writing as soon as is reasonably practicable after he or she is

- (a) charged with an offence under any statute or with contempt of court; or
- (b) the subject of an order to enter into a recognizance, with or without sureties, to keep the peace.

(2) The notice must include a complete description of the particulars of the charge or order.

(3) Subject to subrule (4), the lawyer, student-at-law or applicant shall notify the Executive Director of the disposition of the charge, any agreement arising out of the charge and the result of any Crown or defence appeal arising from the charge or order, as soon as is reasonably practicable.

(4) This rule does not apply where the lawyer, student-at-law or applicant is issued or served with a ticket as defined in the *Contraventions Act* (Canada) or the *Summary Conviction Procedures Act*. R-001-2021,s,16; R-025-2022,s.49.

Reporting Member's Insolvency

137. Repealed. R-106-2019,s.5.

PART 8 TERRITORIAL MOBILITY

Interpretation

138. In this Part and unless the context indicates otherwise,

"entitled to practise law" means allowed, under the legislation and regulations of a home jurisdiction, to engage in the practice of law in that jurisdiction;

"Executive Director" includes a person designated by the Executive Director to perform any of the duties assigned to the Executive Director in these rules;

"governing body" means

- (a) the law society or barristers' society in a Canadian common law jurisdiction, or
- (b) the Barreau du Québec;

"lawyer" means a member of a governing body;

"liability insurance" means compulsory professional liability errors and omissions insurance required by a governing body;

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

"Territorial Mobility Agreement" means the *Federation of Law Societies of Canada Territorial Agreement of May 2006*, made at Charlottetown, Prince Edward Island and signed by the Society on November 3, 2006, as extended by the *Territorial Mobility Agreement made in November, 2011*. R-005-2014,s.6; R-002-2019,s.2; R-127-2020,s.22; R-025-2022,s.50.

Application

139. This Part

- (a) gives effect to the requirements of the Territorial Mobility Agreement; and
- (b) ceases to have effect when the Territorial Mobility Agreement expires or is cancelled.

Transfer under Territorial Mobility Agreement

140. (1) This rule applies to an applicant for transfer from another Canadian jurisdiction, provided that the applicant is entitled to practise law in the jurisdiction of a governing body of which the applicant is a member.

(2) An applicant under this rule shall fulfill all of the requirements in rule 40 for call and admission on transfer from another Canadian jurisdiction, except that he or she need not pass any transfer examination.

(3) To qualify for call and admission, an applicant under this rule shall certify, in an approved form, that he or she has reviewed and understands all of the materials required by the Society.

- (4) A lawyer called and admitted under this rule has no greater rights as a member of the Society than
- (a) the lawyer has as a member of the governing body of his or her home jurisdiction;
 - (b) any other member of the Society in similar circumstances. R-162-2018, s.3; R-127-2020,s.23; R-001-2021,s.17; R-025-2022,s.13.

Liability Insurance

141. (1) This rule applies to a member of the Society who is entitled to practise law in the jurisdiction of a governing body of which the lawyer is a member.

(2) A lawyer may apply to the Executive Director for exemption from the requirement for professional liability insurance in subrule 90(4), if, in another Canadian jurisdiction in which the governing body allows a similar exemption for members of the Society, the lawyer

- (a) is resident; and
- (b) maintains the full mandatory professional liability insurance coverage required in that jurisdiction that
 - (i) is comparable in coverage and limits to that required of lawyers in the Northwest Territories, and
 - (ii) extends to the lawyer's practice in the Territories. R-127-2020,s.23, 24; R-001-2021,s.18.

PART 9 LIMITED LIABILITY PARTNERSHIPS

Interpretation

142. In this Part,

"extra-territorial limited liability partnership" means an extra-territorial partnership as defined in section 102.22 of the *Partnership and Business Names Act*;

"limited liability partnership" means a limited liability partnership as defined in section 102.1 of the *Partnership and Business Names Act*;

"LLP" means a limited liability partnership;

"partnership" means a entity as described in subsection 2(1) of the *Partnership and Business Names Act*;

"registered" means an LLP or extra-territorial LLP for which approval and certification has been issued by the Secretary, on behalf of the Society under this Part, and registered with the Registrar of Corporations under the *Partnership and Business Names Act*, and for which the approval and certification has not expired. R-025-2022,s.51

Register of LLPs

143. (1) The Secretary shall maintain a register of LLPs containing the following information with respect to each LLP:

- (a) the name and registered office of the LLP and the number on the register attributed to the LLP;
- (b) the names and Roll numbers of the members of the Society who are partners in the LLP, or who hold shares in a professional corporation that is a partner in the LLP;
- (c) the date of initial approval by the Society of the application of the LLP for registration under Part III.1 of the *Partnership and Business Names Act*; and
- (d) any other particulars specified by the Executive.

