

BY-LAW 7.1

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OPERATIONAL OBLIGATIONS AND RESPONSIBILITIES

PART I

SUPERVISION OF ASSIGNED TASKS AND FUNCTIONS

Interpretation

1. (1) In this Part,

“non-licensee” means an individual who,

- (a) in the case of the assignment of tasks and functions by a person licensed to practise law in Ontario as a barrister and solicitor, is not a person licensed to practise law in Ontario as a barrister and solicitor and, in the case of the assignment of tasks and functions by a person licensed to provide legal services in Ontario, is not a licensee,
- (b) is engaged by a licensee to provide her or his services to the licensee, and
- (c) expressly agrees with the licensee that the licensee shall have effective control over the individual’s provision of services to the licensee;

“catastrophic impairment” means a catastrophic impairment within the meaning of the *Statutory Accident Benefits Schedule*;

“claim” means a claim for statutory accident benefits within the meaning of the *Insurance Act*;

“impairment” means an impairment within the meaning of the *Statutory Accident Benefits Schedule*;

“law firm means,

- (a) a partnership or other association of licensees each of whom holds a Class L1 licence,
- (b) a professional corporation described in clause 61.0.1 (a) or (c) of the Act, or
- (c) a multi-discipline practice or partnership described in section 17 of By-Law 7 [Business Entities] where the licensee mentioned therein is a licensee who holds a Class L1 licence; “*Statutory Accident Benefits Schedule*” means the *Statutory Accident Benefits Schedule* within the meaning of the *Insurance Act*.

Interpretation: “effective control”

(2) For the purposes of subsection (1), a licensee has effective control over an individual’s provision of services to the licensee when the licensee may, without the agreement of the individual, take any action necessary to ensure that the licensee complies with the *Law Society Act*, the by-laws, the Society’s rules of professional conduct and the Society’s policies and guidelines.

Application: provision of legal services by student

2. (1) This Part does not apply to the provision of legal services by a student under the direct supervision of a licensee pursuant to section 34.1 of By-Law 4.

Application: provision of legal services under direct supervision of licensee pursuant to By-Law 4

(2) This Part applies to the following, subject to the modifications set out in subsection (3) and any other necessary modifications:

1. The provision of legal services by an Ontario law student under the direct supervision of a licensee pursuant to section 34.3 of By-Law 4.
2. The provision of legal services by a Canadian law student under the direct supervision of a licensee pursuant to section 34.2 of By-Law 4.

Same

(3) The following modifications of this Part apply with respect to the direct supervision by a licensee of the provision of legal services by a non-licensee mentioned in subsection (2):

1. Section 1 does not apply.
2. “Non-licensee” means an individual who, in the case of the provision of legal services under the direct supervision of a licensee pursuant to section 34.2 of By-Law 4, is a Canadian law student and, in the case of the provision of legal services under the direct supervision of a licensee pursuant to section 34.3 of By-Law 4, is an Ontario law student.
3. “Canadian law student” means an individual who is enrolled in a degree program at a law school in Canada that is accredited by the Society.
4. “Ontario law student” means an individual who is enrolled in a degree program at a law school in Ontario that is accredited by the Society.
5. Subsection 3 (2) does not apply.
6. Clause 4 (2) (h) does not apply.
7. Section 5.1 does not apply.
8. The licensee shall give the non-licensee express instruction and authorization prior to permitting the non-licensee to act on behalf of a person in a proceeding before an adjudicative body.

Assignment of tasks, functions: general

3. (1) Subject to subsection (2), a licensee may, in accordance with this Part, assign to a non-licensee tasks and functions in connection with the licensee’s practice of law or provision of legal services in relation to the affairs of the licensee’s client.

Assignment of tasks, functions: affiliation

- (2) A licensee who is affiliated with an entity under By-Law 7 may, in accordance with this Part, assign to the entity or its staff, tasks and functions in connection with the licensee’s practice of law or provision of legal services in relation to the affairs of the licensee’s client only if the client consents to the licensee doing so.

Assignment of tasks, function: direct supervision required

4. (1) A licensee shall assume complete professional responsibility for her or his practice of law or provision of legal services in relation to the affairs of the licensee’s clients and shall directly supervise any non-licensee to whom are assigned particular tasks and functions in connection with the licensee’s practice of law or provision of legal services in relation to the affairs of each client.

