



Law Foundation
NEWFOUNDLAND & LABRADOR

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To: Members of the Law Society of Newfoundland and Labrador

Part IV of the *Law Society Act, 1999* provides for the establishment of the Law Foundation to receive and administer interest earned on Lawyers' General Trust Accounts for the purposes set out in the Act. Also under the Act, it is incumbent upon all members of the Law Society or all professional law corporations to maintain a regular interest-bearing trust account in a chartered bank, trust company, credit union or other depository approved by the Law Foundation for the holding of clients' trust funds.

The Law Foundation, through discussions held with the Bankers, Trust Companies, and Credit Union Associations in this province, established a procedure for the collection of interest on these accounts and remittance to the Law Foundation.

Below is Form LF1 which must be completed by each member or professional law corporation who or which maintains a General Trust Account and forwarded to his/her or its financial institution directing the establishment of the interest-bearing trust account. Members who practise in a firm or through a professional law corporation should see that the form is completed with respect to the firm or corporation's account or accounts.

Please complete Form LF1 and forward the original to your financial institution. A copy should be maintained by the law firm and a second copy is to be forwarded by the law firm to the Law Foundation for record purposes. The financial institutions will send to the Law Foundation interest credits on your trust accounts.

Your prompt attention to this matter would be appreciated.

Form LF1

Law Foundation of Newfoundland and Labrador

**Lawyer's or Professional Law Corporation's Letter to Bank, Trust Company,
Credit Union, or other Depository approved by the Law Foundation.**

To the Manager:

Name of Chartered Bank, Registered Trust Company, Credit Union or another approved depository.

Branch

Address

RE: Account Number (s) _____

Section 69 of the *Law Society Act, 1999* and the regulations made thereunder requires that in respect of my (our) above noted account, which is a general trust account:

1. An amount be computed by applying to the average balance therein the rate of interest approved from time to time by the Board of Governors of the Law Foundation of Newfoundland and Labrador (the Foundation). The Foundation has approved a rate not less than that paid from time to time by the chartered banks on chequing/savings accounts.
2. As soon as feasible after the end of April and in each year the amount so computed for the six calendar months immediately preceding, less all service charges, if any, during such period in respect of the account, be remitted to the Main Branch of your financial institution in St. John's, Newfoundland and Labrador. In the case of interest earned on a lawyer's or a professional law corporation's general trust account at a trust company, credit union or other depository approved by the Law Foundation, the interest should be remitted by mail directly to the Foundation.

3. On the same dates, a report on Form LF2 (or some equivalent form approved by the Foundation) showing how the amount remitted to the Foundation was computed be prepared and distributed to each of the following:

- (a) the undersigned lawyer or professional law corporation;
- (b) Law Foundation of Newfoundland and Labrador
- (c) your Main Branch or Regional Office, St. John's; and
- (d) the depository (bank, trust company, credit union, or other depository approved by the Law Foundation).

I (we) have been advised by the Foundation that the regional offices of the financial institutions at St. John's have approved these arrangements and are able to furnish whatever additional information their branches may require.

Since the Act provides that the interest "becomes the property of the Foundation", the Income Tax Form T5 must be prepared in the name of the Foundation.

Accordingly, I (we) hereby authorize and direct you, until further notice, to implement these arrangements, effective the first day of the next calendar month.

Name or Professional Law Corporation _____

Signature _____

Date _____