



NOVA SCOTIA
BARRISTERS' SOCIETY

CLIENT IDENTIFICATION AND VERIFICATION

SOURCE OF MONEY

Introduction

A key component of client identification and verification is that lawyers must obtain information from the client and record, with the applicable date, information about the source of funds when the lawyer engages in or gives instructions in respect of the receiving, paying or transferring of funds. (See subregulations 4.13.6 and 4.13.8.)

Lawyers have a positive duty to make enquiries about any financial transactions that they facilitate. This may include obtaining supporting documents if there are suspicious circumstancesⁱ.

1. Purpose of the financial transaction:

2. Required Information from Payer:

a. Full name:

b. Occupation:

c. Contact information:

d. Relationship to the client(s): _____

e. Date funds received by the lawyer: _____

f. Economic activity or action that generated the fundsⁱⁱ: _____

g. Form of funds received by the lawyerⁱⁱⁱ: _____

h. Name and address of financial institution or other entity through which the funds were transferred: _____

i. Other information relevant to determining the source of funds^{iv}: _____

Responsible Lawyer: _____

Name of person completing the form: _____

Date: _____

ⁱ See Client ID Documents and Resources for further guidance on identifying the red flags of money laundering, fraud or terrorist financing <https://nsbs.org/legal-profession/your-practice/responsibilities-requirements/client-id/>

ⁱⁱ Economic activity or action includes such things as a bank loan, savings from salaried employment, settlement funds etc.

ⁱⁱⁱ Form of funds includes cheque, bank draft, wire transfer etc.

^{iv} In the absence of suspicious circumstances, a lawyer may accept a client's explanation regarding the economic activity or action that generated the client's source of money (e.g., inheritance, savings from salary, life insurance proceeds) without obtaining copies of the documents to support the client's explanation. However, where there are suspicious circumstances, lawyers must make further inquiries and assess the risk of participating in a financial transaction for that client.