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LEGAL PROFESSION ACT
(CHAPTER 161)

LEGAL PROFESSION
(LAW CORPORATION) (AMENDMENT)
RULES 2012

In exercise of the powers conferred by section 81N of the Legal Profession Act, the Minister for Law, after consulting the Council of the Law Society of Singapore, hereby makes the following Rules:

Citation and commencement

1. These Rules may be cited as the Legal Profession (Law Corporation) (Amendment) Rules 2012 and shall come into operation on 1st June 2012.

New rule 1A

2. The Legal Profession (Law Corporation) Rules (R 21) (referred to in these Rules as the principal Rules) are amended by inserting, immediately after rule 1, the following rule:

“Definitions

1A.—(1) In these Rules, unless the context otherwise requires, “law firm” means a firm of solicitors and includes a sole proprietorship and a partnership of 2 or more solicitors, but does not include a limited liability law partnership.

(2) For the purposes of these Rules, a law corporation and a law firm (being a sole proprietorship) are related if —

- (a) every shareholder of the law corporation is the sole proprietor, a consultant or an employee of the law firm; and
- (b) every director, consultant or employee of the law corporation is the sole proprietor, a consultant or an employee of the law firm.

(3) For the purposes of these Rules, a law corporation and a law firm (being a partnership of 2 or more solicitors) are related if —

- (a) every shareholder of the law corporation is a partner, a consultant or an employee of the law firm; and
- (b) every director, consultant or employee of the law corporation is a partner, a consultant or an employee of the law firm.

(4) For the purposes of these Rules, a law corporation and a limited liability law partnership are related if —

- (a) either of the following applies:
 - (i) the limited liability law partnership is the sole shareholder of the law corporation; or
 - (ii) every shareholder of the law corporation is a partner, a consultant or an employee of the limited liability law partnership; and
- (b) every director, consultant or employee of the law corporation is a partner, a consultant or an employee of the limited liability law partnership.

(5) For the purposes of these Rules, 2 law corporations are related if —

- (a) either of the following applies:
 - (i) the first law corporation is the sole shareholder of the second law corporation; or
 - (ii) every shareholder of the second law corporation is either or both of the following:
 - (A) a shareholder of the first law corporation;
 - (B) a director, a consultant or an employee of the first law corporation; and
- (b) every director, consultant or employee of the second law corporation is a director, a consultant or an employee of the first law corporation.”.

New rules 10, 11, 12, 13, 14 and 15

3. The principal Rules are amended by inserting, immediately after rule 9, the following rules:

“Name of law corporation with related Singapore law practice

10.—(1) Section 81C(1)(b) of the Act shall not apply to the Council in any case to which paragraph (2) applies.

(2) The Council may approve, as the name or proposed name of a law corporation, a name which, in the Council’s opinion, is so similar to that of an existing Singapore law practice as to be likely to be confused with it, if the law corporation and the Singapore law practice are related.

Relationship between client and law corporation with related Singapore law practice

11. Subject to rule 15(5), section 81E(1) and (2) of the Act shall apply to a law corporation, and to every solicitor who is an officer or employee of the law corporation, except to the limited extent necessary to enable each such solicitor to practise concurrently in a Singapore law practice that is related to the law corporation.

Concurrent appointments in law corporation and in related Singapore law practice

12.—(1) Section 81F(3)(a) of the Act shall apply to a solicitor who is a director or an employee of a law corporation, except to the limited extent necessary to enable him to hold shares in another law corporation that is related to the law corporation.

(2) Section 81F(3)(b) of the Act shall not apply to a solicitor who holds concurrent appointments as a director, a consultant or an employee of a law corporation, and as a director, a consultant or an employee of another law corporation that is related to the law corporation.

(3) Section 81F(3)(c) of the Act shall not apply to a solicitor who holds concurrent appointments as a director or an employee of a law corporation, and as a partner, a consultant or an employee of a law firm or limited liability law partnership that is related to the law corporation.

(4) Section 81F(3)(d) of the Act shall not apply to a solicitor who holds concurrent appointments as a director or an employee of a law corporation and as the sole proprietor of a law firm that is related to the law corporation.

Holding of shares in law corporation with related Singapore law practice

13.—(1) For the purposes of section 81H(2) of the Act, all the shares in a law corporation may be held by another law corporation, or by a limited liability law partnership, that is related to the law corporation.