- (2) Without limiting the generality of subsection (1),

- (a) the licensee shall not permit a non-licensee to accept a client on the licensee's behalf;
- (b) the licensee shall maintain a direct relationship with each client throughout the licensee's retainer;
- (c) the licensee shall assign to a non-licensee only tasks and functions that the non-licensee is competent to perform;
- (d) the licensee shall ensure that a non-licensee does not act without the licensee's instruction;
- (e) the licensee shall review a non-licensee's performance of the tasks and functions assigned to her or him at frequent intervals;
- (f) the licensee shall ensure that the tasks and functions assigned to a non-licensee are performed properly and in a timely manner;
- (g) the licensee shall assume responsibility for all tasks and functions performed by a non-licensee, including all documents prepared by the non-licensee; and
- (h) the licensee shall ensure that a non-licensee does not, at any time, act finally in respect of the affairs of the licensee's client.

Assignment of tasks, functions: prior express instruction and authorization required

5. (1) A licensee shall give a non-licensee express instruction and authorization prior to permitting the non-licensee,

- (a) to give or accept an undertaking on behalf of the licensee;
- (b) to act on behalf of the licensee in respect of a scheduling or other related routine administrative matter before an adjudicative body; or
- (c) to take instructions from the licensee's client.

Assignment of tasks, functions: prior consent and approval

(2) A licensee shall obtain a client's consent to permit a non-licensee to conduct routine negotiations with third parties in relation to the affairs of the licensee's client and shall approve the results of the negotiations before any action is taken following from the negotiations.

Assignment of tasks, functions: mediation of ancillary issues relating to catastrophic impairment claims

5.1 (1) Despite clause 6 (1) (c), a licensee who holds a Class L1 licence may permit a non-licensee who holds a Class P1 licence to participate in mediation of ancillary issues relating to a claim of an individual who has or appears to have a catastrophic impairment, but only if the non-licensee is employed by the licensee or by the law firm of which the licensee is a member.

(2) For the purposes of subsection (1), ancillary issues do not include issues relating to the determination of whether an impairment is a catastrophic impairment.

Tasks and functions that may not be assigned: general

6. (1) A licensee shall not permit a non-licensee,
- (a) to give the licensee's client legal advice;
 - (b) to act on behalf of a person in a proceeding before an adjudicative body, other than on behalf of the licensee in accordance with subsection 5 (1), unless the non-licensee is authorized under the *Law Society Act* to do so;
 - (c) to conduct negotiations with third parties, other than in accordance with subsection 5 (2);
 - (d) to sign correspondence, other than correspondence of a routine administrative nature; or
 - (e) to forward to the licensee's client any document, other than a routine document, that has not been previously reviewed by the licensee.

Tasks and functions that may not be assigned by Class L1 licensee

(2) A licensee who holds a Class L1 licence shall not permit a non-licensee to use the licensee's personalized specially encrypted diskette in order to access the system for the electronic registration of title documents.

Collection letters

7. A licensee shall not permit a collection letter to be sent to any person unless,
- (a) the letter is in relation to the affairs of the licensee's client;
 - (b) the letter is prepared by the licensee or by a non-licensee under the direct supervision of the licensee;
 - (c) if the letter is prepared by a non-licensee under the direct supervision of the licensee, the letter is reviewed and approved by the licensee prior to it being sent;
 - (d) the letter is on the licensee's business letterhead; and

- (e) the letter is signed by the licensee.

PART II

OBLIGATIONS RESULTING FROM SUSPENSION

Interpretation

8. In this Part,

“existing client” means,

- (a) a person who is a client of a suspended licensee when a suspension order is made against the licensee, or
- (b) a person who becomes a client of the suspended licensee after the suspension order is made but before the suspension begins;

“former client” means a person who was a client of a suspended licensee before a suspension order was made against the licensee but who was not a client when the order was made;

“prospective client” means a person who seeks to retain a suspended licensee after the suspension order is made the licensee but before the suspension begins;

“suspended licensee” means a licensee who is the subject of a suspension order;

“suspension order” means an order made under the Act suspending a licensee’s licence to practise law in Ontario as a barrister and solicitor or to provide legal services in Ontario, regardless of whether the suspension begins when the order is made or thereafter.

