

2019 FOLA SPRING PLENARY  
May 8-10th, 2019

REPORT  
on  
Alternative Business Structures

By Rene Larson, Northwest Representative on FOLA Executive

As of January 17, 2019 the Law Society's Alternative Business Structures Working Group is working on a final recommended regulatory framework that would permit lawyers and paralegals to provide legal services through registered, civil society organizations (CSOs), such as charities and not-for-profit organizations — to the clients of those organizations.

The stated goal of the framework is to provide an alternative way of facilitating access to justice for Ontario who may have legal issues, but who have traditionally faced barriers (real, perceived, or oblivious) to receiving legal advice from a lawyer or paralegal. This would include people who do not attempt to access legal aid assistance because of ignorance or social circumstances and people with incomes higher than legal aid guidelines but still insufficient to hire a private lawyer. It is thought that embedding lawyers or paralegals within the institutions where they are seeking treatment or assistance will provide real opportunities for meaningful and timely legal advice and assistance.

Convocation approved in principle the development of the proposed policy framework in September 2017. The Alternative Business Structures Working Group's reported on October 25, 2018 to Convocation which issued a call for comments on the draft regulatory framework. The submission period closed January 17, 2019.

The Alternative Business Structures Working Group will present its final report with respect to the draft regulatory framework to the newly elected Convocation in 2019.

Highlights of Recommendations:

1. "civil society organization" (CSO), is defined as a registered charity under the Income Tax Act (Canada), a not-for-profit corporation incorporated under the laws of Ontario, or a not-for-profit corporation permitted under the laws of Ontario to operate in Ontario;
2. the lawyer or paralegal licensee(s) working in the CSO must control the delivery of legal services in accordance with Law Society's Professional Rules of Conduct;

3. the legal services delivered through the CSO must be provided at **no cost** to the client, and that neither licensees providing services through this framework nor the CSO shall receive or pay referral fees;
4. licensees practicing law or providing legal services through a CSO will be prohibited from operating a trust account in connection with these services;
5. licensees maintain professional liability insurance as prescribed by ByLaw 6;
6. CSOs must provide annual updates to the Law Society with respect to the nature of the legal services being delivered;
7. The Professional Regulation Committee will evaluate the program and report within three years of implementation for its impact on access to justice in Ontario, achievements, challenges and recommended improvements.

The full October 25, 2018 Report of the Alternative Business Structures Working Group can be found at:

<https://lawsocietyontario.azureedge.net/media/iso/media/about/convocation/2018/convocation-professional-regulation-committee-report-october-2018.pdf>

Respectfully submitted

*Rene Larson*