

## **BY-LAW 7**

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## **BUSINESS ENTITIES**

### **PART I**

#### **LIMITED LIABILITY PARTNERSHIPS**

##### **PROFESSIONAL LIABILITY INSURANCE**

###### **Insurance requirements**

1. A limited liability partnership shall maintain professional liability insurance coverage for each partner in accordance with By-Law 6 [Professional Liability Insurance].

##### **DISCLOSURE**

###### **Partnership continued as limited liability partnership**

2. (1) When a partnership is continued as a limited liability partnership, as soon as is reasonably practical after the continuance of the partnership as a limited liability partnership, the limited liability partnership shall disclose to each person who was a client immediately before the continuance and who remains a client after the continuance the liability of the partners of the limited liability partnership under the *Partnerships Act*.

###### **Disclosure notice in local newspaper**

- (2) A limited liability partnership satisfies the disclosure requirement under subsection (1) if it publishes in a local newspaper notice of the matters set out in subsection (1).

###### **Interpretation: “local newspaper”**

- (3) In subsection (2), “local newspaper” means any newspaper distributed in the area

in which the limited liability partnership carries on business.

## **PART II**

### **PROFESSIONAL CORPORATIONS**

#### **CORPORATE NAME**

##### **Name requirements**

3. The name of a professional corporation, including a descriptive or trade name, shall be,
  - (a) demonstrably true, accurate and verifiable;
  - (b) neither misleading, confusing or deceptive, nor likely to mislead, confuse or deceive; and
  - (c) in the best interests of the public and consistent with a high standard of professionalism.

##### **Corporate name certificate**

4. (1) A licensee may apply in writing to the Society for a certificate that the Society does not object to the establishment of a professional corporation under a proposed name.

##### **Decision of Society**

- (2) The Society shall consider every application made under subsection (1) and shall,
  - (a) if the Society is satisfied that the proposed name complies with section 3, issue a certificate to the licensee; or
  - (b) if the Society is not satisfied that the proposed name complies with section 3, reject the application.

##### **Notice to licensee and application for review**

- (3) If the Society rejects an application made under subsection (1), the Society shall so notify the licensee and the licensee may apply to the committee of benchers appointed under section 37 for a review.

##### **Time for making application for review**

(4) An application for a review under subsection 4 (3) shall be commenced by the licensee notifying the Society in writing of the application within thirty days after the day the Society notifies the licensee that his or her application for a certificate has been rejected.

#### **Powers on review**

(5) After considering an application for a review under subsection (3), the committee of benchers appointed under section 37 shall,

- (a) if it is satisfied that the proposed name complies with section 3, direct the Society to issue a certificate to the licensee; or
- (b) if it is not satisfied that the proposed name complies with section 3, reject the application.

### CERTIFICATE OF AUTHORIZATION

#### **Application for certificate**

5. (1) A corporation that wishes to practise law in Ontario, provide legal services in Ontario or both practise law and provide legal services in Ontario shall apply to the Society for a certificate of authorization.

#### **Same**

- (2) An application under subsection (1) shall include,
  - (a) a completed application, in a form provided by the Society;
  - (b) a copy of,
    - (i) the corporation's articles of incorporation and the certificate of incorporation, the corporation's articles of amalgamation and the certificate of amalgamation or the corporation's articles of continuance and the certificate of continuance, as the case may be, and
    - (ii) the corporation's articles of amendment, if any, and the certificate of amendment; and
  - (c) an application fee.

#### **Consideration by Society**

6. (1) The Society shall consider every application under subsection 5 (1) made in accordance with subsection 5 (2).

### **Issuance of certificate**

(2) The Society shall issue a certificate of authorization to a corporation if it is satisfied that,

- (a) the corporation is a subsisting corporation under the *Business Corporations Act* and meets the conditions for professional corporations specified in that Act and in any regulations made under that Act;
- (b) the name of the corporation complies with section 3;
- (c) the directors of the corporation are licensees, none of whose licence is suspended;
- (d) if the corporation is intended to be a professional corporation described in clause 61.0.1 (1) (a) or (c) of the Act, the individuals who will practise law through the corporation are licensees licensed to practise law in Ontario; and
- (e) if the corporation is intended to be a professional corporation described in clause 61.0.1 (1) (b) of the Act, the individuals who will provide legal services through the corporation are licensees licensed to provide legal services in Ontario.