Notice requirements before suspension begins

9. (1) A suspended licensee shall before the suspension begins, but not later than the date on which the suspension begins,

- (a) notify every existing client, on whose matters the work will not be completed by the suspended licensee before the suspension begins, of the suspension order and that,
 - (i) the suspended licensee will be unable to complete the work,
 - (ii) the client will need to retain another licensee to complete the work, and
 - (iii) the suspended licensee, subject to any rights that the suspended licensee may have over the client’s file, will transfer the file to the licensee, if any,

retained by the client to complete the work or will return the file to the client; and

- (b) notify every existing client and former client for whom the suspended licensee performs or has performed the work described in subsection 14 (1) of the name and contact information of the licensee to whom the suspended licensee has given possession of the client's documents and files.

Compliance with subclauses (1) (a) (i) to (iii) not required

(2) A suspended licensee is not required to comply with the notice requirements mentioned in subclauses (1) (a) (i) to (iii) if the only work remaining to be completed on the client's matter is work mentioned in section 12 or 13, but, in such a case, the suspended licensee shall, before the suspension begins, notify the client of the name and contact information of the licensee retained by the suspended licensee to complete the work.

Notice requirements: during suspension

- 10. A suspended licensee shall, during the suspension,
 - (a) notify all persons who contact the suspended licensee's place of business of the suspension order; and
 - (b) notify any existing client or former client who contacts the suspended licensee's place of business of the name and contact information of another licensee who has been given possession of the clients' documents and files.

Notice requirements: prospective clients

11. A suspended licensee, at the time a prospective client seeks to retain the suspended licensee, shall notify the prospective client of the suspension order.

Work remaining on file: final report to client

12. If, on the date the suspension begins, the only work remaining for a suspended licensee to complete on a client's matter is a final report to the client, the suspended licensee shall, before the suspension begins, retain another licensee, who is authorized to do so, to review the client's file and to complete and send the final report to the client.

Work remaining on file: fulfillment of undertakings

13. If, on the date the suspension begins, the only work remaining for a suspended licensee to complete on a client's matter is the fulfillment of one or more undertakings given by the suspended licensee, the suspended licensee shall retain another licensee or person, who is authorized to do so, to take all steps necessary to fulfill the undertakings.

Additional requirements: preparation of will, power of attorney, corporate records

14. (1) This section applies to a suspended licensee who performs or has performed any of the following work for a client:

1. Preparation of a will.
2. Preparation of a power of attorney.
3. Preparation of, or preparation and continued maintenance of, corporate records.

Requirement re original documents

- (2) A suspended licensee shall, before the suspension begins,
 - (a) return to the client all original documents; or
 - (b) transfer the client's file, including all original documents, to another licensee who is authorized to perform any requisite work.

Real estate law: direction re Teranet access disk

15. A suspended licensee who has access to the Teranet system shall, on or before the date the suspension begins, complete and file with the Society, in a form provided by the Society, a direction authorizing the Society to take all steps necessary to cancel the suspended licensee's Teranet access disk for the period of the suspension.

Return of photo identification card

16. A suspended licensee shall, on or before the date the suspension begins, return to the Society any photo identification card issued to her or him by the Society.

Students

17. A suspended licensee, who has accepted a person into service under articles of clerkship where the period of service includes any or all of the period of the suspension, shall, before the suspension begins,

- (a) notify the person of the suspension order and that the suspended licensee will not be able to retain the person in service under articles of clerkship after the suspension begins;
- (b) arrange for another licensee, who is authorized and approved by the Society to do so, to accept the person into service under articles of clerkship after the suspension begins; and

- (c) arrange with the Society for the person's service under articles of clerkship to be transferred from the suspended licensee to the other licensee effective the date on which the suspension begins.

Report to Society on compliance

18. A suspended licensee shall, not later than thirty days after the suspension begins, complete and file with the Society, in a form provided by the Society, a report confirming and providing details of the suspended licensee's compliance with this Part.

Permission to be exempt from requirement

19. A suspended licensee may apply in writing to the Society for an exemption from or a modification of a requirement mentioned in this Part, and the Society may exempt the suspended licensee from or modify the requirement, subject to such terms and conditions as the Society may impose.