(2) The Secretary shall maintain any other records with respect to LLPs specified by the Executive.

(3) A registered LLP shall notify the Secretary in writing of any change in the particulars specified in subrule (1) before or immediately after the change is made, and shall submit with such notification the prescribed fee for registration of the change. R-025-2022,s.51.

Certification of Northwest Territories LLP

- 144.** Where a member proposes to register as an LLP under Part III.1 of the *Partnership and Business Names Act*,
- (a) the member shall submit to the Secretary
 - (i) an Application by Northwest Territories LLP in an approved form,
 - (ii) the fee as is set by the Executive for each year, and
 - (iii) any other information required by the Secretary for the purposes of this rule; and
 - (b) the Secretary shall endorse on the application or shall issue a statement of the Society's certification under paragraph 102.8(4)(h) of the *Partnership and Business Names Act*, that
 - (i) the partners are covered by liability insurance in the form and amount required for that purpose by these rules,
 - (ii) the partnership and the partners meet all other eligibility requirements for practice as an LLP that are imposed by the Executive from time to time under the Act, provided that the Secretary is satisfied as to those matters; and
 - (iii) that the certification under paragraph 102.8(4)(h) of the *Partnership and Business Names Act* expires on December 31 of the year it is issued. R-090-2013,s.19; R-136-2016,s.13; R-063-2021,s.21; R-025-2022,s.51.

Certification of Extra-territorial LLP

145. Where a partnership has a status substantially equivalent to an LLP under the laws of a jurisdiction other than the Northwest Territories and consists of one or more partners, whether individuals or professional corporations that carry on the practice of law, and that partnership proposes to register as an extra-territorial LLP under Part III.2 of the *Partnership and Business Names Act*,

- (a) that partnership shall submit to the Secretary
 - (i) an Application by Extra-Territorial LLP in an approved form;
 - (ii) the fee as is set by the Executive for each year, and
 - (iii) any other information required by the Executive for the purposes of this rule; and
- (b) the Secretary shall endorse on the application or issue a statement of the Society's certification under paragraph 102.25(3)(j) of the *Partnership and Business Names Act* that
 - (i) the Northwest Territories partners and partners in the partnership are covered by liability insurance in the form and amount required for that purpose by these rules,
 - (ii) the partnership and the Northwest Territories partners meet all other applicable eligibility requirements for practice as an extra-territorial LLP that are imposed by the Executive from time to time under the Act, provided that the Secretary is satisfied as to those matters; and
 - (iii) the certification under paragraph 102.25(3)(j) of the *Partnership and Business Names Act* expires on December 31 of the year it is issued. R-090-2013,s.20; R-136-2016,s.14; R-053-2021,s.22; R-025-2022,s.51.

Insurance Requirements

146. (1) A member of the Society who is a partner in an LLP, or who holds shares in a professional corporation that is a partner in an LLP, shall have and maintain professional liability insurance providing coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

(2) Subrule (1) does not apply to a member of the Society who is a partner in an LLP, or who holds shares in a professional corporation that is a partner in an LLP, during such period that he or she is both an inactive member and on parental leave. R-138-2014,s.1.

Other Eligibility Requirements

147. The Secretary shall not endorse an application under rule 144 or 145 if the applicant partnership has one or more partners, whether individuals or professional corporations, that are not entitled to carry on the practice of law.

Notification of Non-compliance

148. The Secretary, or any other person so authorized by the Executive from time to time, shall provide notification to the Registrar of Corporations in accordance with the *Partnership and Business Names Act* if the Society becomes aware of the failure of an LLP or one or more of its partners to maintain compliance with the requirements imposed on an LLP and its partners under the Act and these rules. R-025-2022,s.52.

Renewal of Permit

149. (1) Each year the Secretary shall send each LLP a written notice respecting renewal of its certification.

(2) An LLP certified under rule 144 or 145 may apply to the Secretary for an annual renewal of certification by submitting to the Secretary

- (a) a completed Application by Northwest Territories LLP in an approved form or an Application by Extra-Territorial LLP in an approved form, as applicable;
- (b) proof of insurance under rule 146; and
- (c) the fee specified in Schedule A.

