



Client Trust Accounts: New Duties and Responsibilities in 2026

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New bank statutory duties:

1. Collect and retain an attorney's State Bar license number.
2. File reports regarding certain client trust accounts ("CTA").
3. Attorney's obligation to furnish license number.
4. IOLTA obligations not affected.
5. Banks afforded protection against private right of action.

Effective January 1, 2026, when opening a new CTA, a bank must collect and retain an attorney's State Bar license number.

Obligation to collect only if the attorney makes the number available.

A bank may open a CTA even if the attorney does not tender a number, provided the bank conforms to its "know your customer" and other BSA policies.



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NOTICE TO FINANCIAL INSTITUTION TO ESTABLISH TRUST ACCOUNT AND PROVIDE DESIGNATED LICENSEE NAME AND STATE BAR NUMBER

Attorney Information

INSTRUCTIONS TO ATTORNEYS: All funds a lawyer receives in connection with legal representation in which a client or a third party has an interest must be deposited in a trust account. Entrusted funds must be held in either an unsegregated trust account, also known as an Interest on Lawyer's Trust Account (IOLTA) or a non-IOLTA type trust account. Business and Professions Code section 6211, subdivision (a) requires attorneys or law firms that receive or disburse client funds in trust to establish an IOLTA, for any such funds that are nominal in amount or that are on deposit or invested for a short period. Funds that are larger than nominal or will be held for longer periods should be deposited into individual, interest-bearing, non-IOLTA accounts. See Business and Professions Code section 6211, subdivision (b). This obligation is further described in the Business and Professions Code and in "Guidelines for Attorneys."

Pursuant to subdivision (d) of section 6091.3 of the Business and Professions Code and subsection (F) of rule 2.5 of the Rules of the State Bar, attorneys or firms must (1) Complete this form for all applicable associated client trust accounts (one form for each account), (2) serve the completed form on the financial institution pursuant to section 684.115 of the Code of Civil Procedure, (3) take a copy of this form to your financial institution branch when opening or updating the registration information (make sure the financial institution is eligible to offer IOLTA accounts if you are opening or updating an IOLTA), and (4) update your trust account registration and contact information via My State Bar Profile and/or Agency Billing within 30 days of any changes to your trust account or contact information.

Purpose: (Check One) [] Open new IOLTA [] Open new non-IOLTA [] Update existing IOLTA Account Holder Information [] Update existing non-IOLTA Account Holder Information

Law Firm Name: _____
Designated Licensee Name:* _____
Designated Licensee State Bar Number:* _____
Name of Financial Institution: _____
Trust Account Name: _____
Trust Account Number: _____
Mailing Address Line 1: _____
Mailing Address Line 2: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Email Address: _____

*If the trust account is maintained by a law firm, the law firm must assign a member who is a current State Bar licensee to be the designated licensee. See subsection (D) of rule 2.4 of the Rules of the State Bar and subsection (E) of rule 2.5 of the Rules of the State Bar for more information.

Financial Institution Information

INSTRUCTIONS TO FINANCIAL INSTITUTIONS: Attorneys must serve this form on financial institutions under section 6091.3 of the Business and Professions Code. Financial institutions receiving a State Bar license number shall incorporate the license number into its books and records under subdivision (e) of section 6091.3 of the Business and Professions Code.

All attorney trust accounts should be designated as fiduciary accounts in the attorney or law firm's name. All CA IOLTA accounts must bear the State Bar of California's Taxpayer Identification Number 94-6001385 to ensure that interest or dividends generated by this account will be paid to the State Bar's IOLTA program. No IRS Form 1099 is required to be filed for IOLTA accounts. IOLTA accounts are NOT subject to backup withholding. All IOLTA accounts must earn interest or dividends comparable to those earned by other accounts of similar size at the same financial institution. Interest in accordance with your standard account disclosure must be remitted monthly or quarterly, pursuant to Business and Professions Code sections 6212 and 6213. Bank statements should not be sent to the State Bar unless specifically requested.

Effective March 1, 2026, and annually on or before March 1 thereafter, a bank must file a report to the State Bar detailing the following for each CTA for which the bank has a State Bar license number:

- 1. The name of the bank.**
- 2. The name of the attorney or law firm associated with the CTA.**
- 3. The complete account number of the CTA.**
- 4. The attorney's license number.**
- 5. The CTA balance as of December 31 of the previous year.**

Note this duty to report attaches only as to a CTA for which the bank has a license number.





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No later than July 1, 2026, under a new form, the State Bar will require a California licensed attorney to furnish the attorney's license number to a bank where the attorney maintains a CTA.

If the CTA is maintained by a law firm, the firm must designate a member of the firm to provide the number.

The completed form must be submitted to the central location designated by the bank for service of legal process pursuant to Code of Civil Procedure section 684.115.

The bank receiving the form must incorporate into its books and records the attorney's license number for known CTAs where the number was not previously collected.



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These new duties and responsibilities do not impact a bank's obligations relating to an IOLTA.

The bank must continue to report IOLTAs and pay interest on IOLTAs.

Statutory protection is afforded to a bank and its officers, directors, and employees against a private right of action with regard to the discharge or the failure to discharge these new obligations.



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Questions?