



FREQUENTLY ASKED QUESTIONS: CLIENT TRUST ACCOUNT PROTECTION PROGRAM

These FAQs are a living document. They are subject to revision and will be supplemented and updated as needed.

- [CTAPP Overview](#)
- [General Requirements for Lawyers](#)
- [Requirements for Lawyers Practicing in Multiple Jurisdictions](#)
- [Law Firm Reporting](#)
- [Related Rules](#)

1. CTAPP OVERVIEW

1.1. What is the purpose of the Client Trust Account Protection Program (CTAPP)?

CTAPP is a program designed to:

- Protect the public by ensuring proper accounting and safeguards for client and third-party funds entrusted to attorneys; and
- Educate, support, and assist attorneys in complying with the ethical and accounting requirements of managing client trust accounts.

[Client Trust Account Protection Program webpage](#)
[California Rule of Court, rule 9.8.5](#)

1.2 What are the CTAPP requirements?

CTAPP is an annual reporting obligation required to be completed by almost all licensees. (See FAQ 2.2 for more information on who must comply.) CTAPP was implemented on December 1, 2022, the beginning of the 2023 license renewal period, and is required for each subsequent annual license renewal. It includes:

- Annual client trust account reporting (Cal. Rules of Court, rule 9.8.5(a)(1)(A));
- Annual trust account registration (Cal. Rules of Court, rule 9.8.5(a)(1)(B));
- Annual client trust account self-assessment (Cal. Rules of Court, Rule 9.8.5(a)(2)(A)); and
- Annual client trust account certification of compliance (Cal. Rules of Court, rule 9.8.5(a)(1)(A)).

Licensees must also submit a declaration saying the information they provided is true and correct.

The State Bar's new Practical Trust Account Reconciliation course was developed as part of CTAPP, which includes practical guidance on CTA recordkeeping and monthly reconciliations.

Other CTAPP program elements currently in development include:

- Public education and client outreach regarding attorney responsibilities and the rights of clients;
- Compliance reviews of selected lawyers by a certified public accountant to ensure adherence to client trust account management requirements; and
- Where appropriate based on the results of the compliance reviews, investigative audits of the licensee's trust accounts.

[State Bar Rules, Title 2, Division 1, rule 2.5](#)

[Client Trust Accounting Resources](#)

[CTAPP Training](#)

1.3 What are entrusted funds and how must they be handled?

All funds received by a lawyer in connection with legal representation in which a client or a third-party has an interest are funds that must be deposited in a trust account. Examples include advances for fees received from clients (until they are earned by the lawyer), funds of others that are being held for disbursement at a later time, personal injury awards, and litigation settlements.

Client and third-party funds must be held in either an IOLTA or non-IOLTA type client trust account. The definitions of each are as follows:

IOLTA – An attorney or firm that holds funds for a client or third-party that are nominal in amount or are held for too short a time to earn interest income for the benefit of the client or third-party in excess of the cost to hold the funds in a separate account is required to place those funds in an IOLTA account. (Bus. & Prof. Code, § 6211, subd. (a)). The IOLTA account must be established and maintained with an eligible institution that offers IOLTA accounts that meet certain requirements. Eligible institutions are listed on the State Bar's website.

Non-IOLTA – An attorney or firm that holds funds for a client or for the benefit of a single party in a matter that are large enough to generate more than nominal interest, or an attorney who holds funds for a single party for an extended period must hold such funds in a non-IOLTA trust account. An example would be funds held as the administrator of a family trust. The attorney must use a non-IOLTA account because these entrusted funds will earn interest in excess of the costs to maintain the account. The interest earned goes to the client or third-party. (Bus. & Prof. Code, § 6211, subd. (b)).

When registering a client trust account as part of CTAPP, you must identify the trust

account type. The account will either be IOLTA or non-IOLTA; an account will never be both. The account type was established at the time the account was opened and does not change. An IOLTA must bear the State Bar of California's Taxpayer Identification Number to ensure that interest or dividends generated by this account will be paid to the State Bar's IOLTA program. A non-IOLTA will bear the Social Security Number or Tax ID number of the client or third-party.