(2) Section 81H(4)(a) of the Act shall apply to a person who holds shares in a law corporation, except to the limited extent necessary to enable him to hold shares in another law corporation that is related to the law corporation.

(3) Section 81H(4)(b) of the Act shall not apply to a director, a consultant or an employee of a law corporation who holds shares in another law corporation that is related to the law corporation.

(4) Section 81H(4)(c) of the Act shall not apply to a partner, a consultant or an employee of a law firm or limited liability law partnership who holds shares in a law corporation that is related to the law firm or limited liability law partnership (as the case may be).

(5) Section 81H(4)(d) of the Act shall not apply to a sole proprietor of a law firm who holds shares in a law corporation that is related to the law firm.

Holding of shares in law corporation by foreign lawyer or foreign law practice

14.—(1) For the purposes of section 81H(2) of the Act, any of the following persons may hold shares in a law corporation:

(a) any foreign lawyer —

(i) who is registered under section 130I of the Act to practise Singapore law, or is registered under section 130K of the Act to practise foreign law, in the law corporation; and

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- (ii) to whom the Attorney-General has granted approval under section 130L(1) of the Act to be a shareholder of the law corporation;
- (b) any foreign law practice to which the Attorney-General has granted approval under section 130L(6) of the Act to be a shareholder of the law corporation.
- (2) For the purposes of section 81H(2) of the Act, all of the persons referred to in paragraph (1)(a) and (b), collectively, shall hold not more than one-third of the total number of shares in the law corporation.
- (3) A foreign lawyer referred to in paragraph (1)(a) shall cease to be eligible to hold shares in a law corporation if —
- (a) the registration of the foreign lawyer under section 130I or 130K of the Act is cancelled, suspended or otherwise lapses; or
- (b) the approval under section 130L(1) of the Act in respect of the foreign lawyer lapses under section 130L(3) of the Act, is cancelled under section 130M(3) of the Act, or is revoked or suspended under section 130R(4) of the Act.
- (4) A foreign law practice referred to in paragraph (1)(b) shall cease to be eligible to hold shares in a law corporation if the approval under section 130L(6) of the Act in respect of the foreign law practice is cancelled under section 130M(4C) of the Act.
- (5) Where a foreign lawyer or foreign law practice has ceased to be eligible to hold shares in a law corporation, the Council may, upon application made by the foreign lawyer or foreign law practice or by the law corporation, grant the foreign lawyer or foreign law practice a grace period of not more than 2 years to transfer the shares of the foreign lawyer or foreign law practice in the law corporation.
- (6) Where a foreign lawyer who holds shares in a law corporation dies, is adjudged a bankrupt or becomes incapable to act by reason of mental or physical disability, the Council may allow the executor or administrator of the foreign lawyer's estate or any other person to hold the foreign lawyer's shares in the law corporation for a grace period of not more than 2 years.

(7) The grace period of not more than 2 years referred to in paragraph (6) shall commence —

- (a) in the case of death, from the date the administrator is appointed or the date the probate or letters of administration are granted;
- (b) in the case of bankruptcy, from the date the foreign lawyer is adjudged a bankrupt; or
- (c) in the case of incapacity by reason of mental or physical disability, from the date the foreign lawyer becomes incapable to act.

(8) The foreign lawyer or foreign law practice referred to in paragraph (5) or the executor, administrator or other person referred to in paragraph (6) shall not, during the grace period of 2 years, exercise any voting rights attached to the shares in the law corporation or take part or be concerned in the management or practice of the law corporation.

Supplementary provisions applicable to law corporation with foreign lawyer

15.—(1) This rule applies where any foreign lawyer is registered under section 130I of the Act to practise Singapore law, or is registered under section 130K of the Act to practise foreign law, in a law corporation.

(2) A foreign lawyer who provides legal services as a director or an employee of a law corporation shall be subject to the same standards of professional conduct and competence in respect of such services as if he were personally providing the legal services as a foreign lawyer in a law firm.

(3) The mere fact that a foreign lawyer personally provides legal services as a director or an employee of a law corporation shall not affect the personal liability of that foreign lawyer at law.

(4) The solicitor-client privilege that exists between a law corporation and a client of the corporation extends to every foreign lawyer who is an officer or employee of the corporation.