### **Refusal to issue certificate**

(3) If the Society is not satisfied that a requirement set out in subsection (2) has been met, the Society shall notify the corporation and the corporation may meet the requirement or appeal to the committee of benchers appointed under section 37 if it believes that the requirement has been met.

### **Same**

(4) Despite subsection (2), the Society may refuse to issue a certificate of authorization to a corporation where,

- (a) the corporation has had a certificate of authorization revoked; or
- (b) a director, officer or shareholder of the corporation is or has been a director, officer or shareholder of a corporation whose certificate of authorization has been revoked.

### **Notice and appeal**

(5) If the Society refuses to issue a certificate of authorization to a corporation under clause (4) (a), the Society shall so notify the corporation and the corporation may appeal the refusal to the committee of benchers appointed under section 37.

**Same**

(6) If the Society refuses to issue a certificate of authorization to a corporation under clause (4) (b), the Society shall so notify the corporation and the corporation may appropriately re-appoint its directors and officers and alter its shareholders or appeal the refusal to the committee of benchers appointed under section 37.

**Time for appeal: appeals under subss (3), (5) and (6)**

(7) Subject to section 38, an appeal under subsection (3), (5) or (6) shall be commenced by the corporation notifying the Society in writing of the appeal within thirty days after,

- (a) the day the Society notifies the corporation under subsection (3) that a requirement has not been met; or
- (b) the day the Society notifies the corporation under subsection (5) or (6) that it is refusing to issue to the corporation a certificate of authorization.

**Powers on appeal: appeal under subs. (3)**

(8) After considering an appeal made under subsection (3), the committee of benchers appointed under section 37 shall,

- (a) if it determines that the requirement has been met, direct the Society to issue a certificate of authorization to the corporation; or
- (b) if it determines that the requirement has not been met, notify the corporation that the requirement has not been met and that the Society shall not issue a certificate of authorization to the corporation.

**Powers on appeal: appeal under subss (5), (6)**

(9) After considering an appeal made under subsection (5) or (6), the committee of benchers appointed under section 37 shall make such decision as it considers proper in the circumstances.

**Duration of certificate**

(10) Subject to its being revoked, a certificate of authorization issued under this section is valid from the date of issue, as indicated on the certificate, until December 31 of the year in which it is issued.

### **Renewal**

7. (1) A professional corporation may apply to the Society for a renewal of its certificate of authorization.

### **Application**

- (2) An application under subsection (1) shall include,
  - (a) a completed application, in a form provided by the Society; and
  - (b) a renewal fee.

### **Consideration by Society**

- (3) The Society shall consider every application under subsection (1) made in accordance with subsection (2) and shall,
  - (a) if the Society is satisfied that the professional corporation continues to meet the requirements for the issuance of a certificate of authorization mentioned in subsection 6 (2), renew the professional corporation's certificate of authorization; or
  - (b) if the Society is not satisfied that the professional corporation continues to meet the requirements for the issuance of a certificate of authorization mentioned in subsection 6 (2), refuse to renew the professional corporation's certificate of authorization.

### **Refusal to renew**

(4) Despite clause (3) (a), the Society may refuse to renew the certificate of authorization of a professional corporation where a director, officer or shareholder of the professional corporation is or has been a director, officer or shareholder of a professional corporation whose certificate of authorization has been revoked.

### **Notice and appeal**

(5) If the Society refuses to renew a certificate of authorization, the Society shall so notify the professional corporation and the professional corporation may appeal the refusal to the committee of benchers appointed under section 37.

**Time for appeal: appeal under subs. (5)**

(6) Subject to subsection 38, an appeal under subsection (5) shall be commenced by the professional corporation notifying the Society in writing of the appeal within thirty days after the day the Society notifies the professional corporation that the Society is refusing to renew the professional corporation's certificate of authorization.

**Powers on appeal: appeal under subs. (5)**

(7) After considering an appeal made under subsection (5), the committee of benchers appointed under section 37 shall,

- (a) direct the Society to renew the professional corporation's certificate of authorization if it is satisfied that,
  - (i) the professional corporation continues to meet the requirements for the issuance of a certificate of authorization mentioned in subsection 6 (2), and
  - (ii) despite the fact that the situation mentioned in subsection 7 (4) is present, it is appropriate to renew the professional corporation's certificate of authorization; or
- (b) refuse to renew the professional corporation's certificate of authorization if,
  - (i) it is not satisfied that the professional corporation continues to meet the requirements for the issuance of a certificate of authorization mentioned in subsection 6 (2); or
  - (ii) it determines that it is inappropriate to renew the professional corporation's certificate of authorization because the situation mentioned in subsection 7 (4) is present.