[Rule of Professional Conduct 1.15](#)

1.4 What is the deadline for CTAPP reporting?

The CTAPP reporting deadline is the same as the licensee's deadline for paying their license fees. (Rule 2.5(C) of the Rules of the State Bar). For existing licensees, the deadline is February 1, which is also the deadline for other requirements (e.g., MCLE compliance, etc.). (Rule 2.11 of the Rules of the State Bar). For new attorneys, the deadline is forty-five days from the invoice date for their fees. (Rule 2.12 of the Rules of the State Bar).

[State Bar Rules, Title 2, Division 1, rule 2.5](#)

[State Bar Rules, Title 2, Division 2, rule 2.11](#)

[State Bar Rules, Title 2, Division 2, rule 2.12](#)

1.5 What measures are the State Bar taking to ensure the information reported for CTAPP is secure?

The State Bar takes reasonable precautions and has security measures in place to protect the personal information we collect and maintain against loss, unauthorized access, use, modification, or disclosure. We take the following measures to secure information that is stored within our applications:

- Protecting the security of individuals' personal information during transmission by using encryption protocols and software.
- Storing personal information in secure locations in an encrypted format.
- Ensuring staff is trained on procedures for the management and release of personal information. This information can only be accessed by staff whose work requires it.
- Conducting periodic audits to ensure that proper information management policies and procedures are being followed.

2. GENERAL REQUIREMENTS FOR LAWYERS

2.1 What are a lawyer's obligations regarding entrusted funds?

A lawyer in possession of client or third-party funds and property is a fiduciary. A lawyer must safeguard and segregate those funds and not commingle them with the lawyer's personal or business accounts. The lawyer must open a separate client trust account.

(See FAQ 1.3, above, for a description of the two types of trust accounts a lawyer may open to hold client or third-party funds.)

A lawyer must report timely and completely to their client regarding the status and accounting of client funds. A lawyer's obligations regarding entrusted funds and property are set out in rule 1.15 of the Rules of Professional Conduct. In addition, under rule 1.4 of the Rules of Professional Conduct, a lawyer must keep their client reasonably informed about significant developments related to a client's representation. Comment [1] to this rule specifies that a lawyer's receipt of funds on behalf of a client ordinarily is a significant development requiring such communication with the client.

[Rule of Professional Conduct 1.15](#)

[Rule of Professional Conduct 1.4](#)

2.2 Who is required to complete the CTAPP reporting requirements?

With very few exceptions (see FAQ 2.3 below), all licensees who held an active license status at ANY time during the reporting period must complete the CTAPP reporting requirements. For 2024, the reporting period is January 1–December 31, 2023. This includes those licensees whose status changed to voluntary inactive at any time during the reporting period.

Licensees must answer “yes” to at least one of the questions in Step 1: CTAPP Annual Client Trust Account Reporting if, at any point during the reporting period, they (1) acted as a signatory or exercised managerial or primary administrative oversight for a trust account, or (2) were otherwise responsible for complying with any of the requirements or prohibitions in rule 1.15 of the Rules of Professional Conduct. The requirements and prohibitions in rule 1.15 are not limited to banking and recordkeeping duties and include, for example, the responsibility for giving notice to the client or other person that funds were received on behalf of the client or other person and the duty to identify and discharge liens. Lawyers who were responsible for entrusted funds in the reporting period must also register, or have their firm register through the State Bar's Agency Billing application, all client trust accounts, take a self-assessment of client trust account management practices, and certify their compliance with requirements of rule 1.15 of the Rules of Professional Conduct.

