

Financial Disclosure Required in British Columbia

Having sufficient knowledge of the family's financial situation is necessary to make an informed decision about any settlement to your separation and divorce. It is also a legal entitlement and obligation. The *Family Law Act* of British Columbia, the Child Support Guidelines and the Supreme Court Family Rules all require the exchange of financial information between separating spouses. See, for example, section 5(1) of the *Family Law Act* (must provide the other party with full and true information) and Rule 5-1(2) of the Supreme Court Family Rules. Penalties can be imposed for failing to abide by this obligation – see section 213 of the *Family Law Act*.

Proper legal advice also requires the benefit of this information to ensure that nothing substantial is omitted when considering the terms of your settlement. A lawyer cannot provide advice on something that has not been disclosed. The best way to ensure you are getting the most from your lawyer is to make sure your lawyer has all of your financial information.

In British Columbia, financial information is exchanged through a document called a Financial Statement. The Financial Statement is a sworn document that summarizes your income, expenses, assets and liabilities.

However, notwithstanding the summary nature of the Financial Statement, your lawyer can provide you with better legal advice if you provide the underlying source documents that make up the summary of your income, assets and liabilities.

Ideally, financial information is exchanged by both parties to the separation early and voluntarily. You can ensure that your file is not delayed unnecessarily by preparing a binder with the following items of financial disclosure. Use tabs as indicated below to separate the documents, for ease of reference. You can keep your legal fees down and ensure your settlement is not delayed by providing the items of disclosure to your lawyer as soon as possible. Consult your lawyer if you are unclear whether a document should be disclosed.

For your binder of financial disclosure:

Tab Documents

1. Full T1 Income Tax Return, with schedules, for the past 3 taxation years. If you have not filed an income tax return for one of these years, provide copies of your T-slips and other statements showing all sources of income for that tax year.

2. Notices of Assessment and Notices of Reassessment for the past 3 taxation years. If you do not have these, you may order a Canada Revenue Agency Summary.
3. Most recent statement of earnings indicating the total earnings paid in the year to date, including overtime, or, if such a statement is not provided by your employer, a letter from your employer setting out that information, including your rate of annual salary or remuneration.
4. If you receive income from employment insurance, social assistance, a pension, worker's compensation, disability payments, or income from any other source, the most recent statement of the income indicating the total amount of income or a letter from the appropriate authority.
5. If you are self-employed, for the 3 most recent taxation years:
 - (a) the financial statements of your business or professional practice, other than a partnership, and
 - (ii) a statement showing a breakdown of all salaries, wages, management fees or other payments or benefits paid to, or on behalf of, persons or corporations with whom you do not deal at arm's length.
6. If you are a partner in a partnership, confirmation of your income and draws from, and capital in, the partnership for its 3 most recent taxation years.
7. If you have an interest in a privately held corporation:
 - a. The financial statements of the corporation and its subsidiaries for its 3 most recent tax years, and
 - b. A statement showing a breakdown of all salaries, wages, management fees or other payments or benefits paid to yourself, or to persons or corporations with whom the corporation, and every related corporation, does not deal at arm's length for the corporation's 3 most recent taxation years.
8. If you are a beneficiary under a trust, a copy of the trust settlement agreement and copies of the trust's 3 most recent financial statements.
9. If you own or have an interest in real property, the most recent BC Assessment notice for the property.

10. A detailed list of any special or extraordinary expenses claimed where child support is an issue, including copies of receipts or other documentation providing the amount of the following expenses:
 - a. Child care costs,
 - b. Health care and extended medical and dental insurance premiums attributable to the child,
 - c. Uninsured health care and dental expenses,
 - d. Extraordinary educational expenses,
 - e. Post-secondary educational expenses, and
 - f. Extraordinary expenses for extracurricular activities.
11. Your monthly budget of expenses (where spousal support is an issue).
12. Copies of all statements for all bank accounts held solely or jointly in your name for the most recent 6 months.
13. Copies of credit card statements for all credit cards solely or jointly in your name for the most recent 6 months.
14. Copies of the most recent statement for all RRSP's, pensions, term deposit certificates, guaranteed investment certificates, stock accounts and other investments in your name or in which you have an interest.
15. A list of any excluded property claimed (where the action involves the division of family property).

Warren is a family law lawyer and the founder of Jennings Family Law. Warren practices in Calgary, Alberta, Victoria, British Columbia, and at points in between. Warren's approach to family law emphasizes effective and dignified problem solving, empowering his clients to deal with their legal issues at separation. Read Warren's bio at www.jenningsfamilylaw.com. Contact Warren at warren@jenningsfamilylaw.com, or call him at (250) 818-6700 or (403) 264-9480.