

# Working Group on Lawyers and Real Estate

## Who is responsible for wire fees?

Lawyers have been asking us to confirm who is responsible for the payment of incoming wire fees, as many lawyers are encountering issues on closing when one party expects the other party to pay the fees charged by the receiving financial institution (FI) when lawyers receive funds via a wire.

### Context/Reasoning:

- FIs are not allowed under the LSO rules to deduct any fees from a lawyer's trust account, but we are advised that most take the fees off the top of any funds wired and simply deposit the net amount into the lawyer's trust account, based on the banking arrangements.
- There are arguments for a multiple of positions.
- Since every lawyer has their own arrangement with their FI, (which may provide for no fees, low fees or higher fees), it would be extraordinarily cumbersome to track what fees, if any, need to be added to any amount.
- The easiest process to implement is that the receiving lawyer absorbs any fees charged by their FI.
- Bank fees are typically permitted to be charged to the client as a client disbursement.

### Recommendation:

Every lawyer receiving funds is responsible for any bank fees charged by their financial institution. These charges would likely qualify as a disbursement to the client's file if the lawyer so chooses.