A lawyer who has no responsibilities to comply with any of the requirements or prohibitions in rule 1.15 can comply with their reporting requirements by answering “no” to the State Bar's question of whether they were responsible for entrusted funds in the reportable time frame. Lawyers who have no such responsibilities include:

- A government lawyer-employee who is not responsible for the safekeeping of entrusted funds;
- An in-house counsel who is employed by their client and does not receive or hold client funds or funds entrusted by others;
- Law professors who do not represent clients that involve any entrusted funds

and do not otherwise receive or hold entrusted funds;

- A lawyer in a large firm who only performs document review, has no interaction with any clients, and has no responsibilities to carry out any of the duties under rule 1.15; and
- A lawyer who bills for fees and costs after completion of the work and therefore does not take advance fees and their practice does not involve the receipt of any other funds in which a client or third-party has an interest (e.g., client settlement funds, etc.).

[State Bar Rules, Title 2, Division 1, rule 2.5](#)

[Rule of Professional Conduct 1.15](#)

2.3 Who is NOT required to complete the CTAPP reporting requirements?

The CTAPP rules exempt certain licensees from the CTAPP reporting, including:

- Lawyers who were not on active status at any point during the reporting period; and
- Lawyers who are not entitled to practice law at the time of the reporting deadline for any reason other than voluntary inactive enrollment (e.g., due to disciplinary or regulatory action). However, lawyers who were not entitled to practice law at the time of the reporting deadline for reasons other than voluntary inactive enrollment must comply prior to returning to active status.

2.4 How do I know if I have completed my CTAPP reporting?

Your reporting is complete if:

- You answered “no” to both of the questions in CTAPP Step 1: Annual Client Trust Account Reporting, and submitted your CTAPP declaration; or
- You answered “yes” to at least one of the questions in CTAPP Step 1: Annual Client Trust Account Reporting and:
 1. Registered your trust accounts in Step 2: Account Registration (or confirmed your firm registered your trust accounts on your behalf through Agency Billing);
 2. Completed Step 3: Self-Assessment;
 3. Completed the certification in Step 4: Client Trust Account Annual Certification of Compliance; and
 4. Submitted your CTAPP declaration.

You can verify your compliance status by logging into [My State Bar Profile](#) and reviewing on your landing page the grey box directly under your name and license number. Any missing information will be identified there.

If your individual reporting is complete, you can review your responses and determine if your firm has registered accounts on your behalf using the link, "View a summary of your CTA Reporting Requirement Responses." It is under the section titled "Client Trust

Account and IOLTA Annual Reporting". [Here is a guide](#) on how to view your summary. You will not invalidate your declaration by reviewing this summary.

2.5 I have already completed my reporting, but I want to change an answer during the annual CTAPP reporting period. How do I do that?

If you have already completed your CTAPP reporting for the current period, but you want to change an answer before the reporting deadline, you can access the CTAPP reporting page by logging in to [My State Bar Profile](#). On your landing page, to review your CTAPP reporting, click the link, "CTA (both IOLTA and Non-IOLTA)" and then click "CTAPP Annual Reporting - use this link to complete your annual reporting requirement." You can click through the pop-up warning, then click through the CTA pages and make changes as appropriate. NOTE: Any access to the page after submitting the declaration will delete your declaration, requiring you to resubmit it. Even if you make no changes, be sure to click all the way through and resubmit your declaration.

2.6 What are the consequences of noncompliance with the requirements of client trust accounting?

An attorney who fails to satisfy the requirements of CTAPP and its associated rules by the deadline will be assessed a noncompliance penalty. If the attorney still does not comply, they will be enrolled as an inactive licensee of the State Bar under the rules adopted by the Board of Trustees of the State Bar. Inactive enrollment imposed for noncompliance with the requirements of this program is cumulative and does not preclude a disciplinary proceeding or other actions for violations of the State Bar Act, the Rules of Professional Conduct, or other applicable laws. (See FAQ 2.15, below, for a discussion of the unauthorized practice of law by inactive licensees.)