**Duration of renewal**

(8) Subject to its being revoked, a certificate of authorization that has been renewed under this section is valid until December 31 of the year for which it is renewed.

**Time for applying for renewal**

(9) A professional corporation that wishes to renew its certificate of authorization without any disruption in its entitlement to practise law in Ontario or provide legal services in

Ontario pending the renewal shall apply for the renewal not later than 90 days before the day on which its certificate expires.

### **Revocation of certificate**

(10) If for any reason the certificate of authorization of a professional corporation is not renewed within 12 months after its expiry, the certificate of authorization is automatically revoked.

### **Renewal of revoked certificate**

(11) A corporation may not apply for a renewal of a certificate of authorization that has been revoked, but the corporation may apply for a new certificate of authorization.

### **Erroneous or incomplete certificate of authorization**

8. (1) If the Society receives information that a certificate of authorization held by a professional corporation contains an error or is incomplete, the Society may, by so notifying the professional corporation in writing, require the professional corporation by the date specified in the notice to return its certificate of authorization to the Society for correction, completion or replacement.

### **Replacement certificate**

(2) If the Society replaces an erroneous or incomplete certificate of authorization with a new certificate of authorization, the new certificate of authorization shall bear the date of issue of the replaced certificate of authorization and shall indicate that it is a replacement certificate.

### **No interruption in holding of certificate**

(3) The return of a certificate of authorization under this section shall not constitute an interruption in the holding of the certificate by the professional corporation.

### **Duration of replacement certificate**

(4) Subject to its being revoked, a replacement certificate of authorization issued under this section is valid until December 31 of the year in which it is issued.

### **Correction, etc. following report of change**

(5) If the replacement of a certificate of authorization under this section is necessitated as a result of a change reported by the professional corporation under section 11, the professional corporation shall pay to the Society a fee for the replacement certificate.

### **Loss or destruction of certificate**

9. (1) If the certificate of authorization of a professional corporation is lost or destroyed, the professional corporation may apply to the Society in writing for a replacement certificate.

### **Society may issue replacement certificate**

(2) Upon payment of a fee, the Society may issue a replacement certificate of authorization to the professional corporation.

### **Replacement certificate**

(3) A replacement certificate of authorization issued under this section shall bear the date of issue of the replaced certificate of authorization and shall indicate that it is a replacement certificate.

### **Duration of replacement certificate**

(4) Subject to its being revoked, a replacement certificate of authorization issued under this section is valid until December 31 of the year in which it is issued.

### **Surrender of certificate**

10. (1) A professional corporation shall apply to the Society for permission to surrender its certificate of authorization,

- (a) when the corporation does not wish to renew the certificate,
- (b) when the corporation no longer wishes to practise law in Ontario, provide legal services in Ontario or both practise law in Ontario and provide legal services in Ontario; and
- (c) prior to a voluntary winding up or voluntary dissolution of the corporation.

### **Same**

(2) An application under subsection (1) shall be in writing and shall be accompanied by a statutory declaration signed by the directors of the professional corporation setting forth,

- (a) the name of the professional corporation, the professional corporation's Ontario Corporation Number, the address of the professional corporation's registered office, the address of the professional corporation's business office, the number of the professional corporation's certificate of authorization and the date of issue of the professional corporation's certificate of authorization;

- (b) the reasons for the application;
- (c) a declaration that all money or property held in trust for which the professional corporation was responsible has been accounted for and paid over or distributed to the persons entitled thereto, or, alternatively, that the professional corporation has not been responsible for any money or property held in trust;
- (d) a declaration that all clients' matters have been completed and disposed of or that arrangements have been made to the clients' satisfaction to have their papers returned to them or turned over to, as required, a licensee licensed to practise law in Ontario or a licensee licensed to provide legal services in Ontario, or, alternatively, that the professional corporation has neither practised law in Ontario or provided legal services in Ontario;
- (e) a declaration that the directors of the professional corporation are not aware of any claim against the professional corporation in its professional capacity or in respect of its practice of law in Ontario or provision of legal services in Ontario; and
- (f) such additional information or explanation as may be relevant by way of amplification of the foregoing.

### **Same**

(3) An accountant's certificate to the effect that all money and property held in trust for which the professional corporation was responsible have been accounted for and paid over or distributed to the persons entitled thereto shall be attached, and marked as an exhibit, to the statutory declaration required under subsection (2).

