

WORLD TRADE ORGANIZATION

S/C/N/87
14 December 1998

(98-5018)

Council for Trade in Services

NOTIFICATION PURSUANT TO ARTICLE III:3 OF THE GENERAL AGREEMENT ON TRADE IN SERVICES

The attached notification has been submitted to the Council for Trade in Services by the Government of Canada pursuant to its obligations under paragraph 3 of Article III of the GATS.

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1. **Member(s) notifying. If applicable the sub-central government or authority or non governmental bodies involved should be specified.**

Canada - New Brunswick - The Law Society of New Brunswick

2. **Notification under Article(s):**

Article III, paragraph 3, of the General Agreement on Trade in Services

3. **Date of entry into force/duration:**

1 January 1997.

4. **Agency responsible for enforcement of the measure:**

The Law Society of New Brunswick.

5. **Complete description of the measure* indicating the modes of supply covered, the effect on trade in services (e.g., restrictions/liberalization measures) and the impact of the measure on commitments in the Member's schedule and Article II (MFN) exemption list, if relevant:**

In April of 1996, proposed amendments to the *Law Society Act* of New Brunswick received assent and became effective on 1 January 1997 after being proclaimed into force. The single mode of supply affected by the revised Act is commercial presence, which will no longer be restricted to sole proprietorships and partnerships for law firms in New Brunswick.

The legislation permitting personal and professional incorporation of lawyers is contained in Section 37 of the amended *Law Society Act* (R.S.N.B. 1996 c. C 89). Incorporation of law practices is subject to a number of conditions, including, "a majority of the issued voting shares are legally and beneficially owned by one or more members or by one or more professional corporations, or both." Secondly, "all the directors of the corporation are members of the Society and that the corporation's practice of law is managed only by directors who are practising members in good standing." Furthermore, "all the persons who will be practising law for the corporation must be practising members of the Society", with

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notable exceptions for students-at-law, employees of the corporation and persons referred to in subsection 33(4) of this Act. With respect to voting shares, “no shareholder of a corporation who is a practising member shall enter into a voting trust agreement, a proxy or any other type of agreement or instrument vesting in a person who is not a practising member of the Society the authority to exercise the voting rights attached to any or all of that member’s shares or restraining the practising member from freely exercising the voting rights attached to any or all of that member’s shares in the corporation.” The Law Society of New Brunswick requires a corporation to hold a valid permit to practise law in the province of New Brunswick.

6. Members specifically affected, if any:

None.

7. Additional information available from:

Services Trade Policy Division
Department of Foreign Affairs and International Trade
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
Canada

Telephone: + (1 613) 944 0487
Telefax : + (1 613) 944 0058

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