



*For Use When Verifying the Identity of an Organization*

**VERIFYING THE IDENTITY OF AN ORGANIZATION<sup>4</sup>**

*(This document has been prepared to assist paralegals to determine whether they are required to verify the identity of an organization and if so, the steps that they are required to take. An “organization” means a body corporate, partnership, fund, trust, co-operative or an unincorporated association”.)*

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- 1. Determine whether you are retained by an organization to provide legal services to a client?**
- 2. If yes, determine whether you will engage in or instruct with respect to the receipt, payment or transfer of funds?**
- 3. If yes, determine with respect to each funds transaction if an exemption to the requirement to verify identity applies? The exemptions are:**
  - you are employed and are providing legal services to your employer
  - you are acting as an agent for a lawyer (an individual authorized to practise law anywhere in a province or territory of Canada) or a paralegal licensed by the Law Society of Upper Canada, who has already verified the identity of the client
  - you are acting for a client who has been referred to you by a lawyer (an individual authorized to practise law anywhere in a province or territory of Canada) or a paralegal licensed by the Law Society of Upper Canada who has already verified the identity of the client

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<sup>4</sup> This document has been prepared to assist paralegals to comply with the client identification and verification requirements of By-Law 7.1. Paralegals should refer to the by-law for a more detailed outline of their obligations. Please note that some of the terminology used to delineate the paralegal’s obligations is specifically defined in the By-Law.

- funds are being paid to or received from a financial institution, public body (government) or reporting issuer (public company)
  - funds are received from the trust account of another lawyer (an individual authorized to practise law anywhere in a province or territory of Canada) or a paralegal licensed by the Law Society of Upper Canada
  - funds are being received from a peace officer, law enforcement agency or other public official acting in an official capacity
  - funds are being received or paid pursuant to a court order
  - funds are being paid to pay a fine or penalty
  - funds are being paid or received as a settlement in a proceeding before an adjudicative body
  - funds are being paid for professional fees, disbursements, expenses or bail
  - funds are being paid, received or transferred by electronic funds transfer
  - you have previously verified the identity of an individual and you recognize the individual
  - the client and/or third party is an organization and you or an employee of your firm or a lawyer or paralegal of your firm has previously identified the organization by obtaining the name and occupations of each director of the organization and the name, address and occupations of each person who owns 25% or more of the organization or of the shares of the organization and has verified the identity of that organization including the individuals authorized to give instructions on behalf of the organization with respect to the matter.
- 4. If an exemption applies, you are not required to verify the identity of your client. If no exemption applies, you must verify the identity of your client (other than financial institutions, public bodies or reporting issuers) including any third party instructing your client or who has the authority to instruct your client.**
- 5. To verify the identity of an organization either before or when you act or give instructions on behalf of the client regarding the receiving, paying or transferring of funds, obtain and review an original government issued identification of the individual giving instructions on behalf of the organization that is valid and has not expired such as a:**
- Driver's Licence

- Birth Certificate
- Passport, or
- Other similar record

**6. In addition if the organization is a corporation or other organization created or registered pursuant to legislative authority, no later than 60 days after you first act or give instructions regarding the receiving, paying or transferring of funds obtain and review a written confirmation from a government registry as to the existence, name and address of the organization including the names of the directors such as:**

- a certificate of corporate status issued by a public body (e.g. government)
- a copy of a record obtained from a public body that the organization is required to file annually under applicable legislation (e.g. annual government filings), or
- a copy of a similar record obtained from a public body that confirms the organization's existence

**7. If the organization is a trust, partnership or other organization which is not registered in any government registry, no later than 60 days after you first act or give instructions regarding the receiving, paying or transferring of funds, review a copy of the organization's constating documents or similar record that confirms its existence as an organization such as:**

- a trust agreement
- a partnership agreement
- articles of association, or
- other similar record that confirms the organization's existence as an organization

**8. Make reasonable efforts to obtain:**

- the name and occupation or occupations of each director of the organization unless the organization is a securities dealer
- the name, address and occupation or occupations of each person who owns 25% or more of the organization or of the shares of the organization

- 9. Retain a record of the information that you obtain and copies of the documents you receive to verify identity for the longer of:**
- six years following completion of the work for which you were retained
  - the duration of the paralegal and client relationship and for as long as it is necessary for the purpose of providing service to the client

**Sample File Form – Appendix 6**