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LEGAL PROFESSION ACT (CHAPTER 161)

LEGAL PROFESSION (SOLICITORS' ACCOUNTS) (AMENDMENT) RULES 1998

In exercise of the powers conferred by section 72 (1) of the Legal Profession Act, the Council of the Law Society of Singapore, with the approval of the Chief Justice, hereby makes the following Rules:

Citation and commencement

1. These Rules may be cited as the Legal Profession (Solicitors' Accounts) (Amendment) Rules 1998 and shall come into operation on 1st August 1998.

Amendment of rule 2

2. Rule 2 of the Legal Profession (Solicitors' Accounts) Rules (R 8) (referred to in these Rules as the principal Rules) is amended —

(a) by inserting, immediately before the definition of “client”, the following definitions:

““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;”;

- (b) by deleting the definition of “client account” and substituting the following definition:

““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;” and

- (c) by renumbering the rule as paragraph (1) of that rule, and by inserting immediately thereafter the following paragraph:

“(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.”.

Amendment of rule 4

3. Rule 4 of the principal Rules is amended by deleting the words “a cheque or draft” in paragraph (d) and substituting the word “money”.

Amendment of rule 5

4. Rule 5 of the principal Rules is amended —

- (a) by deleting the words “a cheque or draft” in the first line and substituting the word “money”;

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- (b) by deleting the words “cheque or draft” in the first line of paragraph (a) and substituting the word “money”;
 - (c) by deleting the words “cheque or draft” in the third and fourth lines of paragraph (a) and substituting the words “sum of money”;
 - (d) by deleting the words “cheque or draft” in the first line and in the third line of paragraph (b) and substituting in each case the word “money”; and
 - (e) by deleting the marginal note and substituting the following rule heading:

“Splitting of moneys”.

Amendment of rule 7

5. Rule 7 of the principal Rules is amended by deleting sub-paragraph (ii) of paragraph (a) and substituting the following sub-paragraph:

“(ii) money properly required in full or partial reimbursement of money expended by the solicitor on behalf of the client;”.

Deletion and substitution of rule 8

6. Rule 8 of the principal Rules is deleted and the following rule substituted therefor:

“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 (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 (c) or (d) by a cash cheque.”.

Amendment of rule 9

7. Rule 9 of the principal Rules is amended —

(a) by deleting the words “which is received by him” in paragraph (1) (a);

(b) by deleting sub-paragraph (b) of paragraph (1) and substituting the following sub-paragraph:

“(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) by inserting, immediately after the words “bank account” in paragraph (1) (c), the words “or into a separate account with an approved finance company”;

(d) by deleting the words “which is received by him” in paragraph (2) (b); and

(e) by deleting paragraph (3) and substituting the following paragraph:

“(3) Where money includes client’s money as well as money of the nature described in paragraph (2), that money shall be dealt with in accordance with rule (5).”.

Amendment of rule 11

8. Rule 11 of the principal Rules is amended —

(a) by deleting the words “rule 7 (a) (iv)” in the fourth line of paragraph (3) and substituting the words “rules 7 (a) (iv) and 9 (2) (c) (i)”;

(b) by deleting paragraphs (5) and (6) and substituting the following paragraphs:

“(5) No solicitor shall make use of any computerised system of book-keeping for the purpose of this rule unless any information which is recorded on such computerised system is capable of being reproduced in the form of a printed document within a reasonable time.

(6) Every solicitor shall preserve for a period of at least 6 years from the date of the last entry therein —

(a) all accounts, books, ledgers and records kept by him under this rule; and

(b) all bank statements received by him in respect of any client’s account.”; and

(c) by inserting, immediately after the words “bank account” in paragraph (7), the words “or a deposit account with an approved finance company”.

Amendment of rule 12

9. Rule 12 (1) of the principal Rules is amended by deleting the words “be directed to” in the tenth and eleventh lines.

Deletion and substitution of rule 14

10. Rule 14 of the principal Rules is deleted and the following rule substituted therefor:

“Requirement of Council — how made

14. Every requirement to be made by the Council of a solicitor under these Rules —

(a) shall be made in writing under the hand of the Director or a member of the Council designated by the Council for the purpose; and

(b) may be served on the solicitor by sending the document by registered post to his usual or last known address.”.

Made this 14th day of May 1998.

GEORGE LIM TEONG JIN
President,
Council of the Law Society of
Singapore.

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