

Q&A:

Civil Litigation Levy

Do I have to pay the Civil Litigation Transaction Levy on my uncontested divorce files?

Based on the definition of the LPIC Policy Endorsement that applies to civil litigation transactions (see below), an uncontested divorce proceeding constitutes a “civil litigation transaction” and generally does not qualify as an exclusion. Strictly speaking, therefore, the levy would be payable on uncontested divorce proceedings.

However, because of the slight risk of claims associated with this type of transaction, LPIC does not insist on payment of this levy in uncontested divorce matters. Therefore, although these transactions do not fall within an exclusion under the Endorsement, LPIC does not require that you pay the \$50 per file Civil Litigation Transaction Levy on uncontested divorce matters, nor do you have to include reference to these transactions in your quarterly levy filings.

Endorsement No.3 of the LPIC Policy defines situations in which the Civil Litigation Transaction Levy is payable, and sets out the exclusions under which this levy is not payable. Specifically, the Endorsement states:

“A. DEFINITIONS OF CIVIL LITIGATION TRANSACTION

For the purposes of this Endorsement “civil litigation transaction” means:

- (i) the commencement of a proceeding in Ontario by way of notice of action, statement of claim, originating process, application, petition, notice of appeal, a form prescribed by statute; or
- (ii) the response to a commencement of a proceeding in Ontario by way of statement of defence, defences to third party or subsequent party claims, answers to petitions, a response to an originating process, or notice of appearance in response to an application.

C. EXCLUSIONS

No levy surcharge is payable by a member pursuant to this Endorsement in respect of a civil litigation transaction if:

- (i) proceedings are commenced in Small Claims Court;
- (ii) proceedings are commenced pursuant to Residential Landlord and Tenant matters; or
- (iii) proceedings are funded by the Legal Aid Plan, Office of the Children’s Lawyer/Office of the Official Guardian, the Public Trustee or the Family Support Plan.”