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My LAWPRO®

Transaction levy surcharges FAQs

If you have questions that are not answered below, or if need further clarification or information, please contact LAWPRO customer service department toll-free at 1-800-410-1013, 416-598-5899 or at service@lawpro.ca.

About when the transaction levy surcharge applies

1. Who is required to pay the civil litigation transaction levy charge?

If a [LAWYER](#) or firm acts for one or more parties in a civil litigation transaction (as defined in paragraph A of Endorsement No. 3 of the Policy) the LAWYER is required under Bylaw 6 of the *Law Society Act* to pay the Law Society of Upper Canada a civil litigation transaction levy surcharge.

2. Who is required to pay the real estate transaction levy surcharge?

If a LAWYER or firm acts for one or more parties in a real estate transaction (as defined in paragraph A of Endorsement No. 2 of the Policy) the LAWYER is required under Bylaw 6 of the *Law Society Act* to pay the Law Society of Upper Canada a real estate transaction levy surcharge.

3. How is the civil litigation transaction levy calculated?

The civil litigation transaction levy surcharge is \$50 per transaction inclusive of PST (it is not subject to HST or GST). The civil litigation transaction levy surcharge, payable to the Law Society of Upper Canada is calculated as follows:

Surcharge	\$46.30
PST	\$3.70
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Total	\$50.00

4. How is the real estate transaction levy calculated?

(a) For real estate files opened on or after January 1, 2010, the real estate transaction levy surcharge is \$65 per transaction inclusive of PST (it is not subject to HST or GST). For these transactions, the real estate transaction levy surcharge, payable to the Law Society of Upper Canada is calculated as follows:

Surcharge	\$60.19
PST	\$4.81
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Total	\$65.00

(b) For real estate files opened before January 1, 2010, the real estate transaction levy surcharge is \$50 per transaction inclusive of PST (it is not subject to HST or GST). For these transactions, the real estate transaction levy surcharge, payable to the Law Society of Upper Canada is calculated as follows:

Surcharge	\$46.30
PST	\$3.70
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Total	\$50.00

5. Can the levy surcharge be billed to clients?

If you are required to pay a transaction levy surcharge to the Law Society of Upper Canada, you may charge the transaction levy surcharge to your client as a disbursement. As do your other disbursements, this expense attracts HST, as calculated below:

(a) For real estate transaction levies where files were opened before January 1, 2010 and for civil litigation transaction levies:

Surcharge	\$50.00
HST	\$6.50
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Total	\$56.50

(b) For real estate transaction levies where files were opened on or after January 1, 2010:

Surcharge	\$65.00
HST	\$8.45
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Total	\$73.45

6. I want to know if a transaction levy is applicable to a particular situation that is not covered explicitly in Endorsement No. 2 or 3 of the LAWPRO policy. How can I find out if a levy applies?

You can refer to the [online real estate and civil litigation transaction levy application chart](#) or you can contact Customer Service at 416-598-5899 or 1-800-410-1013 or email at service@lawpro.ca for assistance.

7. I have opted for the Restricted Area of Practice option and intend to practise only criminal law. Am I not automatically exempt from

having to remit real estate and civil litigation transaction surcharge filings?

No. All LAWYERS in private practice and insured under the LAWPRO program, regardless of their area of practice or the practice option(s) selected, are required to file either an annual transaction levy exemption form (which exempts them from filing quarterly transaction levy forms) or a quarterly transaction levy filing form indicating total transactions and surcharges payable for that quarter. The exemption form must usually be filed by April 30 each year.

About filing the transaction levy surcharge**8. What documentation must be submitted to LAWPRO for the levy surcharge?**

You must complete and remit to LAWPRO the (civil litigation and or real estate) transaction summary form(s) for levy surcharges along with the quarterly payments (if applicable). LAWYERS and firms must list, on the transaction summary form or on an accompanying attachment, the names of all LAWYERS whose transactions are included on the form.

9. Who may file documentation on a member's behalf?

LAWYERS may delegate to their firms the responsibility of completing and remitting to LAWPRO the (civil litigation and or real estate) transaction summary form(s) along with the quarterly payments. However, it remains the responsibility of the individual LAWYER to ensure that the surcharge forms are submitted accurately and on time to LAWPRO.

10. When are levy surcharge payments due?

The transaction levies are to be accumulated and paid quarterly within thirty days of the quarterly period ending on the last day of March, June, September and December.

11. Can I file the required levy forms online?

Yes, transaction levy forms can be filed online in the [My LAWPRO](#) area of www.lawpro.ca.

About filing the Transaction Levy Surcharge Exemption Form**12. When do I have to file an exemption form?**

LAWYERS who are exempt from paying the transaction levy surcharge must file the exemption form once every year, by April 30th. LAWYERS admitted into practice after that date should file the exemption form within 30 days of the next quarterly period ending on the last day of June, September or December.

About title-insured real estate transactions**13. My understanding is that as of January 1, 1998, title-insured real estate transactions are exempt from the \$65 real estate transaction surcharge. If I am acting for the vendor in the transaction, do I have to pay the \$65 surcharge as before, or am I also exempt?**

The counsel for the vendor is NOT EXEMPT from having to pay the \$65 real estate transaction levy surcharge as the title policy does not insure the vendor but rather the purchaser and the legal services provided by his/her solicitor. In other words, with a title-insured transaction, the vendor's lawyer continues to be exposed to risk of a claim, and therefore must pay the \$65 transaction surcharge.

Lawyers for the purchaser should bear in mind that not all title-insured transactions are exempt from the \$65 real estate levy. For details please refer to your [LAWPRO Policy Endorsement 2 Real Estate Transaction Levy Surcharge](#).

14. Does the real estate transaction surcharge apply to transactions where a title policy is issued?

The real estate transaction levy surcharge will NOT apply to title-insured real estate transactions provided the following conditions are met:

- the title-insured transaction closes on or after January 1, 1998;
- a title insurance policy(ies) is(are) issued in favour of all of the transferees and chargees obtaining an interest in or charge against the land which is the subject of the real estate transaction, provided that:
 - a. the member does not act for the transferor in respect of the transaction;
 - b. the title insurer(s) issuing the title insurance policy(ies) has(have) in all cases entered into a Release and Indemnity Agreement with members of the Law Society of Upper Canada, in a form acceptable to the Law Society of Upper Canada, wherein the title insurer(s) irrevocably agrees(agree) to:
 - i. indemnify and save harmless the member from and against any claims arising under the title insurance policy(ies), except for the member's gross negligence or willful misconduct; and
 - ii. release its right to maintain a claim against the member(s) acting as solicitor(s) for the transferee(s), chargee(s) and/or the title insurer(s), except for the member's gross negligence or willful misconduct; and
 - c. the member(s) is(are) not obliged to pay any **DEDUCTIBLE** amount to the title insurer(s) in respect of one or more claims made under the title insurance policy(ies) where the **DEDUCTIBLE** amount is or may be the subject of recovery under the POLICY.

Through its website, the Law Society advises of those title insurers who have entered into such a release and indemnity agreement in a form satisfactory to the Law Society.

Lawyers and law firms should be certain to ensure that a title insurance policy(ies) for the transaction is(are) actually issued after filing a title insurance application. Where no title insurance policy(ies) is(are) issued, a real estate transaction levy surcharge shall apply.

About who to contact for help**15. Who do I contact if I need help with any of the above?**

All questions can be directed to LAWPRO's customer service department toll-free at 1-800-410-1013 or 416-598-5899 or to service@lawpro.ca.

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