

# **Legal Profession (Accountant's Report) Rules**

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## **THE SCHEDULE**

## **Legislative History**

LEGAL PROFESSION ACT  
(CHAPTER 161, SECTION 73(4))

LEGAL PROFESSION (ACCOUNTANT'S REPORT) RULES

R 10

G.N. No. S 204/1985

REVISED EDITION 2010

(31st May 2010)

[8th August 1985]

**Citation**

1. These Rules may be cited as the Legal Profession (Accountant's Report) Rules.

**Definitions**

2. In these Rules —

“approved finance company” means any finance company registered under the Finance Companies Act (Cap. 108) which is approved by the Minister to accept either or both of the following:

- (a) deposits of client's money for the purposes of these Rules;
- (b) deposits of conveyancing money for the purposes of these Rules and the Conveyancing and Law of Property (Conveyancing) Rules 2011 (G.N. No. S 391/2011);

*[S 182/2012 wef 04/05/2012]*

“bank” has the same meaning as in the Banking Act (Cap. 19);

“bank statement” means a statement issued by a bank in respect of any client account, conveyancing account or conveyancing (CPF) account maintained at such bank, and includes a statement issued by an approved finance company in respect of any client account, conveyancing account or conveyancing (CPF) account maintained at such finance company;

*[S 396/2011 wef 01/08/2011]*

*[S 182/2012 wef 04/05/2012]*

“Central Provident Fund Board” means the Central Provident Fund Board constituted under the Central Provident Fund Act (Cap. 36);

*[S 396/2011 wef 01/08/2011]*

“client”, “client account”, “client's money” and “trust money” have the meanings

respectively assigned to them by the Legal Profession (Solicitors' Accounts) Rules (R 8);

“conveyancing account”, “conveyancing (CPF) account” and “conveyancing money” have the same meanings as in rule 2(2) of the Conveyancing and Law of Property (Conveyancing) Rules 2011;

*[S 396/2011 wef 01/08/2011]  
[S 182/2012 wef 04/05/2012]*

“Public Accountants Oversight Committee” means the Public Accountants Oversight Committee appointed under section 4 of the Accountants Act (Cap. 2);

“trust account” has the meaning assigned to it by the Legal Profession (Solicitors' Trust Accounts) Rules (R 9).

### **Qualified accountant**

3.—(1) An accountant shall be qualified to give an accountant's report on behalf of a solicitor if —

- (a) he is practising in Singapore and is authorised to practise as a public accountant under the Accountants Act;
- (b) he has neither been at any time during the accounting period, nor subsequently, before giving the report, become —
  - (i) a partner or an employee of the solicitor or of any partner of his; or
  - (ii) a partner, a director, a member or an employee of a limited liability law partnership, a law corporation, a Joint Law Venture, a constituent foreign law practice (of a Joint Law Venture), a Qualifying Foreign Law Practice or a licensed foreign law practice in which the solicitor is a partner or director; and
- (c) he is not subject to a notice of disqualification under paragraph (2) or under rule 11A(4) of the Legal Profession (Solicitors' Accounts) Rules.

(2) Where —

- (a) the Public Accountants Oversight Committee has made a disciplinary order against a public accountant under section 52(2) of the Accountants Act (Cap. 2) or an equivalent provision under the repealed Accountants Act (Cap. 2, 2001 Ed.); or
- (b) the Council is satisfied that a solicitor has not complied with the provisions of the Legal Profession (Solicitors' Accounts) Rules (R 8) in respect of

matters not specified in an accountant's report and that the accountant who gave the report was negligent in giving the report, whether or not an application be made for a grant out of the Compensation Fund,

the Council may, in its discretion, at any time notify the accountant that he is not qualified to give an accountant's report.

(3) The Council may give notice, of the fact that an accountant is not qualified to give an accountant's report, to any solicitor who appears to the Council to be likely to engage or employ that accountant for the purpose of giving an accountant's report or to be a book-keeper for the purposes of rule 11(8) of the Legal Profession (Solicitors' Accounts) Rules.

(4) After the accountant has been notified by the Council that he is not qualified to give an accountant's report and until such notice of disqualification has been withdrawn by the Council, he shall not —

- (a) be qualified to give an accountant's report; and
- (b) be engaged or employed as a book-keeper for the purposes of rule 11(8) of the Legal Profession (Solicitors' Accounts) Rules.

(5) In coming to its decision, the Council shall (if the decision is based on a matter referred to in paragraph (2)(a)) take into consideration any observation or explanation made or given by the accountant or on his behalf by the Public Accountants Oversight Committee.

### **Duties of accountant**

4.—(1) For the purpose of giving an accountant's report, an accountant shall ascertain from the solicitor particulars of all accounts (excluding trust accounts) maintained by the solicitor at any bank or with any approved finance company kept, maintained or operated by the solicitor in connection with his practice at any time during the accounting period to which his report relates and, subject to paragraph (2), make the following examinations of the books, accounts and other relevant documents of the solicitor:

- (a) examine the book-keeping system in every office of the solicitor so as to enable the accountant to verify that such system complies with rule 11 of the Legal Profession (Solicitors' Accounts) Rules (R 8), and is so designed that —
  - (i) an appropriate ledger account is kept for each client;
  - (ii) such ledger accounts show separately from other information

particulars of all client's money, conveyancing money and other money received, held or paid on account of each client; and

*[S 396/2011 wef 01/08/2011]*

- (iii) transactions relating to client's money and any other money dealt with through a client account, and transactions relating to conveyancing money dealt with through a conveyancing account or conveyancing (CPF) account, are recorded in the solicitor's books so as to distinguish such transactions from transactions relating to any other money received, held or paid by the solicitor;

*[S 396/2011 wef 01/08/2011]*

(b) make test checks of —

- (i) postings to clients' ledger accounts from records of receipts and payments of —

- (A) client's money and any other money dealt with through a client account; and

- (B) conveyancing money dealt with through a conveyancing account or conveyancing (CPF) account; and

- (ii) the costs of each client account, conveyancing account and conveyancing (CPF) account (if any) and of such records;

*[S 396/2011 wef 01/08/2011]*

(c) compare —

- (i) a sample of lodgments into and payments from a client account (as shown in bank statements) with the solicitor's records of receipts and payments of client's money and any other money dealt with through the client account; and

- (ii) a sample of lodgments into and payments from a conveyancing account or conveyancing (CPF) account (as shown in bank statements) with the solicitor's records of receipts and payments of conveyancing money dealt with through the conveyancing account or conveyancing (CPF) account, as the case may be; and

*[S 396/2011 wef 01/08/2011]*

- (d) enquire into and test check the system of recording costs and of making transfers in respect of costs from each client account, conveyancing account and conveyancing (CPF) account (if any);