2.7 I don't do the accounting; why do I have to report on client trust accounts?

If a lawyer is a signatory on a trust account, exercises managerial or primary administrative oversight for a trust account, or is otherwise responsible for complying with any of the requirements or prohibitions in rule 1.15 of the Rules of Professional Conduct, the lawyer is responsible for those funds. The lawyer remains responsible even if other lawyers are also responsible for the safekeeping of funds. The lawyer is ultimately responsible even if nonlawyers are assigned certain accounting tasks for those funds; for example, bookkeeping and banking related to client trust accounts. (See Rules Prof. Conduct, rule 5.3.)

Accounting and recordkeeping activities are only one part of a lawyer's duties to properly handle entrusted funds. Other duties include, for example, the responsibility for giving notice to the client or other person that funds were received on behalf of the client or other person and identifying and resolving disputes about entitlement to trust funds. These duties ordinarily are not the job of a firm's bookkeeper. All of these responsibilities are considered nondelegable duties. The proactive regulation, reporting,

and monitoring of CTAPP are intended to promote a lawyer's compliance and prevent avoidable financial harm to clients. The only aspect of CTAPP reporting that can be fulfilled by the lawyer's firm is the annual registration of client trust accounts by a firm or organization that is registered with the State Bar's Agency Billing platform.

2.8 The self-assessment asks about tasks that I do not personally perform (e.g., conducting a monthly reconciliation) but I believe other persons in my firm are responsible for those tasks. How do I complete those items in the self-assessment?

A subordinate lawyer may consult a supervisory lawyer to confirm that duties that are not personally performed are being properly discharged by others in the firm. For example, a subordinate lawyer may ask the attorney who manages the firm's client trust accounts whether monthly reconciliations are performed on the client trust accounts. Absent information to the contrary, the subordinate lawyer may reasonably rely on that guidance in completing the self-assessment.

[Rules of Professional Conduct 5.1](#)

[Rules of Professional Conduct 5.2](#)

2.9 Why am I being required to take a self-assessment on client trust accounting practices, and is it a wrong answer if I respond "no" to any of the self-assessment items?

The required self-assessment is a tool to help attorneys evaluate their current practices and to provide citations to relevant rules and other references, including sections of the [Handbook on Client Trust Accounting for California Attorneys](#). The objective is to promote awareness of duties and facilitate thoughtful consideration of any possible changes to an attorney's current practices.

Given the great variety of practice settings, including situations where an attorney's practice is conducted in part or completely in another state with different rules, an attorney might appropriately respond "no" to a self-assessment item. Responding "no" should not be considered a wrong answer when that response accurately reflects an attorney's current practices. In taking the self-assessment, if an attorney is unsure about how California rules and recordkeeping standards apply to a specific practice setting, an inquiry to the [Ethics Hotline](#) research service at 800-238-4427 (toll-free in California) can be helpful. The Ethics Hotline might be able to provide more citations and resource references than the ones included in the self-assessment. The Ethics Hotline cannot provide legal advice, nor tell you how to comply with any of the CTAPP requirements, including the self-assessment.

Only by thoughtfully and honestly completing the self-assessment will an attorney realize the benefits of this compliance tool. Please keep in mind that the self-assessment questions are framed in the present tense and as such, they do not elicit information about prior conduct. Most importantly, what is learned from the self-assessment should inform an attorney's future conduct in providing competent and

professionally responsible services when handling funds and property of clients and others.

2.10 I don't handle entrusted funds. Do I have to report?

If you do not have a trust account and do not need one because you are not responsible for complying with any of the requirements or prohibitions in rule 1.15, you can answer "no" to the two questions in CTAPP Step 1: Annual Client Trust Account Reporting. These questions pertain to (1) whether you maintained any trust accounts under [Business and Professions Code section 6211, subd. \(a\)](#) where the interest is paid to the State Bar, also known as an Interest of Lawyer's Trust Account (IOLTA) and (2) whether you maintained any trust accounts under [Business and Professions Code section 6211, subd. \(b\)](#) where the interest is payable to a client or third person, also known as non-IOLTA trust accounts. After submitting that response and declaring the information is true, your compliance with CTAPP would be deemed complete.

