LAW SOCIETY OF PRINCE EDWARD ISLAND

119 Kent St, Suite 300, P.O. Box 128, Charlottetown, Prince Edward Island, Canada C1A 7K2

Client Identification & Verification Regulations

The Federation of Law Societies of Canada originally adopted the model rule for Client Identification and Verification in March 2008 that was amended in 2020 & 2023 to enhance the rules specific to Anti-Money Laundering and Terrorist Financing. Prince Edward Island's response to the model code requirements includes section 86 of the Regulations of the Law Society of Prince Edward Island (the Regulations) which provides client identification and verification requirements for lawyers in PEI. The current Regulations came into force on September 1, 2021, and do not apply to matters in respect of which a member was retained before the regulations came into force. The Regulations do apply to all matters for which the lawyer was retained after that time regardless of whether the client is a new or existing. (s.86(8))

Quick facts about Section 86 of the Regulations.

Client Identity – Section 86(2)(a) requires that a lawyer upon being retained to provide legal services, must identify the client. This section is "in keeping with the member's obligation to know their client, understand the client's financial dealings in relation to the retainer with the client and manage any risks arising from the professional business relationship with the client", is a requirement for every client, and required each time a lawyer is retained.

Records for Client Identification – Section 86(3) directs the records a lawyer must obtain at the time of the retainer from a client who is an individual or an organization.

Obligations to Verify Client's Identity - Section 86(4) and 86(6) requires, subject to the exemptions identified in 86(5), that a lawyer, who has been retained by a client "to provide legal services engages in or gives instructions in respect to of receiving, paying, or transferring of funds", must obtain from the client and record information about the sources of the funds described in subsection (4).

Documents & Information for Verification – Sections 86 (6)(f) thru (i) details the process of client verification and required documentation for clients who are individuals, including the requirement that documents must be valid, original, and current and the different methods of verification for an individual or third party, noting that one of the listed methods must be used. Section 86(6)(j) details the processes related to the requirements concerning clients who are Directors, Shareholders and/or Owners.

Record Keeping and Retention – Section 86(7) details the requirement to obtain and retain a copy of every document used to verify the identity of any client, individual or organization.

For additional information please review Regulation 86 in detail and consult the FAQ, Client Identification and Verification Model Rule (Federation of Law Societies of Canada) Link.

Law Society of PEI Regulations

Tel (902) 566 -1666 ♦ Fax (902) 368 - 7557 ♦ *lawsociety@lspei.pe.ca*