### **Publication of notice of intention to surrender certificate**

(4) Subject to subsection (5), a professional corporation that wishes to surrender its certificate of authorization shall, at least thirty days before the day on which it applies to the Society under subsection (1), publish in the Ontario Reports a notice of intention to surrender a certificate of authorization.

### **Exemption from requirement to publish notice**

(5) Upon the written application of the professional corporation, the Society may exempt the professional corporation from the requirement to publish a notice of intention to surrender a certificate of authorization.

### **Notice of intention to surrender certificate**

(6) The notice of intention to surrender a certificate of authorization which a professional corporation is required to publish under subsection (4) shall be in Form 7A.

### **Proof of publication of notice of intention to surrender certificate**

(7) Unless a professional corporation is exempted from the requirement to publish a notice of intention to surrender a certificate of authorization, an application under subsection (1) shall be accompanied by proof of publication in accordance with subsection (4) of a notice of intention to surrender a certificate of authorization.

### **Society to consider application**

(8) Subject to subsection (9), the Society shall consider every application made under subsection (1) in respect of which the requirements set out in subsections (2), (3) and (7) have been complied with, and the Society may consider an application made under subsection (1) in respect of which the requirements set out in subsection (2), (3) and (7) have not been complied with, and,

- (a) the Society shall accept an application if it is satisfied,
  - (i) that all money or property held in trust for which the professional corporation was responsible has been accounted for and paid over or distributed to the persons entitled thereto, or, alternatively, that the professional corporation has not been responsible for any money or property held in trust,
  - (ii) that all clients' matters have been completed and disposed of or that arrangements have been made to the clients' satisfaction to have their papers returned to them or turned over to, as required, a licensee licensed to practise law in Ontario or a licensee licensed to provide legal services in Ontario, or, alternatively, that the professional corporation has neither practised law in Ontario or provided legal services in Ontario,
  - (iii) that there are no claims against the professional corporation in its professional capacity or in respect of its practice of law in Ontario or provision of legal services in Ontario,
  - (iv) that the professional corporation is no longer the subject of or has fully complied with all terms and conditions of any order made under Part II of the Act, and
  - (v) that the professional corporation, if not exempted from the requirement to publish a notice of intention to surrender a certificate of authorization, has complied with subsection (4); or

- (b) subject to subsection (9), the Society shall reject an application if he or she is not satisfied of a matter mentioned in clause (a).

### **Acceptance of application**

(9) The Society may accept an application if the Society is not satisfied of the matter mentioned in subclause (8) (a) (iv) but is satisfied of the matters mentioned in subclauses (8) (a) (i), (ii), (iii) and (v).

### **Society not to consider application**

(10) The Society shall not consider an application made under subsection (1) if the professional corporation, any licensee practising law in Ontario through the professional corporation or any licensee providing legal services in Ontario through the professional corporation is,

- (a) the subject of an audit, investigation, search or seizure by the Society; or
- (b) a party to a proceeding under Part II of the Act.

### **Documents, explanations**

(11) For the purposes of assisting the Society to consider its application, the professional corporation shall provide to the Society such documents and explanations as the Society may require.

### **Rejection of application**

(12) If the Society rejects its application, the Society may specify terms and conditions to be complied with by the professional corporation as a condition of its application being accepted, and if the professional corporation complies with the terms and conditions to the satisfaction of the Society, the Society shall accept the application.

## **CHANGE OF INFORMATION**

### **Change of information**

11. (1) A professional corporation shall notify the Society in writing immediately after,
- (a) any change in the information provided as part of the professional corporation's application for a certificate of authorization or for a renewal of a certificate of authorization; and

- (b) any change in the professional corporation's articles of incorporation.

### **Information required**

(2) The notice required under subsection (1) shall include details of the change and, in the case of a change in the professional corporation's articles of incorporation, shall include the professional corporation's articles of amendment and the certificate of amendment.

## GENERAL

### **Register**

12. The following information shall be contained in the register of professional corporations required under section 61.0.2 of the Act:

1. The name of the professional corporation.
2. The address of the professional corporation's registered office.
3. The business address of the professional corporation, if different from the address of its registered office.
4. The number of the certificate of authorization issued to the professional corporation.
5. The date on which the certificate of authorization was issued to the professional corporation.
6. The terms, conditions, limitations or restrictions that apply to the professional corporation's certificate of authorization.
7. The date on which the professional corporation's certificate of authorization was suspended, made subject to a term, condition, limitation or restriction, revoked or surrendered.