If your practice does not require a client trust account, you do not need to open one to report it to the State Bar as part of the CTAPP requirements. If you have questions about using trust accounts, including whether you are responsible for complying with any of the requirements or prohibitions in rule 1.15 or whether you need a trust account, please contact the State Bar's [Ethics Hotline](#) research service at 800-238-4427 (toll-free in California). The Ethics Hotline might be able to provide helpful citations and resource references. The Ethics Hotline cannot provide legal advice, nor tell you how to comply with any of the CTAPP requirements, including the self-assessment.

[Rule of Professional Conduct 1.15](#)

2.11 I have a client trust account, but I don't have any client funds in it. Do I have to report it?

Yes. Even if you do not currently hold funds in your client trust account, you must still report and register the account. Further, regardless of whether there are client funds, third-party funds, or no funds in a trust account, an attorney has the CTA obligations set forth in the standards in rule 1.15.

The definition of a client trust account is "any bank account or accounts opened to receive or hold funds in accordance with rule 1.15(a) of the Rules of Professional Conduct, regardless of the amount of funds in the account, and includes, but is not limited to, any IOLTA account under Business and Professions Code section 6211, subdivision (a) where the interest is paid to the State Bar; and any accounts established under Business and Professions Code section 6211, subdivision (b) where the interest is payable to a client or other person."

[Rule of Professional Conduct 1.15](#)
[State Bar Rules, Title 2, Division 1, rule 2.5](#)

2.12 I am a sole practitioner and have a legal entity (e.g., APC, Law Offices, etc.). For the questions in Step 1: Annual Client Trust Account Reporting, do I answer that I maintain the accounts or that a firm maintains them on my behalf?

As a sole practitioner, you likely maintain the account yourself or have a bookkeeper maintain the account and have access to the account information (e.g., routing number, account number, balance, etc.). In that sense, you can answer that you maintain the account. Generally, we provide the option that “a firm or organization maintained [an account] on my behalf” for people who do not have access to the account information and who, during Step 2: Account Registration, would select “My firm or organization administrator informed me that the IOLTA and/or Non-IOLTA account details will be reported by my firm or organization on my behalf through the State Bar's Agency Billing application. I understand that it is my responsibility to ensure that my CTAPP reporting is complete, including that my firm or organization reports any account details maintained on my behalf.” However, provided the sole practitioner provides their account information in Step 2 or provides it through the Agency Billing application, they can select the answer, “a firm or organization maintained [a trust account] on my behalf” in Step 1, if they prefer.

2.13 I do not maintain my own trust account, but I work for a firm that has a trust account. How do I know if the firm trust account is maintained “on my behalf?”

Rule 1.15 requires attorneys who handle trust funds to hold those funds in one or more interest-bearing bank accounts labeled as a “Trust Account,” or words of similar import. If, at any point in the reporting period, you were responsible for complying with any of the requirements or prohibitions in rule 1.15 (e.g., responsibilities for safekeeping of funds, to identify and discharge liens, notify clients that funds have been received, etc.), regardless of whether someone else ultimately performed this function, you are required to have a trust account. If funds were deposited into the firm’s trust account(s), then that trust account/those trust accounts are maintained, at least in part, on your behalf. Therefore, if, at any point in the reporting period, you were responsible for complying with any of the requirements or prohibitions in rule 1.15, you should answer, “Yes, a firm or organization maintained [a trust account] on my behalf...” to at least one of the questions in CTAPP Step 1: Annual Client Trust Account Reporting and thereafter complete the remaining CTAPP requirements. If you do not have access to the account information, in Step 2: Account Registration, you may indicate that the information will be reported on your behalf.

