

Practice Rules Compliance Committee

Wire Transfers/Electronic Funds Transfer – Practice Standard

Law Society Rules Part V - Uniform Trust Account Rules

Deposits in trust accounts

*5.03(2) Notwithstanding subsection 5.03(1), trust money received by means of an electronic funds transfer is deemed to be deposited in a trust account when the member receives written confirmation from the financial institution providing details of the electronic funds transfer. **On-line confirmation is acceptable provided a copy of the confirmation with the amount highlighted is printed and placed in the respective client file.***

(3) A member shall seek the written confirmation referred to in subsection 5.03(2) no later than the close of the banking day immediately following the day on which the member was notified of the electronic funds transfer into the member's trust account.

The Practice Rules Compliance Committee has been informed of the difficulty experienced by members in obtaining, from the banks, written confirmation that funds have in fact been deposited. Written confirmation from the sending financial institution about the upcoming transfer is being received. However, there is no written confirmation from the member's bank indicating that funds have been deposited.

The Practice Rules Compliance Committee reminds members that verbal confirmation from the member's bank does not comply with Rule 5.03(2), which prescribes that the member must obtain written confirmation providing details of the electronic funds transfer. If on-line confirmation is used, a printed copy of the confirmation with the amount highlighted must be placed in the respective client file. Law Society Rules 5.03(2) and (3) place the onus on the member to ensure that, prior to the withdrawal of funds from the trust account, written confirmation has been received from the member's bank.

Members are directed to adhere to the practice standard prescribed by the Law Society Rules.

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