### **Application of by-laws, etc.**

13. The following apply, with necessary modifications, to a professional corporation:

1. Part III.
2. By-Law 8 [Reporting and Filing Requirements].

3. By-Law 9 [Financial Transactions and Records].
4. Part IV of By-Law 11 [Regulation of Conduct, Capacity and Professional Competence].

### **No voluntary winding up or dissolution**

14. The shareholders of a professional corporation shall not require the professional corporation to be wound up voluntarily and shall not authorize the voluntary dissolution of the professional corporation until the professional corporation has received permission under section 10 to surrender its certificate of authorization.

## **PART III**

### **MULTI-DISCIPLINE PRACTICES**

#### **Interpretation**

15. (1) In this Part,

“licensee” includes a partnership of licensees who each hold the same class of licence;

“professional” means an individual whose services a licensee may, under section 17, provide to a client in connection with the licensee’s practice of law or provision of legal services.

#### **Application of certain sections**

(2) Subsection 18 (2) and sections 19, 20, 25, 26, 29 and 30 do not apply in respect of a partnership or an association that is not a corporation entered into by,

- (a) a licensee who holds, or a partnership of licensees who each hold, a Class L1 licence with an individual who is authorized to practise law in any province or territory of Canada outside Ontario; or
- (b) a licensee who holds, or a partnership of licensees who each hold, a Class P1 licence with an individual who is authorized to provide legal services in any province or territory of Canada outside Ontario.

#### **Prohibition against providing services of non-licensee**

16. A licensee shall not, in connection with the licensee’s practice of law or provision of legal

services, provide to a client the services of a person who is not a licensee except in accordance with this Part.

### **Permitted provision of services of non-licensee**

17. A licensee may, in connection with the licensee's practice of law or provision of legal services, provide to a client the services of a person who is not a licensee who practises a profession, trade or occupation that supports or supplements the practice of law or the provision of legal services.

### **Partnership, etc. with professional**

18. (1) Subject to subsection (2) and subsection 20 (1), a licensee may enter into a partnership or association that is not a corporation with a professional for the purpose of permitting the licensee to provide to clients the services of the professional.

### **Same**

(2) A licensee shall not enter into a partnership or an association that is not a corporation with a professional unless the following conditions are satisfied:

1. The professional,
  - i. is qualified to practise a profession, trade or occupation that supports or supplements the practice of law or the provision of legal services, and
  - ii. in the case of entering into a partnership with the professional, is of good character.
2. The professional agrees with the licensee in writing that the licensee shall have effective control over the professional's practice of his or her profession, trade or occupation in so far as the professional practises the profession, trade or occupation to provide services to clients of the partnership or association.
3. The professional agrees with the licensee in writing that, in partnership or association with the licensee, the professional will not practise his or her profession, trade or occupation except to provide services to clients of the partnership or association.
4. The professional agrees with the licensee in writing that, outside of his or her partnership or association with the licensee, the professional will practise his or her profession, trade or occupation independently of the partnership or association and from premises that are not used by the partnership or association for its business purposes.

5. The professional agrees with the licensee in writing that, in respect of the practice of his or her profession, trade or occupation in partnership or association with the licensee, the professional will comply with the Act, the regulations, the by-laws, the rules of practice and procedure, the Society's rules of professional conduct for the licensee and the Society's policies and guidelines.
6. In the case of entering into a partnership with the professional, the professional agrees with the licensee in writing to comply with the Society's rules, policies and guidelines on conflicts of interest in relation to clients of the partnership who are also clients of the professional practising his or her profession, trade or occupation independently of the partnership.

**Interpretation: “effective control”**

(3) For the purposes of subsection (2), the licensee has “effective control” over the professional's practice of his or her profession, trade or occupation if the licensee may, without the agreement of the professional, take any action necessary to ensure that the licensee complies with the Act, the regulations, the by-laws, the rules of practice and procedure, the Society's rules of professional conduct for the licensee and the Society's policies and guidelines.

**Interpretation: “good character”**

(4) For the purposes of subsection (2), the professional is of “good character” if there is a reasonable expectation, based on the professional's record of integrity and professionalism in the practice of his or her profession, trade or occupation and on the professional's reputation in the community, that the professional will comply with the Act, the regulations, the by-laws, the rules of practice and procedure, the Society's rules of professional conduct for the licensee and the Society's policies and guidelines.