If you have further questions about trust accounts, including whether you are responsible for complying with rule 1.15, whether you need a trust account, the rules of trust accounting, the recent changes to the rules regarding the safekeeping of funds, etc., please contact the State Bar’s Ethics Hotline research service at 800-238-4427 (toll-free in California). The Ethics Hotline cannot provide legal advice, nor tell you how to comply with any of the CTAPP requirements, including whether to answer “yes” or “no” in any portion of the CTAPP reporting requirements.

2.14 I am a licensed attorney and also a non-legal professional (e.g., probate trustee, investment advisor, real estate agent, business manager, etc.), do the Rules of Professional Conduct (e.g., rule 1.15) apply and do I need to report and register any trust account as part of CTAPP?

When a licensee performs both legal and non-legal professional services for a client, the licensee is subject to Rules of Professional Conduct with respect to all of those services. (See Formal Opinions [1982-69](#), [1995-141](#), and [1999-154](#)). Therefore, a key question is whether the licensee is performing legal services and, as a result, is subject to rule 1.15 and the other Rules of Professional Conduct. If not, and the licensee is merely a real estate broker who happens to be a lawyer, rule 1.15 may not apply. Similarly, if the licensee is a trustee but did not perform any legal services related to the creation of the trust and does not perform any legal services related to the trust, rule 1.15 may not apply. On the other hand, if the licensee is acting as both the real estate lawyer and broker, and the lawyer receives entrusted funds from, or for, the transaction, rule 1.15 would apply, and any accounts need to be reported and registered as part of the licensee's CTAPP compliance. The same is true of lawyers providing other non-legal professional services, regardless of whether they, as a trustee, for example, report to the probate court.

If you have further questions on dual capacity, including whether you are responsible for complying with any of the requirements or prohibitions in rule 1.15, please contact the State Bar's Ethics Hotline research service at 800-238-4427 (toll-free in California). The Ethics Hotline cannot provide legal advice, nor tell you how to comply with any of the CTAPP requirements, including whether to answer "yes" or "no" in any portion of the CTAPP reporting requirements.

2.15 I was placed on involuntary inactive status for failure to comply with the CTAPP reporting requirements. Now what?

While a licensee is on inactive status, that licensee cannot practice law. An inactive licensee who engages in the practice of law may be guilty of a misdemeanor. (See Bus. & Prof. Code, section 6125 – 6126, 6068, subd.(a), 6106. See also [In the Matter of Burke \(Review Dept. 2016\) 5 Cal. State Bar Ct. Rptr. 448](#).) Additionally, a licensee on inactive status may have a duty to inform their client(s) or a tribunal that they are ineligible to practice law. (See Rules of Professional Conduct 1.4 and 3.3.) If you have further questions about the unauthorized practice of law, please contact the State Bar's Ethics Hotline research service at 800-238-4427 (toll-free in California). The Ethics Hotline cannot provide legal advice, nor tell you how to comply with any of the CTAPP requirements, including whether to answer "yes" or "no" in any portion of the CTAPP reporting requirements.

Reinstatement of your license requires payment of any applicable fees, completion of the past due CTAPP reporting requirements, and applying for reinstatement. To submit

payment of applicable fees, please log in to your [My State Bar Profile](#), go the "State Bar Fees" section in your profile, and then use the "Calculate and Pay My 2024 Fees" link. To complete your past due CTAPP reporting requirements and apply for reinstatement, complete the [CTAPP reinstatement form](#).

2.16 How do I report changes to my trust accounts outside of the annual CTAPP reporting period (rule 2.2(C) of the Rules of the State Bar)?

A lawyer must report any changes to their client trust account to the State Bar within 30 days. A lawyer may add or close an account using the 30-Day Reporting window in My State Bar Profile, and a firm administrator may add or close an account or add or remove an attorney from an account through the 30-Day Reporting window in the Agency Billing platform. When a firm administrator adds a new attorney or removes an attorney from a trust account, they provide the effective date and reason for the disassociation as part of the reporting.

