

Practice Resource

Client Identification and Verification – Top 10 tips

1. ID and verification are two different concepts

Client identification (Rule 3-100) and verification (Rules 3-102 to 3-103) are different but related concepts. Identification refers to the basic information in Rule 3-100 that you must obtain and record about the client when retained. You can ask the client for the information. You are not required to view an individual's government-issued photo ID to identify them. See the [FAQs](#) on identification vs. verification.

2. A “financial transaction” generally triggers verification and source of money information

With limited exceptions, if there is a “financial transaction” (widely defined in Rule 3-98), you must verify the client's identity and obtain information about the source of money for the transaction (Rule 3-102).

3. You are not always required to verify ID

If the financial transactions for your client are limited to the receipt of your retainer and payment of your legal account, and assuming there is nothing suspicious about the transaction, you are not required to verify the client's identity (Rule 3-101(b)(iv)(D)).

4. There are four methods to verify ID

Rule 3-102 provides for four methods to verify an individual's identity: (1) the government-issued photo ID method with a physical meeting; (2) the government-issued photo ID method with a virtual meeting using reliable authentication technology; (3) the credit file method; and (4) the dual process method. You can use any one of the four methods. If you use the government-issued photo ID method, you are required to use one ID. See the [FAQs](#) on Methods to verify an individual's identity.

5. A member of your law firm, employee or agent may also verify ID

You or a member or employee of your firm, wherever located, may verify the client's identity. Alternatively, you may use an agent to verify the client's identity. As of March 8, 2024, a BC lawyer is no longer required to use an agent to verify a client's identity if the client is outside of Canada.

6. Your agent need not be a lawyer

If you use an agent to verify a client's identity on your behalf, you are not required to use another lawyer as your agent. However, your agent should be someone who is reputable, who takes the verification of client identity seriously, and who will carry out the required work diligently and within your timeframe. It is desirable to use a regulated professional if you do not use a lawyer.

7. **You must verify the identity of the instructing individual of a company**

If your client is a company and there is a financial transaction triggering verification, you must verify both the company and the instructing individual (Rule 3-102 and the definition of “client” in Rule 3-98). You must also obtain identifying information about the directors, shareholders, owners, control and structure (Rule 3-103). You are not required to verify the identity of a director or shareholder unless they are the instructing individual.

8. **You do not always need to obtain supporting documents regarding source of money**

In the absence of suspicious circumstances, you may accept a client’s explanation regarding the economic activity or action that generated a client’s source of money for a financial transaction (e.g. savings from salary) without obtaining copies of documents to support the client’s explanation. If there are red flags, you must make further inquiries (which may include obtaining documents that support the client’s explanation), record the information and assess the risks of acting. If you aren’t satisfied, you must withdraw. See the [FAQs](#) on Source of money.

9. **Rule definitions may differ from common usage**

Read the definitions in Rule 3-98. Some terms are broadly defined and may differ from ordinary use (e.g. client, financial transaction, money, organization).

10. **Refer to the extensive resources on our website**

For more detailed information, see the resources on the [Client ID & Verification resources web page](#), including checklists, articles, [FAQs](#) and [ADMA](#). If you have questions, lawyers can contact practiceadvice@lsbc.org, phone 604.443.5797, or [book an appointment](#).