**Responsibility for actions of professional**

19. Despite any agreement between a licensee and a professional, the licensee shall be responsible for ensuring that, in respect of the professional's practice of his or her profession, trade or occupation in partnership or association with the licensee,

- (a) the professional practises his or her profession, trade or occupation with the appropriate level of skill, judgement and competence; and
- (b) the professional complies with the Act, the regulations, the by-laws, the rules of practice and procedure, the Society's rules of professional conduct for the licensee and the Society's policies and guidelines.

**Application by licensee forming partnership with professional**

20. (1) Before a licensee enters into a partnership with a professional, the licensee shall apply to the Society for approval to enter into the partnership.

### **Application fee**

(2) An application under subsection (1) shall be in a form provided by the Society and shall be accompanied by an application fee.

### **Partnership agreement**

21. At the time that a licensee makes an application under section 20, the licensee shall file with the Society a copy of so much of the agreement or agreements that will govern the licensee's partnership with the professional as may be required by the Society.

### **Consideration of application by Society**

22. (1) A Society official shall consider every application made under section 20, and it shall approve the licensee's entering into a partnership with the professional if it is satisfied that,

- (a) the conditions set out in subsection 18 (2) have been satisfied; and
- (b) the licensee has made arrangements that will enable the licensee to comply with sections 19, 25, 26, 27 and 30.

### **Requirements not met**

(2) If the Society is not satisfied that a requirement set out in clause (1) (a) or (b) has been met, the Society shall notify the licensee who may meet the requirement or appeal to the committee of benchers appointed under section 37 if the licensee believes that the requirement has been met.

### **Time for appeal**

23. An appeal under subsection 22 (2) shall be commenced by the licensee notifying the Society in writing of the appeal within thirty days after the day the Society notifies the licensee that a requirement has not been met.

### **Decision of committee of benchers**

24. (1) After considering an appeal made under subsection 22 (2), the committee of benchers appointed under section 37 shall,

- (a) if it determines that the requirement has been met, approve the licensee's entering

into a partnership with the professional; or

- (b) if it determines that the requirement has not been met, notify the licensee that the requirement has not been met and that the licensee may not enter into a partnership with the professional.

### **Filing requirements: partnerships**

25. (1) A licensee who, under subsection 18 (1), has entered into a partnership with a professional shall submit to the Society for every full or part year that the partnership continues a report in respect of the partnership.

### **Form**

(2) The report required under subsection (1) shall be in contained in a form provided by the Society.

### **Due dates**

(3) The report required under subsection (1) shall be submitted to the Society by January 31 of the year immediately following the full or part year in respect of which the licensee is submitting a report.

### **Period of default**

(4) For the purpose of clause 47 (1) (a) of the Act, the period of default for failure to complete or file the report required under subsection 25 (1) is 120 days after the day on which the report is required to be submitted.

### **Reinstatement of rights and privileges**

(5) If a licensee's rights and privileges have been suspended under clause 47 (1) (a) of the Act for failure to complete or file the report required under subsection 25 (1), for the purpose of subsection 47 (2) of the Act, the licensee shall complete and file the report mentioned in subsection (1) in force at the time the licensee is filing the report.

### **Changes in partnership**

26. (1) A licensee who, under subsection 18 (1), has entered into a partnership with a professional shall immediately notify the Society when,

- (a) the professional is expelled from the partnership;
- (b) the professional ceases or for any reason is unable to practise his or her

profession, trade or occupation;

- (c) the term of the partnership has expired, if the partnership was entered into for a fixed term;
- (d) the partnership is dissolved under the *Partnerships Act*; or
- (e) any agreement that governs the partnership has been amended.

### **Dissolution of partnership**

(2) If an event mentioned in clause (1) (b), (c) or (e) occurs, the Society may require the licensee to dissolve the partnership.

### **Amendment of partnership agreement**

(3) At the time that the licensee notifies the Society under subsection (1) that an agreement that governs the partnership has been amended, the licensee shall file with the Society a copy of the amended agreement.

### **Dissolution of partnership: breach of certain provisions**

27. If a licensee who, under subsection 18 (1), has entered into a partnership with a professional breaches section 19, section 25, subsection 26 (1), subsection 26 (3) or section 30, the Society may require the licensee to dissolve the partnership.

### **Notice to licensee of requirement to dissolve partnership**

28. (1) If the Society requires a licensee to dissolve a partnership under subsection 26 (2) or section 27, the Society shall so notify the licensee and, subject to subsection (2), the licensee shall dissolve the partnership.