[State Bar Rules, Title 2, Division 1, rule 2.2](#)

2.17 The bank holding my trust account was bought out by another bank. The new bank changed my routing number and account number, but I cannot update those fields during my CTAPP reporting. How do I report this change to my account?

The trust account reporting system does not allow changes to routing numbers or account numbers of previously registered trust accounts. To report this change, please close the registration of the existing account by clicking the Edit link to the left of the account and then entering, in the close date field, the date the account was changed to the new routing and account number. You will also need to enter the balance on that date.

You can then register the account with the new routing number and account number. In the open date field, please enter the date the account was changed to the new routing and account number. Please be sure to enter the bank balance of the new account as of December 31, 2023.

3. REQUIREMENTS FOR LAWYERS PRACTICING IN MULTIPLE JURISDICTIONS

3.1 I am licensed in multiple jurisdictions, and I maintain an active California license; however, I do not represent any California clients, I do not have any matters pending in California, and I do not have any client funds in California or any funds from clients in California. Do I need to report my out-of-state accounts?

Unless exempt (see FAQ 2.3, above), California licensees, regardless of where they practice, must still comply with the CTAPP reporting requirements. To answer the Step 1: Annual Client Trust Account Reporting questions, licensees must determine whether they are responsible for client funds and funds entrusted by others under the provisions

of rule 1.15 of the California Rules of Professional Conduct. (See Rules Prof. Conduct, rule 8.5.) If so, because rule 1.15 of the California Rules of Professional Conduct requires attorneys who handle trust funds to hold those funds in one or more client trust accounts labeled as a “Trust Account,” or words of similar import, the licensee must answer “yes” to at least one of the CTAPP Annual Client Trust Account Reporting questions of whether they maintained any trust accounts under Business and Professions Code section 6211, subdivision (a) where the interest is paid to the State Bar, also known as an Interest of Lawyer’s Trust Account (IOLTA) or trust accounts under Business and Professions Code section 6211, subdivision (b) where the interest is payable to a client or other person, also known as non-IOLTA trust accounts, and complete the remaining CTAPP requirements.

Only if the licensee is not responsible for any client funds and funds entrusted by others under rule 1.15 of the California Rules of Professional Conduct may the licensee answer “no” to the CTAPP Annual Client Trust Account Reporting questions.

For information on reporting an IOLTA account outside California, please refer to CTAPP FAQ 3.3, below.

[Rule of Professional Conduct 1.15](#)

[Rule of Professional Conduct 8.5](#)

3.2 I am licensed in multiple jurisdictions, and I maintain an active California license. I have clients in California and clients in another jurisdiction, and I maintain client trust accounts in California and another jurisdiction. Do I need to report my client trust accounts located in another jurisdiction?

Unless exempt (see CTAPP FAQ 2.3, above), California licensees, regardless of where they practice, must still comply with the CTAPP reporting requirements. A licensee who was responsible for client funds and funds entrusted by others under the provisions of rule 1.15 of the California Rules of Professional Conduct must, annually, register **each and every** trust account in which the licensee held such funds at any time during the reportable time period by identifying account numbers and financial institutions in a manner prescribed by the State Bar for such reporting. There is no exception for out-of-state accounts.

[Rule of Professional Conduct 1.15](#)

[State Bar Rules, Title 2, Division 1, rule 2.5](#)

3.3 How do I report IOLTA accounts outside of California?

In general, under rule 1.15(a) of the Rules of Professional Conduct, a licensee’s trust accounts must be maintained in California, or, with the written consent of the client, in another jurisdiction where there is a substantial relationship between the client or the client’s business and that other jurisdiction. Therefore, if licensees are entitled to hold

IOLTA accounts outside of California, they will need to register those accounts as Non-CA IOLTA accounts by selecting “Add Account” in My State Bar Profile, or, if using the Agency Billing application, select “Manage Accounts.”