(3) An LLP renewing its certification shall submit to the Secretary those items required in paragraphs (2)(a) and (b) on or before December 31 in each year.

- (4) If an LLP fails to comply with subrule (3),
- (a) its certification under paragraphs 144(b) or 145(b) expires on December 31 of the last year in which the endorsement and certification is valid; and
 - (b) the LLP is a partnership after its certification expires.

(5) The Executive shall set annual renewal fees each year.

(6) Where the certification for an LLP expires under this rule and the partnership wants to renew its certification with the Society, the partnership shall apply as though it had never been certified with the Society. R-090-2013,s.21; R-136-2016.s.15(1),(2) and (3); R-097-2017,s.13; R-063-2021,s.23; R-025-2022,s.53.

PART 10
PROFESSIONAL CORPORATIONS

Interpretation

150. In this Part,

"annual permit" means a permit as defined in the *Professional Corporations Act*;

"law professional corporation" or "law PC" or "Law Prof. Corp." means a professional corporation that is

- (a) a professional corporation defined in the *Professional Corporations Act*, and
- (b) registered as a law professional corporation with the Secretary under this Part.

Corporate Register of Professional Corporations

151. (1) The Secretary shall maintain a corporate register of law professional corporations containing the following information with respect to each law professional corporation:

- (a) its name, registered office and registration number;
- (b) the Roll numbers, names and addresses of each director;
- (c) a certified copy of
 - (i) its certificate of incorporation issued under subsection 268(3) of the *Business Corporations Act*, and
 - (ii) its articles and bylaws;
- (d) the names and Roll numbers of the active members of the Society who hold voting shares in the law professional corporation;
- (e) the date of initial approval by the Society of the application for registration as a law professional corporation;
- (f) any other particulars specified by the Executive.

(2) A law professional corporation shall notify the Secretary in writing of any change in the particulars specified in subrule (1) before or immediately after the change is made, and submit with the notification the fee set out in Schedule A for registration of the change.

(3) The Secretary shall keep the register of law professional corporations at the Society's head office and shall make it available for inspection by any person, without fee, during regular office hours. R-025-2022,s.54.

Registration of Territorial Professional Corporation

152. (1) In this rule, "territorial law professional corporation" means a law professional corporation incorporated in the Northwest Territories.

(2) A professional corporation applying for registration as a territorial law professional corporation under section 6 of the *Professional Corporations Act*, shall submit the following to the Secretary:

- (a) an Application for Registration by Territorial Law Professional Corporation in an approved form;
- (b) a copy of the applicant's current articles or bylaws filed under the *Business Corporations Act* and *Business Corporations Regulations*;
- (c) a copy of the applicant's current Notice of Directors filed under the *Business Corporations Regulations*;
- (d) the fee set out in item 7(b) of Schedule A.

(3) On approving the registration of a professional corporation as a territorial law professional corporation, the Secretary shall endorse the approved form submitted under paragraph (2)(a) to state that the professional corporation is registered as a territorial law professional corporation.

(4) Where a registered territorial law professional corporation fails to renew its permit within one year after its expiry, the Secretary shall cancel the registration of the territorial law professional corporation.

(5) To be satisfied whether an application made under this rule should be approved, the Secretary may require an applicant to provide additional information. R-090-2013,s.22; R-137-2014,s.1; R-097-2017,s.14; R-063-2021,s.24; R-025-2022,s.55.

Registration of Extra-territorial Professional Corporation

153. (1) In this rule, "extra-territorial law professional corporation" means

- (a) a corporation that is incorporated under the laws of a another province or territory and complies with the applicable laws of that jurisdiction pertaining to law professional corporations; and
- (b) a corporation that is a registered extra-territorial corporation under the *Business Corporations Act*.

(2) A professional corporation applying for registration as an extra-territorial law professional corporation under section 6 of the *Professional Corporations Act*, shall submit the following to the Secretary:

- (a) an Application for Registration by Extra-Territorial Law Professional Corporation in an approved form;
- (b) a copy of the applicant's extra-territorial registration filed under the *Business Corporations Act*;
- (c) a copy of the applicant's current articles or bylaws filed in the extra-territorial jurisdiction;
- (d) a copy of the current list of directors filed in the extra-territorial jurisdiction;
- (e) the fee set out in item 7(c) of Schedule A.

