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CHANGES TO THE RULES REGARDING CONTINGENCY FEES

This update refers to the material in Chapter 7 regarding contingency fees on pages 247 to 249, beginning with the last paragraph on page 247 (“The Solicitors Act, Regulation 195/04: Contingency Fee Arrangements”) and ending with paragraph 4(1) “Matters not to be included in contingency fee agreements” on page 249. Effective July 1, 2021, that material is revoked. It is replaced by [O Reg 563/20](https://www.ontario.ca/laws/regulation/200563).

Among other things, [O Reg 563/20](https://www.ontario.ca/laws/regulation/200563?search=solicitors+act) extends the provisions on contingency fee agreements in the *Solicitors Act* and O Reg 563/20 to paralegal licensees. The regulation requires a paralegal who enters into a contingency fee agreement with a client to use a standard form of Contingency Fee Agreement (“standard form CFA”). A standard form CFA entered into by a paralegal and a client shall, among other things, not include a provision that: requires a paralegal’s consent to abandoning, discontinuing, or settling a matter as instructed by the client; prohibits a client from terminating the retainer or seeking other legal representation; or permits a paralegal to split their fee, except as set out in the *Paralegal* *Rules of Conduct.*

Some of the purposes of the changes to the contingency fee regime are to deal with flaws in the current contingency fee regime; enhance consumer protection; and facilitate access to justice.

Paralegals can find excellent information about the new framework at the [Law Society of Ontario website](https://lso.ca/home). Please refer to [Contingency Fee Reforms](https://lso.ca/about-lso/initiatives/contingency-fee-reforms) / [Frequently Asked Questions about Contingency Fees](https://lso.ca/lawyers/practice-supports-and-resources/topics/managing-money/fees-and-disbursements/contingency-fees/frequently-asked-questions-about-contingency-fees?lang=en-ca).