[Rule of Professional Conduct 1.15](#)

3.4 I have an IOLTA account outside California. In question 1 of the self-assessment, how can I affirm that any funds held in an IOLTA account are maintained in an IOLTA-eligible institution identified on the State Bar of California’s website if the account is held outside California by an institution not on the approved list?

Under Business and Professions Code section [6212](#), attorneys that established an IOLTA account pursuant to subdivision (a) of Business and Professions Code section [6211](#), may hold IOLTA accounts only at eligible financial institutions. Rule 1.15(a) of the California Rules of Professional Conduct generally requires that trust accounts for California clients be maintained in California. You are permitted to hold client funds in an IOLTA account outside California if your client is from somewhere other than California or if your California client has a substantial relationship with the other jurisdiction and has provided written consent. Consistent with the inherent scope of these California provisions, question 1 of the self-assessment relates to whether funds held in a **California** IOLTA account are held in an IOLTA-eligible institution identified on the [State Bar website](#).

3.5 Do I need to report non-U.S. bank accounts?

Unless exempt (see FAQ 2.3, above), California licensees, regardless of where they practice, must still comply with the CTAPP reporting requirements. Licensees must report and register each and every trust accounts in any location if (1) they acted as a signatory or exercised managerial or primary administrative oversight for a trust account held pursuant to rule 1.15 of the California Rules of Professional Conduct or (2) were otherwise responsible for complying with any of the requirements or prohibitions in rule 1.15 of the California Rules of Professional Conduct (e.g., responsibilities for safekeeping of funds, to identify and discharge liens, notify clients that funds have been received, etc.).

Currently, CTAPP reporting features do not allow licensees to enter non-U.S. routing and account numbers. Therefore, for all non-U.S. trust accounts, during the Step 2: Account Registration, select, “If you selected Yes to the IOLTA or Non-IOLTA question in Step 1, but are unable to register that IOLTA (CA or Non-CA) and/or Non-IOLTA because you do not have some of the required information, please describe why below:”, then select “Other,” and in the box provided, list all non-U.S. bank accounts, including bank name, account number, and country of origin. In future years, we expect enhancements to the reporting application will make it possible for licensees and agencies to report non-U.S. trust account information.

4. LAW FIRM REPORTING

4.1 Can my firm register on my behalf?

Law firms and organizations can complete only one portion of the requirements for the lawyers who work for them, which is registering trust accounts on their behalf. Even if the firm registers the account on behalf of the lawyer, the lawyers must still log into their My State Bar Profile page and complete the initial report of whether they maintained a CTA or one was maintained on their behalf, the self-assessment, the certification that they are knowledgeable about and in compliance with the rules regarding the safekeeping of funds, and the declaration.

If the firm or organization that you are currently employed by or in practice with is registered with the State Bar's Agency Billing platform, the firm or organization may register the client trust accounts on the lawyer's behalf. However, the State Bar must receive the trust account registration data by the February 1 deadline. If you or your firm or organization fail to report this information by the deadline, you will be assessed a noncompliance penalty. If you still do not comply, the State Bar will enroll you as involuntarily inactive. Please contact your firm or organization administrator to confirm whether they will report the trust account registration data on your behalf. The firm must identify each licensee who is covered by the firm's submission of account information on behalf of the firm's lawyers. Lawyers can determine whether their firm has reported account information on their behalf by viewing a summary of their CTAPP reporting in their MSBP. Here is a [guide](#) on how to view the summary.

RELATED RULES

[California Rules of Court, rule 9.8.5](#)
[State Bar Rules, Title 2, Division 1, rule 2.5](#)
[Rules of Professional Conduct 1.15](#)
[Rules of Professional Conduct 1.4](#)

UPDATES

1/4/2024: Question 2.14 was updated.

12/11/2023: Questions 2.4, 2.5, and 2.15 were updated. Question 2.17 was added.

11/8/2023: This FAQ was completely updated and reorganized for the 2024 fee cycle.