PART III

CLIENT IDENTIFICATION AND VERIFICATION

Definitions

20. In this Part,

“electronic funds transfer” means the transfer of funds from one financial institution or financial entity to another initiated by the transmission, through any electronic, magnetic or optical device, telephone instrument or computer, of instructions for the transfer of funds, where the record of the transfer includes a reference number, the name of the financial institution or financial entity sending the funds, the name of the financial institution or financial entity receiving the funds, the date of the transfer of the funds, the amount of funds transferred, the currency of the funds transferred, the name of the holder of the account from which the funds transferred are drawn and the name of the holder of the account to which the funds transferred are deposited;

“financial entity” means a financial entity headquartered and operating in a country that is a member of the Financial Action Task Force on Money Laundering;

“financial institution” means,

- (a) a bank to which the *Bank Act* (Canada) applies,
- (b) an authorized foreign bank within the meaning of section 2 of the *Bank Act* (Canada) in respect of its business in Canada,
- (c) a cooperative credit society, savings and credit union, credit union or caisse populaire that is regulated by an Act of a province or territory of Canada,

- (d) an association that is regulated by the *Cooperative Credit Associations Act* (Canada),
- (e) a company to which the *Trust and Loan Companies Act* (Canada) applies,
- (f) a loan or trust corporation regulated by an Act of a province or territory of Canada,
- (g) a ministry, department or agent of the government of Canada or of a province or territory of Canada if the ministry, department or agent accepts deposit liabilities in the course of providing financial services to the public, or
- (h) a subsidiary of an entity mentioned in clauses (a) to (g) where the financial statements of the subsidiary are consolidated with the financial statements of the entity;

“funds” means cash, currency, securities, negotiable instruments and other financial instruments that indicate a person’s title or interest in them;

“lawyer” means an individual who is authorized to practise law in a province or territory of Canada outside Ontario;

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

“proceeding” means a proceeding before an adjudicative body;

“public body” means,

- (a) a ministry, department or agent of the government of Canada or of a province or territory of Canada,
- (b) a municipality incorporated by or under an Act of a province or territory of Canada, including a city, town, village, metropolitan or regional municipality, township, district, county, rural municipality, any other incorporated municipal body and an agent of any of them,
- (c) a local board of a municipality incorporated by or under an Act of a province or territory of Canada, including any local board as defined in the *Municipal Act* and any similar body incorporated under the law of another province or territory,
- (d) an organization that operates a public hospital and that is designated by the Minister of National Revenue as a hospital authority under the *Excise Tax Act* (Canada) or an agent of the organization,

- (e) a body incorporated by or under an Act of Canada or of a province or territory of Canada for a public purpose, or
- (f) a subsidiary of an entity mentioned in clauses (a) to (e) where the financial statements of the subsidiary are consolidated with the financial statements of the entity;

“reporting issuer” means,

- (a) a reporting issuer within the meaning of an Act of a province or territory of Canada in respect of the securities law of the province or territory,
- (b) a corporation whose shares are traded on a stock exchange designated under section 262 of the *Income Tax Act* (Canada) and that operates in a country that is a member of the Financial Action Task Force on Money Laundering, or
- (c) a subsidiary of an entity mentioned in clause (a) or (b) where the financial statements of the subsidiary are consolidated with the financial statements of the entity;

“securities dealer” means a person authorized under an Act of a province or territory of Canada to engage in the business of dealing in securities or any other financial instruments or to provide portfolio management or investment advising services.

Application of Part

21. This Part applies only to matters in respect of which a licensee is retained to provide her or his professional services after this Part comes into force regardless of whether the client is a new or existing client.

Application of client identification and verification requirements

22. (1) Subject to subsections (2), (3) and (4), a licensee shall,
- (a) when the licensee is retained to provide her or his professional services to a client, comply with the client identification requirements set out in subsection 23 (1); and
 - (b) when the licensee engages in or gives instructions in respect of the receiving, paying or transferring of funds,
 - (i) comply with the client identification requirements set out in subsection 23 (2), and
 - (ii) comply with the client verification requirements set out in subsection 23 (4).

Exemption re certain licensees

- (2) A licensee is not required to comply with the client identification and verification requirements set out in section 23 if,
- (a) the licensee is engaged in the activities described in subsection (1) on behalf of her or his employer;
 - (b) the licensee is engaged in the activities described in subsection (1) as agent for another licensee or a lawyer who has already complied with the client identification and verification requirements set out in section 23;
 - (c) the licensee is engaged in the activities described in subsection (1) for a client referred to the licensee by another licensee or a lawyer who has already complied with the client identification and verification requirements set out in section 23; or
 - (d) the licensee is engaged in the activities described in subsection (1), other than the activities described in clause (1) (b), as a duty counsel under the *Legal Aid Services Act, 1998*, as a duty counsel providing professional services through a duty counsel program operated by a not-for-profit organization or as a provider of legal aid services through the provision of summary advice under the *Legal Aid Services Act, 1998*.

