

Practice Rules Compliance Committee

Registration Fees - Practice Standard

Law Society Rules Part V - Uniform Trust Account Rules

Withdrawals and transfers from trust accounts

5.04(2) A member shall not withdraw or transfer money from a trust account except

(a) money properly required for payment on behalf of a client,

(b) money required to reimburse the member for money properly expended or for expenses properly incurred on behalf of a client,

The Practice Rules Compliance Committee has been informed that Release of Mortgage registration fees are being transferred, from the client trust account to the general account, prior to the Release being obtained. This practice enables the firm to provide the client one invoice delineating all expenses, including disbursements, with respect to the transaction. This practice is also applied in certain non-real estate transactions.

The Practice Rules Compliance Committee reminds members that an expense is not incurred on the client's behalf until the expenditure becomes immediately necessary. Thus, the Release registration fee should not be transferred from the trust account until the Release is available for registration. The practice of providing the client with an invoice delineating the Mortgage Release registration fee is not in contravention of Rule 5.04(2) when the funds remain in trust until required to be paid on behalf of the client.

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

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