### **Appeal**

(2) If the Society requires a licensee to dissolve a partnership under section 27, the licensee may appeal the requirement to dissolve the partnership to the committee of benchers appointed under section 37 if the licensee believes that there has been no breach of section 19, section 25, subsection 26 (1), subsection 26 (3) or section 30.

### **Time for appeal**

(3) An appeal under subsection (2) shall be commenced by the licensee notifying the Society in writing of the appeal within thirty days after the day the Society notifies the licensee that the partnership is to be dissolved.

### **Decision of committee of benchers**

(4) After considering an appeal made under subsection (2), the committee appointed under section 37 shall,

- (a) if it determines that there has been no breach of section 19, section 25, subsection 26 (1), subsection 26 (3) or section 30, cancel the requirement to dissolve the partnership; or
- (b) if it determines that there has been a breach of section 19, section 25, subsection 26 (1), subsection 26 (3) or section 30, take any of the following actions:
  - (i) Confirm the requirement to dissolve the partnership.
  - (ii) Permit the partnership to continue, subject to such terms and conditions as the committee may impose.
  - (iii) Any other action that the committee considers appropriate.

### **Stay**

(5) The receipt by the Society of the notice of appeal from the requirement to dissolve the partnership stays the requirement until the disposition of the appeal.

### **Association with professional: multi-discipline practice**

29. (1) A licensee who, under subsection 18 (1), has entered into an association that is not a corporation with a professional may refer to the association as a multi-discipline practice.

### **Partnership with professional: multi-discipline practice or partnership**

(2) A licensee who, under subsection 18 (1), has entered into a partnership with a professional may refer to the partnership as a multi-discipline practice or multi-discipline partnership.

### **Interpretation: “Society’s insurance plan”**

30. (1) In this section, “Society’s insurance plan” means the Society’s professional liability insurance plan and includes any professional liability insurance policy which the Society may have arranged for its licensees who hold a Class L1 licence.

### **Insurance requirements: Class L1 licence**

(2) A licensee who holds a Class L1 licence who, under subsection 18 (1), has entered into a partnership with a professional shall maintain professional liability insurance coverage for the professional,

- (a) through the insurer of the Society's insurance plan, in an amount equivalent to that required of the licensee under the Society's insurance plan; and
- (b) through any insurer, in an amount equivalent to the amount of coverage the licensee maintains in excess of that required of the licensee under the Society's insurance plan.

**Insurance requirements: Class P1 licence**

(3) A licensee who holds a Class P1 licence who, under subsection 18 (1), has entered into a partnership with a professional shall maintain professional liability insurance coverage for the professional, in an amount equivalent to the total of the amount of coverage required of the licensee and the amount of coverage the licensee maintains for herself, himself or itself in excess of that required of the licensee.

**PART IV**

**AFFILIATIONS**

**Interpretation:**

31. (1) In this Part,

“affiliated entity” means one or more persons none of whom are licensed or otherwise authorized to practise law or provide legal services in or outside Ontario;

“licensee” includes a permitted group of licensees.

**Interpretation: “affiliation”**

(2) For the purposes of this Part, a licensee affiliates with an affiliated entity when the licensee on a regular basis joins with the affiliated entity in the delivery or promotion and delivery of the services of the licensee and the services of the affiliated entity.

**Ownership of practice, etc.**

32. A licensee who affiliates with an affiliated entity shall,

- (a) own the professional business through which the licensee practises law or provides legal services or comply with Part III;
- (b) maintain control over the professional business through which the licensee practises law or provides legal services; and
- (c) carry on the professional business through which the licensee practises law or provides legal services, other than the practice of law or the provision of legal services that involves the delivery of the services of the licensee jointly with the services of the affiliated entity, from premises that are not used by the affiliated entity for the delivery of its services, other than those that are delivered by the affiliated entity jointly with the delivery of the services of the licensee.

### **Report to Society**

33. (1) A licensee who agrees to affiliate or affiliates with an affiliated entity shall immediately notify the Society of the affiliation.

### **Contents of notice**

(2) Notice under subsection (1) shall be contained in a form provided by the Society and shall include the following information:

- 1. The financial arrangements that exist between the licensee and the affiliated entity.
- 2. The arrangements that exist between the licensee and the affiliated entity with respect to,
  - i. the ownership, control and management of the professional business through which the licensee practises law or provides legal services,
  - ii. the licensee's compliance with the Society's rules, policies and guidelines on conflicts of interest in relation to clients of the licensee who are also clients of the affiliated entity, and
  - iii. the licensee's compliance with the Society's rules, policies and guidelines on confidentiality of information in relation to information provided to the licensee or any licensee of the group by clients who are also clients of the affiliated entity.