(5) Section 81E(1) and (2) of the Act and paragraph (4) shall apply to a law corporation, and to every solicitor or foreign lawyer who is an officer or employee of the law corporation, except to the limited extent necessary to enable each such solicitor or foreign

lawyer to practise concurrently in a Singapore law practice that is related to the law corporation.

(6) An act or omission of a foreign lawyer may constitute unsatisfactory professional conduct or professional misconduct even though it is only done or occurs while the foreign lawyer provides legal services through a law corporation.

(7) The directors of a law corporation who are solicitors shall be jointly liable to disciplinary proceedings under the Act, and the directors of the law corporation who are foreign lawyers shall be jointly liable to disciplinary proceedings under Part IXA of the Act, if the business of the law corporation is conducted in a manner unbefitting an honourable profession and where such conduct cannot be attributed to the act or omission of any particular solicitor or foreign lawyer whose identity is known.

(8) A director or an employee of a law corporation who is a foreign lawyer shall not —

- (a) hold shares in any other law corporation;
- (b) be a director or a consultant or an employee of any other law corporation; or
- (c) be a partner or a consultant or an employee of any law firm or limited liability law partnership.

(9) Paragraph (8)(a) shall apply to a foreign lawyer who is a director or an employee of a law corporation, except to the limited extent necessary to enable him to hold shares in another law corporation that is related to the law corporation.

(10) Paragraph (8)(b) shall not apply to a foreign lawyer who holds concurrent appointments as a director, a consultant or an employee of a law corporation, and as a director, a consultant or an employee of another law corporation that is related to the law corporation.

(11) Paragraph (8)(c) shall not apply to a foreign lawyer who holds concurrent appointments as a director or an employee of a law corporation, and as a partner, a consultant or an employee of a law firm or limited liability law partnership that is related to the law corporation.

(12) Where the registration of a foreign lawyer under section 130I or 130K of the Act is cancelled, suspended or otherwise lapses, or the approval under section 130L(1) of the Act in respect of a foreign lawyer lapses under section 130L(3) of the Act, is cancelled under section 130M(3) of the Act, or is revoked or suspended under section 130R(4) of the Act, the foreign lawyer shall not, directly or indirectly, take part or be concerned in the management or practice of a law corporation.”.

Amendment of Schedule

4. The Schedule to the principal Rules is amended —

(a) by deleting paragraph 2 and substituting the following paragraphs:

“2. The chairman and the managing director of the law corporation shall each be a solicitor who has in force a practising certificate.

2A. Every director (other than the chairman and the managing director) of the law corporation shall be —

(a) a solicitor who has in force a practising certificate; or

(b) a foreign lawyer —

(i) who is registered under section 130I of the Act to practise Singapore law, or is registered under section 130K of the Act to practise foreign law, in the law corporation; and

(ii) to whom the Attorney-General has granted approval under section 130L(1) of the Act to be a director of the law corporation.”;

(b) by deleting paragraph 3 and substituting the following paragraphs:

“3. The office of the chairman, the managing director or a director who is a solicitor shall become vacant if the chairman, managing director or director (as the case may be) ceases to practise as a solicitor.

3A. The office of a director who is a foreign lawyer shall become vacant if —

(a) the registration of the foreign lawyer under section 130I or 130K of the Act is cancelled, suspended or otherwise lapses; or

(b) the approval under section 130L(1) of the Act in respect of the foreign lawyer lapses under section 130L(3) of the Act, is cancelled under section 130M(3) of the Act, or is revoked or suspended under section 130R(4) of the Act.”;

(c) by deleting paragraph 4 and substituting the following paragraphs:

“4. Unless otherwise specified in the Legal Profession (Law Corporation) Rules, every share in each class of shares of the law corporation must be held by a solicitor who has in force a practising certificate.

4A. A solicitor shall cease to be eligible to hold shares in the law corporation if the solicitor ceases to practise as a solicitor.”; and

(d) by deleting paragraph 7 and substituting the following paragraph:

“7. The manner and terms of the transfer or disposal of any shares in the law corporation in the event that the person holding those shares contravenes section 81H(4) of the Act, ceases to be eligible to hold those shares, or is required under section 130M of the Act to divest those shares, shall be provided for.”.

[G.N. No. S 655/2006]

Made this 28th day of May 2012.

PANG KIN KEONG
*Permanent Secretary,
Ministry of Law,
Singapore.*

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(To be presented to Parliament under section 131 of the Legal Profession Act).