

Legal Profession (Solicitors' Accounts) Rules

Table of Contents

1 Citation

2 Definitions

3 Client accounts

4 Moneys to be paid into client account

5 Splitting of moneys

6 No money other than money under rules 3, 4 and 5 to be paid into client account

7 Moneys which may be drawn from client account

8 Money from client account — how drawn

9 Where solicitor under no obligation to pay client's money into client account

10 Transfers between accounts

11 Cash books, ledgers, journals, etc.

12 Power of Council to require production of books of account, etc.

13 Intimation of costs incurred

14 Requirements of Council — how made

15 Saving

Legislative History

LEGAL PROFESSION ACT
(CHAPTER 161, SECTION 72(1))

LEGAL PROFESSION (SOLICITORS' ACCOUNTS) RULES

R 8

REVISED EDITION 1999

(1st January 1999)

[8th August 1985]

Citation

1. These Rules may be cited as the Legal Profession (Solicitors' Accounts) Rules.

Definitions

- 2.—(1) In these Rules, unless the context otherwise requires —

“approved finance company” means any finance company registered under the Finance Companies Act (Cap. 108) which is approved by the Minister to accept deposits of client's money for the purposes of these Rules;

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

“bank pass book” and “bank statement” mean, respectively, a pass book and a statement issued by a bank in respect of any client account maintained at such bank, and includes a pass book and a statement issued by an approved finance company in respect of a client account maintained at such finance company;

“client” means any person on whose account a solicitor holds or receives client's money;

“client account” means —

(a) a current or deposit account maintained in the name of a solicitor at a bank; or

(b) a deposit account maintained in the name of a solicitor with an approved finance company,

in the title of which account the word “client” appears;

“client's money” means money held or received by a solicitor on account of a person for whom he is acting in relation to the holding or receipt of such money either as a solicitor, or in connection with his practice as a solicitor, agent,

bailee, stakeholder or in any other capacity, but does not include —

- (a) money held or received on account of the trustees of a trust of which the solicitor is solicitor-trustee; or
- (b) money to which the only person entitled is the solicitor himself or, in the case of a firm of solicitors, one or more of the partners in the firm;

“solicitor” means an advocate and solicitor of the Supreme Court and includes a firm of solicitors ;

“solicitor-trustee” means a solicitor who is the sole trustee or co-trustee only with one or more of his partners or employees;

“trust money” means money held or received by a solicitor which is not client’s money and which is subject to a trust of which the solicitor is a trustee whether or not he is the solicitor-trustee of such trust.

(2) In these Rules, the references to accounts, books, ledgers, journals and records shall include loose-leaf books and such cards or other permanent documents or records as are necessary for the operation of any system of book-keeping, computerised, mechanical or otherwise.

Client accounts

3.—(1) Subject to rule 9, every solicitor who holds or receives client’s money, or money which under rule 4 he is permitted and elects to pay into a client account, shall without delay pay such money into a client account.

(2) Any solicitor may keep one client account or as many such accounts as he thinks fit.

Moneys to be paid into client account

4. There may be paid into a client account —

- (a) trust money;
- (b) such money belonging to the solicitor as may be necessary for the purpose of opening or maintaining the account;
- (c) money to replace any sum which for any reason may have been drawn from the account in contravention of rule 8(2); and
- (d) money received by the solicitor, which under rule 5 he is entitled to split but which he does not split.

Splitting of moneys

5. Where a solicitor holds or receives money which includes client's money or trust money of one or more trust —

- (a) he may where practicable split such money and, if he does so, he shall deal with each part thereof as if he had received a separate sum of money in respect of that part; or
- (b) if he does not split the money, he shall, if any part thereof consists of client's money, and may, in any other case, pay the money into a client account.

No money other than money under rules 3, 4 and 5 to be paid into client account

6.—(1) No money, other than money under rules 3, 4 and 5 which a solicitor is required or permitted to pay into a client account, shall be paid into a client account.

(2) It shall be the duty of a solicitor into whose client account any money has been paid in contravention of this rule to withdraw the money without the delay on discovery.

Moneys which may be drawn from client account

7.—(1) There may be drawn from a client account —

- (a) in the case of client's money —
 - (i) money properly required for a payment to or on behalf of the client;
 - (ii) money properly required in full or partial reimbursement of money expended by the solicitor on behalf of the client;
 - (iii) money drawn on the client's authority;
 - (iv) money properly required for or towards payment of the solicitor's costs where a bill of costs or other written intimation of the amount of the costs incurred has been delivered to the client and the client has been notified that money held for him will be applied towards or in satisfaction of such costs; and
 - (v) money to be transferred to another client account;
- (b) in the case of trust money —
 - (i) money properly required for a payment in the execution of the particular trust; and

- (ii) money to be transferred to a separate bank account kept solely for the money of the particular trust;
- (c) such money, not being money to which sub-paragraph (a) or (b) applies, as may have been paid into the account under rule 4(b) or 5(b); and
- (d) money which for any reason may have been paid into the account in contravention of rule 6.

(2) In the case of client's money and trust money referred to in paragraph (1)(a) and (b), the money so drawn shall not exceed the total of the money held for the time being in the client account on account of the client or trust.

Money from client account — how drawn

8.—(1) Except as provided under rule 7, no money shall be drawn from a client account unless the Council upon an application made to it by the solicitor specifically authorises in writing such withdrawal.

(2) No money shall be drawn from a client account under rule 7(1)(a)(ii) or (iv), (c) or (d) except by —

- (a) a cheque drawn in favour of the solicitor; or
- (b) a transfer to a bank account in the name of the solicitor not being a client account.

(3) No money shall be drawn from a client account under rule 7(1)(c) or (d) by a cash cheque.

Where solicitor under no obligation to pay client's money into client account

9.—(1) Notwithstanding the provisions of these Rules, a solicitor shall not be under obligation to pay into a client account client's money held or received by him —

- (a) in the form of cash, and is without delay paid in cash in the ordinary course of business to the client or on his behalf to a third party;
- (b) in the form of a cheque or draft which is endorsed over in the ordinary course of business to the client or on his behalf to a third party and is not passed by the solicitor through a bank account or an account with an approved finance company account; or
- (c) which he pays into a separate bank account or into a separate account with an approved finance company opened or to be opened in the name of the client or of some person designated by the client in writing.