(3) Where the Secretary approves of the registration of a professional corporation as an extra-territorial law professional corporation, he or she shall endorse the Application for Registration by Extra-Territorial Law Professional Corporation submitted under paragraph (2)(a), to state that the professional corporation is registered as an extra-territorial law professional corporation.

(4) The Secretary shall cancel the registration of an extra-territorial law professional corporation that fails to renew its permit within one year after its expiry.

(5) The Secretary may allow an extra-territorial law professional corporation to use its name as authorized in its home jurisdiction.

(6) The Secretary may require an applicant to provide further information before he or she approves of the application. R-090-2013,s.23; R-137-2014,s.2; R-097-2017,s.15; R-001-2021,s.19(1),(2) and (3); R-063-2021,s.25; R-025-2022,s.56.

Corporate Name

154. A law professional corporation shall not use a name if that name

- (a) is used by another registered law professional corporation holding a certificate of registration under this Part;
- (b) so nearly resembles the name of another registered law professional corporation holding a certificate of registration under this Part that it is likely to confuse or mislead the public; or
- (c) is contrary to Part 4 of the *Code of Professional Conduct* ("Marketing of Legal Services"). R-136-2014,s.3.

Change of Corporate Name

- 155.** (1) A law professional corporation may apply to the Secretary, in an approved form, for a certificate stating that the Society does not object to a specific change of name for the law professional corporation.
- (2) A law professional corporation shall not apply for a change of name under the *Business Corporations Act* unless it has been granted the certificate referred to in subrule (1).
- (3) The Secretary shall issue a new certificate of registration to a law professional corporation that has
- (a) obtained the certificate referred to in subrule (1);
 - (b) submitted to the Secretary a true copy of the certificate of amendment issued by the Registrar of Corporations under section 180 of the *Business Corporations Act*, showing the change of name and the date it is effective; and
 - (c) paid the fee set out in Schedule A.

R-025-2022,s.13.

Annual Permit

- 156.** (1) A law professional corporation which is registered under rule 152 or 153 may apply to the Secretary for an annual permit by submitting to the Secretary
- (a) an Application for Annual Permit for Law Professional Corporation in an approved form;
 - (b) a copy of the endorsed Application for Registration by Territorial Law Professional Corporation referred tin subrule 152(3), or the endorsed Application for Registration by Extra-Territorial Law Professional Corporation referred to in subrule 153(3), as applicable;
 - (c) a copy of the applicant's securities register;
 - (d) a copy of the applicant's current articles or bylaws;
 - (e) a current list of directors;
 - (f) the fee set out in item 7(e) of Schedule A.
- (2) The Secretary may issue an annual permit to a law professional corporation if it complies with subrule (1) and the Secretary is satisfied that it complies with paragraph 6(c) of the *Professional Corporations Act*.
- (3) An annual permit may contain any terms and conditions that the Executive considers appropriate.
- (4) An annual permit expires on December 31 of the calendar year for which it was issued.
- (5) An annual permit issued to a law professional corporation ceases to be valid if
- (a) it is revoked under rule 160;
 - (b) a practising lawyer who is a voting shareholder in the law professional corporation dies or otherwise ceases to be a practising lawyer, and no provision is made in the articles of the law professional corporation for the immediate and automatic disposition of that lawyer's shares in that case;
 - (c) another law professional corporation that is a voting shareholder in the law professional corporation ceases to be registered as a corporation under the *Business Corporations Act* or ceases to hold a valid annual permit, and no provision is made in the articles of the law professional corporation for the immediate and automatic disposition of the other law professional corporation's shares in that case; or
 - (d) it is surrendered by the law professional corporation to the Secretary.
- (6) A holder of an annual permit shall not carry on any activities, other than the provision of legal services or services directly associated with the provision of legal services.

(7) To be satisfied whether an application made under this rule should be approved, the Secretary may require an applicant to provide additional information. R-090-2013,s.24; R-137-2014,s.3; R-097-2017,s.16; R-063-2021,s.26.

Renewal

157. (1) The Secretary shall send written notice to each law professional corporation, respecting the renewal of its annual permit.

(2) The notice under subrule (1) must state that the law professional corporation must submit to the Secretary

- (a) an Application for Renewal of Annual Permit for Law Professional Corporation in an approved form;
- (b) a certificate issued by the Registrar of Corporations, dated not earlier than 60 days before the date of the submission to the Secretary,
 - (i) under section 271 of the *Business Corporations Act*, confirming that the applicant is an existing corporation and up to date in filing its annual returns under that Act, if the applicant is a territorial law professional corporation, or
 - (ii) under section 293 of the *Business Corporations Act*, confirming that the applicant is registered and up to date in filing its annual returns under that Act, if the applicant is an extra-territorial law professional corporation;
- (c) a copy of the applicant's securities register, if it has changed since last filed with the Secretary;
- (d) a copy of the applicant's current articles or bylaws, if they have changed since last filed with the Secretary;
- (e) a current list of directors;
- (f) the fee set out in item 7(f) of Schedule A.