### **Agreements**

(3) At the time that a licensee gives notice under subsection (1), the licensee shall file

with the Society a copy of so much of any agreement between the licensee and the affiliated entity, or of any other document, that addresses the matters mentioned in subsection (2) as may be required by the Society.

### **Filing requirements**

34. (1) A licensee who affiliates with an affiliated entity shall submit to the Society for every full or part year that the affiliation continues a report in respect of the affiliation.

### **Report**

(2) The report required under subsection (1) shall be contained in a form provided by the Society.

### **Due date**

(3) The report required under subsection (1) shall be submitted to the Society by January 31 of the year immediately following the full or part year in respect of which the licensee is submitting a report.

### **Period of default**

(4) For the purpose of clause 47 (1) (a) of the Act, the period of default for failure to complete or file the report required under subsection 34 (1) is 120 days after the day on which the report is required to be submitted.

### **Reinstatement of licence**

(5) If a licensee's licence has been suspended under clause 47 (1) (a) of the Act for failure to complete or file the report required under subsection 34 (1), for the purpose of subsection 47 (2) of the Act, the licensee shall complete and file the report required under subsection (1) in force at the time the licensee is filing the report.

### **Change of Information**

35. (1) A licensee who affiliates with an affiliated entity shall notify the Society in writing immediately after,

- (a) any change in the information provided by the licensee under section 33 or section 34; and
- (b) any change in any agreement between the licensee and the affiliated entity, or in any other document, that addresses the matters mentioned in subsection 33 (2).

## **Information required**

(2) The notice required under subsection (1) shall include details of the change and, in the case of a change in any agreement between the licensee and the affiliated entity, or in any other document, that addresses the matters mentioned in subsection 33 (2), shall include copies of the parts of the agreement or document that have changed.

## **PART V**

### **COMMITTEE OF BENCHERS**

#### **Interpretation**

36. For the purposes of determining when to commence an application for review or an appeal under Part II and III, the Society will be deemed to have notified a person of the decision that is subject to the review or appeal,

- (a) in the case of oral notification, on the day that the Society notified the person; and
- (b) in the case of written notification,
  - (i) if it was sent by regular lettermail, on the fifth day after it was mailed, and
  - (ii) if it was faxed, on the first day after it was faxed.

#### **Committee of benchers**

37. (1) Convocation shall appoint a committee of at least three benchers to consider applications for review and appeals made under this By-Law.

#### **Term of office**

(2) A bencher appointed under subsection (1) shall hold office until his or her successor is appointed.

#### **Consideration of review or appeal: quorum**

(3) Three benchers who are members of the committee appointed under subsection (1) constitute a quorum for the purposes of considering an application for a review or an appeal made under this Part.

#### **Extension of time for commencing appeal**

38. Upon the written request of the applicant or appellant, made not later than the last day for commencing an application for review or an appeal in Part II and III, the Society may extend the time for commencing the application for review or the appeal.

**Procedure: review and appeal**

39. (1) Subject to subsection (2), the procedure applicable to the consideration by the committee of benchers appointed under section 37 of an application for a review under subsection 4 (3) or of an appeal under subsection 6 (3), 6 (5), 6 (6) or 7 (5) shall be determined by the committee and, without limiting the generality of the foregoing, the committee may decide who may make submissions to it, when and in what manner.

**Same**

(2) Unless the committee of benchers appointed under section 37 permits a person to make oral submissions to it, all submissions to the committee shall be in writing.

**Procedure: application of rules of practice and procedure**

(3) The rules of practice and procedure apply, with necessary modifications, to the consideration by the committee appointed under section 37 of an appeal made under subsection 22 (2) as if the consideration of the appeal were the hearing of an application for a licence under section 27 of the Act.

**Procedure: SPPA**

(4) Where the rules of practice and procedure are silent with respect to a matter of procedure, the *Statutory Powers Procedure Act* applies to the consideration by the committee appointed under section 37 of an appeal made under subsection 22 (2).

**Procedure**

(5) The rules of practice and procedure apply, with necessary modifications to the consideration by the committee appointed under section 37 of an appeal made under subsection (4) as if the consideration of the appeal were the hearing of an application under subsection 34 (1) of the Act.

**Decisions final**

40. The decisions of the committee of benchers appointed under section 37 are final.