Exemptions re certain funds

- (3) A licensee is not required to comply with the client identification requirements set out in subsection 23 (2) or the client verification requirements set out in subsection 23(4) in respect of funds,
- (a) paid to or received from a financial institution, public body or reporting issuer;
 - (b) received from the trust account of another licensee or a lawyer;
 - (c) received from a peace officer, law enforcement agency or other public official acting in an official capacity;
 - (d) paid or received pursuant to a court order;
 - (e) paid to pay a fine or penalty;
 - (f) paid or received as a settlement in a proceeding;
 - (g) paid or received for professional fees, disbursements, expenses or bail; or
 - (h) paid, received or transferred by electronic funds transfer.

Exemptions re certain clients

(4) A licensee is not required to comply with the client identification requirements set out in subsection 23 (2) or the client verification requirements set out in subsection 23 (4) in respect of any of the following clients:

1. A financial institution.
2. A public body.
3. A reporting issuer.

Client identification

23. (1) When a licensee is retained to provide her or his professional services to a client, the licensee shall obtain the following information about the client:

1. The client's full name.
2. The client's business address and business telephone number, if applicable.
3. If the client is an individual, the client's home address and home telephone number.
4. If the client is an organization, other than a financial institution, public body or reporting issuer, the organization's incorporation or business identification number and the place of issue of its incorporation or business identification number, if applicable.
5. If the client is an individual, the client's occupation or occupations.
6. If the client is an organization, other than a financial institution, public body or reporting issuer, the general nature of the type of business or businesses or activity or activities engaged in by the client.
7. If the client is an organization, the name, position and contact information for each individual who gives instructions with respect to the matter for which the licensee is retained.
8. If the client is acting for or representing a third party, information about the third party as set out in paragraphs 1 to 7, as applicable.

Same

(2) When a licensee is engaged in the activities described in clause 22 (1) (b) and the client or any third party that the client is acting for or representing is an organization, in addition to complying with the client identification requirements set out in subsection (1), the licensee shall make reasonable efforts to obtain the following information about the client and the third party:

1. The name and occupation or occupations of each director of the organization, other than an organization that is a securities dealer.
2. The name, address and occupation or occupations of each person who owns twenty-five percent or more of the organization or of the shares of the organization.

Client identification, identification by others in licensee's firm

(2.1) A licensee complies with the identification requirements set out in subsections (1) and (2) if an employee of the licensee's firm or another licensee who practises law or provides legal services through the licensee's firm, acting on behalf of the licensee, complies with the requirements.

Client identification, previous identification

(3) A licensee complies with the identification requirements set out in subsection (2) if the licensee or another individual acting on behalf of the licensee under subsection (2.1) has previously complied with the identification requirements and has also previously complied with the verification requirements set out in subsection (4) in respect of the organization.

Client verification requirements

(4) When a licensee is engaged in the activities described in clause 22 (1) (b), the licensee shall take reasonable steps to verify the identity of the client and any third party that the client is acting for or representing using what the licensee reasonably considers to be reliable, independent source documents, data or information.

Timing of verification, individuals

(5) A licensee shall verify the identity of an individual mentioned in subsection (1), including an individual mentioned in paragraph 7, immediately after first engaging in the activities described in clause 22 (1) (b).

Timing of verification, organizations

(6) A licensee shall verify the identity of an organization mentioned in subsection (1) by not later than 60 days after first engaging in the activities described in clause 22 (1) (b).

Examples of independent source documents

(7) The following are examples of independent source documents for the purposes of subsection (4):

1. If the client or third party is an individual, an original government issued identification that is valid and has not expired, including a driver's licence, birth certificate, provincial or territorial health card (if such use of the card is not prohibited by the applicable provincial or territorial law), passport or similar record.
2. If the client or third party is an organization such as a corporation or society that is created or registered pursuant to legislative authority, a written confirmation from a government registry as to the existence, name and address of the organization, which includes the names of the organization's directors, if 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.
3. If the client or third party is an organization other than a corporation or society, such as a trust or partnership which is not registered in any government registry, 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.