(3) A law professional corporation shall submit to the Secretary those items described in subrule (2) on or before December 31 in each year.

(4) If a law professional corporation fails to comply with subrule (3),

- (a) its annual permit expires on December 31 of the last year in which it is valid; and
- (b) the law professional corporation will no longer hold a valid permit for the purposes of paragraph 4(1)(a) of the *Professional Corporations Act*, after December 31 of the last year in which it is valid.

(5) The information required for annual renewal of registration must include full particulars of any change since the most recent annual permit application or renewal in

- (a) the name and registered office of the law professional corporation;
- (b) the number on the register attributed to the law professional corporation; and
- (c) the names and Roll numbers of the members of the Society who are partners in the law professional corporation, or who hold shares in a law professional corporation that is a partner in the law professional corporation.

(6) To be satisfied whether an application made under this rule should be approved, the Secretary may require an applicant to provide additional information.

(7) Where the annual permit for a law professional corporation expires under this rule or rule 156 and the law professional corporation wants to renew its annual permit with the Society, the information required, the fee required and all other aspects of the application must be the same as if the law professional corporation had never registered with the Society.

(8) On refusing to renew an annual permit the Secretary shall give the law professional corporation written notice of the refusal with reasons. R-137-2014,s.4; R-097-2017,s.17; R-001-2021,s.20; R-063-2021,s.27; R-025-2022,s.57.

Notice of Change in Corporate Information

158. The president of a law professional corporation which holds a valid annual permit or his or her designate shall promptly advise the Secretary in writing of any change to the information contained in the annual permit application or annual permit renewal application most recently submitted to the Society.

Dissolution, Insolvency or Bankruptcy

- 159.** (1) Where a law professional corporation is to be dissolved or is insolvent or bankrupt, the members who are shareholders in the law professional corporation shall, as soon as is reasonably practicable,
- (a) notify the Secretary in writing that the law professional corporation is insolvent or bankrupt; and
 - (b) submit to the Secretary
 - (i) a copy of all material filed in the proceedings dealing with the insolvency or bankruptcy,
 - (ii) all information relating to any professional relationship between the law professional corporation and any creditor,
 - (iii) all information respecting any debts which arose from the law professional corporation's carrying on of the business of providing professional services, and
 - (iv) the law professional corporation's annual permit.
- (2) After receiving the information and material required under this rule, the Secretary shall
- (a) revoke the registration of the law professional corporation; and
 - (b) refer the information and material to the chairperson of the Discipline Committee for his or her attention under rule 78, in the case of a law professional corporation that is insolvent or bankrupt.
- (3) Dissolution, insolvency and bankruptcy are not of themselves deserving of discipline.

Revocation of Annual Permit

- 160.** (1) A Sole Inquirer or a Committee of Inquiry acting under Part III and the Act, may revoke an annual permit if
- (a) in the course of providing legal services the law professional corporation does anything that, if done by a member, would be unprofessional conduct; or
 - (b) the law professional corporation contravenes the Act, the *Professional Corporations Act*, the *Business Corporations Act* or these rules.
- (2) Instead of revoking an annual permit under subrule (1), the Sole Inquirer or a Committee of Inquiry acting under Part III and the Act may do one or more of the following:
- (a) reprimand one or more of the voting shareholders of a law professional corporation;
 - (b) impose a fine on the law professional corporation in an amount not exceeding \$20,000;
 - (c) impose conditions or limitations under which the law professional corporation may continue to provide legal services to the public.
- (3) Any person who is a shareholder, director, officer or employee of or contractor to a law professional corporation may be
- (a) compelled to give evidence at a proceeding under the Act or these rules; or
 - (b) required to produce any file or record in that person's possession or control that is relevant to matters raised in any proceeding under the Act or these rules.

(4) When a Sole Inquirer or a Committee of Inquiry acting under paragraph (2)(c) imposes a condition or limitation under which a law professional corporation may continue to provide legal services to the public, the Secretary may disclose to any person the fact that the condition or limitation applies and the nature of the condition or limitation.

(5) If the Secretary discloses the existence of a condition or limitation under subrule (4) by means of the Society's website, the Secretary shall remove the information from the website within a reasonable time after the condition or limitation ceases to be in force.

Public Disclosure of Corporate Status

161. All advertising for a member who provides legal services to the public through a law professional corporation must indicate that the law professional corporation provides the legal services. R-001-2021,s.21.

Disclosure of Corporate Information

162. (1) All information and documents received by the Society under this Part are confidential and no person is permitted to disclose them to any person, with the exception of the information and documents contained in the corporate register under subrule 151(1).

(2) The Secretary may, on payment by a person of the appropriate fee set out in Schedule A, provide copies of entries in the corporate register or a certificate of standing under section 14 of the Act to that person.

- (3) As an exception to subrule (1), the Society may
- (a) use information and documents for a purpose consistent with the Act and these rules;
 - (b) disclose information and documents to a governing body as defined in the *Professional Corporations Act*; and
 - (c) disclose, on request, to any person
 - (i) the name of a law professional corporation,
 - (ii) the place of business of a law professional corporation,
 - (iii) whether a corporation has a valid annual permit and is a law professional corporation registered with the Society,
 - (iv) whether a specified lawyer is an employee or a voting shareholder of a law professional corporation, and
 - (v) whether a specified law professional corporation is a voting shareholder of another law professional corporation. R-162-2018, s.4; R-001-2021,s.22.

SCHEDULE A

		FEES		
Item	Description		Reference	Amount (\$)
1	Member			
	(a) Application (where member not struck from Roll)		40(1)(f)	205
	(b) Application (where member struck from Roll)		40(1)(f)	510
	(c) Admission		40(1)(f)	230
	(d) Annual (active member)		40(1)(f)	1,400
	(e) Annual (inactive member)		40(1)(f)	250
	(f) Change of status - inactive to active member		57(2)(d)(v)	250
	(g) Late fee for reporting continuing professional development		71(1)(d)	255
	(h) Reinstatement of suspended member (for each year or part of a year member suspended)		82(1)	300
2	Students-at-Law			
	(a) Application		41(1)(e)	25
	(b) Admission		41(1)(e)	105
	(c) Application as member		49(f)	75
	(d) Admission as member		49(f)	230
	(e) Annual as member (active)		49(f)	1,400
	(f) Assignment of articles		44(2)	15
	(g) Reinstatement of articles		83(2)	0
3	Restricted Appearance			
	(a) Application		51(2)(f)	250
	(b) Admission		51(2)(f)	450
	(c) Renewal		51(5)(b)	450
4	Canadian Legal Advisor			
	(a) Application		52(2)(f)	250
	(b) Admission		52(2)(f)	450
	(c) Annual (active)		52(2)(f)	1,400
	(d) Annual (inactive member)		52(2)(f)	250
	(e) Change of status - inactive to active		52(2)(f)	250
	(f) Reinstatement of suspended member (for each year or part of a year member suspended)		52(2)(f)	300
5	Law Student			
	(a) Application		53(1)(e)	25
	(b) Enrolment		53(1)(e)	50
6	Limited Liability Partnerships (LLP)			
	(a) Change notice registration		143(3)	25
	(b) Registration (Territorial LLP) (per partner)		144(a)(ii)	105
	(c) Registration (Extra-territorial LLP) (per partner)		145(a)(ii)	105
	(d) Annual renewal of certification (per partner)		149(2)(c)	50
7	Law Professional Corporation (Law PC)			

(a)	Change notice registration	151(2)	25
(b)	Registration (territorial) (per permit renewal)	152(2)(d)	305
(c)	Registration (extra-territorial) (per permit renewal)	153(2)(e)	305
(d)	Law PC change of name registration	155(3)(c)	155
(e)	Annual permit	156(1)(f)	155
(f)	Annual renewal (per permit renewal)	157(2)(f)	155
(g)	Copies of corporate register (per page)	162(2)	1
(h)	Certificate of standing	162(2)	75
8	Assurance Fund		
(a)	Levy	87	0
9	Miscellaneous		
(a)	Special examination fee (per examination)		25
(b)	Copies (per page)		1

R-080-2012,s.1; R-090-2013,s.25; R-136-2016,s.16, R-019-2017,s.1, R-162-2018,s.5; R-126-2020,s.1; R-127-2020,s.25; R-024-2021,s.3; R-001-2024,s.2.

SCHEDULE B

Repealed. R-063-2021,s.28.