Client verification, non-face-to-face

(8) When a licensee is engaged in the activities described in clause 22 (1) (b) and the licensee is not receiving instructions from an individual face-to-face, the licensee complies with the verification requirements set out in subsection (4) if the licensee obtains an attestation from a person described in subsection (9) that the person has seen the appropriate independent source documents.

Persons from whom attestations may be accepted

(9) For the purposes of section (8), a licensee may obtain an attestation from the following persons:

1. If the client whose identity is being verified is present in Canada,

- i. a person entitled to administer oaths and affirmations in Canada, or
- ii. any of the following persons:
 - A. a dentist,
 - B. a physician,
 - C. a chiropractor,
 - D. a judge,
 - E. a magistrate or a justice of the peace,
 - F. a lawyer,
 - G. a licensee (in Ontario)
 - H. a notary (in Quebec),
 - I. a notary public,
 - J. an optometrist,
 - K. a pharmacist,
 - L. an accountant,
 - M. a professional engineer,
 - N. a veterinarian,
 - O. a police officer,
 - P. a nurse,
 - Q. a school principal.

- 2. If the client whose identity is being verified is not present in Canada, a person acting on behalf of the licensee under clause (11) (b).

Attestation, form

(10) For the purposes of subsection (8), an attestation shall be endorsed on a legible photocopy of the document and shall include,

- (a) the name, occupation and address of the person providing the attestation;
- (b) the signature of the person providing the attestation; and
- (c) the type and number of the document seen by the person providing the attestation.

Client verification, use of agent, etc.

- (11) A licensee complies with the verification requirements set out in subsection (4) if,
 - (a) an employee of the licensee's firm or another licensee who practises law or provides legal services through the licensee's firm, acting on behalf of the licensee, complies with the requirements; or
 - (b) an individual who is not an individual mentioned in clause (a), acting on behalf of the licensee, complies with the requirements, provided that the licensee and the individual, prior to the individual acting on behalf of the licensee, enter into a written agreement specifying the steps that the individual will be taking on behalf of the licensee to comply with the verification requirements.

Client verification, previous verification

- (12) A licensee complies with the verification requirements set out in subsection (4),
 - (a) in the case of an individual mentioned in subsection (1), if the licensee has previously complied with the verification requirements set out in subsection (4) in respect of the individual and recognizes the individual; and
 - (b) in the case of an organization mentioned in subsection (1), the licensee or an individual acting on behalf of the licensee under subsection (11) has previously complied with the identification requirements set out in subsection (2) and the verification requirements set out in subsection (4) in respect of the organization.

Copies to be obtained

(13) The licensee shall obtain a copy of every document used to verify the identity of any individual or organization for the purposes of subsection (4), including a copy of every document used by an individual acting on behalf of the licensee under subsection (11).

Record retention

(14) The licensee shall retain a record of the information obtained for the purposes of subsections (1) and (2) and copies of all documents received for the purposes of subsection (4) for the longer of,

- (a) the duration of the licensee 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 licensee was retained.

Criminal activity, duty to withdraw at time of taking information

24. If a licensee, in the course of complying with the client identification or verification requirements set out in section 23, knows or ought to know that he or she is or would be assisting a client in fraud or other illegal conduct, the licensee shall,

- (a) immediately cease to and not further engage in any activities that would assist the client in fraud or other illegal conduct; and
- (b) if the licensee is unable to comply with clause (a), withdraw from the provision of the licensee's professional services to the client.

Commencement

25. This Part comes into force on December 31, 2008.

PART IV

WITHDRAWAL OF SERVICES

Application of Part

26. This Part applies to all matters in respect of which a licensee is retained to provide her or his professional services to a client, including matters in respect of which the licensee was retained before this Part came into force and matters in respect of which the licensee is retained after that time regardless of whether the client is a new or existing client.

Criminal activity, duty to withdraw after being retained

27. If a licensee while retained by a client knows or ought to know that he or she is or would be assisting the client in fraud or other illegal conduct, the licensee shall,

- (a) immediately cease to and not further engage in any activities that would assist the client in fraud or other illegal conduct; and
- (b) if the licensee is unable to comply with clause (a), withdraw from the provision of the licensee's professional services to the client.