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**No. S 396**

LEGAL PROFESSION ACT  
(CHAPTER 161)

LEGAL PROFESSION  
(ACCOUNTANT'S REPORT) (AMENDMENT)  
RULES 2011

In exercise of the powers conferred by section 73(4) 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 (Accountant's Report) (Amendment) Rules 2011 and shall come into operation on 1st August 2011.

**Amendment of rule 2**

**2.** Rule 2 of the Legal Profession (Accountant's Report) Rules (R 10) (referred to in these Rules as the principal Rules) is amended —

(a) by deleting the definition of “bank statement” and substituting the following definitions:

“ “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 a client account maintained at such finance company;

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

(b) by inserting, immediately after the definitions of “ “client”, “client account”, “client's money” and “trust money””, the following definitions:

“ “conveyancing account”, “conveyancing (CPF) account” and “conveyancing money” have the same meanings

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as in rule 2(2) of the Conveyancing and Law of Property (Conveyancing) Rules 2011 (G.N. No. S 391/2011);”.

### **Amendment of rule 4**

**3.** Rule 4(1) of the principal Rules is amended —

(a) by deleting sub-paragraphs (ii) and (iii) of sub-paragraph (a) and substituting the following sub-paragraphs:

“(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

(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;”;

(b) by deleting sub-paragraphs (b), (c) and (d) and substituting the following sub-paragraphs:

“(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;

(c) compare —

(i) a sample of lodgments into and payments from a client account (as shown in bank statements)

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- 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
- (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);";
- (c) by deleting sub-paragraph (i) of sub-paragraph (f) and substituting the following sub-paragraph:
- “(i) compare the total as shown by such ledger accounts of the liabilities to the clients (including those for whom trust money is held in a client account, or conveyancing money is held in a conveyancing account or conveyancing (CPF) account), with the cash book balances on every client account, conveyancing account, conveyancing (CPF) account (if any), client's fixed deposit account with a bank or approved finance company (including such a fixed deposit account in which trust money is held) and other fixed deposit account; and”; and
- (d) by deleting sub-paragraphs (h) and (i) and substituting the following sub-paragraphs:
- “(h) make a test examination of the clients' ledger accounts in order to ascertain whether the payments made from any client account, conveyancing account or conveyancing (CPF) account in respect of any client are in excess of the money held on behalf of that client in that account;

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- (i) peruse such office ledger and cash accounts and bank statements as the solicitor maintains with a view to ascertaining whether —
    - (i) any client’s money has not been paid into a client account; or
    - (ii) any conveyancing money has not been paid into a conveyancing account or, if paid by the Central Provident Fund Board, into a conveyancing (CPF) account; and”.

#### **Amendment of rule 7**

- 4. Rule 7 of the principal Rules is amended —
  - (a) by inserting, immediately after the words “client’s money” in paragraph (a)(ii), the words “or conveyancing money, or both”; and
  - (b) by inserting, immediately after the words “client’s money” in paragraph (b)(iii)(A) and (B), the words “or conveyancing money”.

#### **Amendment of rule 8**

- 5. Rule 8 of the principal Rules is amended —
  - (a) by inserting, immediately after the words “client’s money” wherever they appear in paragraph (1), the words “or conveyancing money”;
  - (b) by inserting, immediately after the words “having ceased to hold or receive client’s money” in paragraph (3), the words “or conveyancing money, or both”; and
  - (c) by inserting, immediately after the words “client’s money” in paragraph (3)(a), the words “or conveyancing money, or both”.

#### **Deletion and substitution of Schedule**

- 6. The Schedule to the principal Rules is deleted and the following Schedule substituted therefor:

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“THE SCHEDULE

Rule 6(1)

LEGAL PROFESSION ACT  
(CHAPTER 161)

LEGAL PROFESSION  
(ACCOUNTANT’S REPORT)  
RULES

ACCOUNTANT’S REPORT  
FOR SOLICITOR IN SINGAPORE LAW PRACTICE

*Note:* In the case of a Singapore law practice with a number of partners or directors, carbon copies of the report may be delivered provided paragraph 1 below is completed on each report with the name of the individual solicitor.

1. Solicitor’s full name \_\_\_\_\_

2. Name(s) and address(es) of Singapore law practice

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\_\_\_\_\_

*Note:* All addresses in Singapore at which the solicitor practises must be covered by an accountant’s report or reports.

3. State whether practising alone/in partnership/as a partner in a limited liability law partnership/as a director in a law corporation

\_\_\_\_\_

\_\_\_\_\_

4. Accounting period(s) \_\_\_\_\_

*Note:* The period(s) must comply with section 73 of the Legal Profession Act and the Legal Profession (Accountant’s Report) Rules (R 10).

5. In compliance with section 73 of the Legal Profession Act and the Legal Profession (Accountant’s Report) Rules, I have examined to the extent required by rule 4 of the said Rules the books, accounts and documents produced to me in respect of the above practice(s) of the abovenamed solicitor.

6. In so far as an opinion can be based on this limited examination, I am satisfied that during the abovementioned period(s) he has complied with the provisions of the Legal Profession (Solicitors’ Accounts) Rules (R 8), except in so far as concerns —

\*(a) certain trivial breaches due to clerical errors or mistakes in book-keeping, all of which were rectified on discovery and none of which, I am satisfied, resulted in any loss to any client;

THE SCHEDULE — *continued*

- \*(b) the matters set out in the First Section hereof, in respect of which I have not been able to satisfy myself for the reasons therein stated;
- \*(c) the matters set out in the Second Section hereof, in respect of which it appears to me that the solicitor has not complied with the provisions of the Legal Profession (Solicitors' Accounts) Rules.

7. The results of the comparisons required under rule 4(1)(f) of the Legal Profession (Accountant's Report) Rules (R 10), at the dates selected by me were as follows:

(a) at \_\_\_\_\_

- \*(i) the figures were in agreement;
- \*(ii) there was a difference computed as follows:

Liabilities to clients as shown by clients' ledger accounts	\$
Total amount of cash held in every client account, conveyancing account and conveyancing (CPF) account, after allowance for outstanding cheques and lodgments cleared after date	\$
	\$

(b) at \_\_\_\_\_

- \*(i) the figures were in agreement;
- \*(ii) there was a difference computed as follows:

Liabilities to clients as shown by clients' ledger accounts	\$
Total amount of cash held in every client account, conveyancing account and conveyancing (CPF) account, after allowance for outstanding cheques and lodgments cleared after date	\$
	\$

8.\*(a) Having retired from active practice as a solicitor, the said \_\_\_\_\_

\_\_\_\_\_ ceased to hold client's money or conveyancing money, or both, on \_\_\_\_\_

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THE SCHEDULE — *continued*

\*(b) Having ceased to practise under the style or as a partner/director of

the said \_\_\_\_\_ ceased to hold client's money  
or conveyancing money, or both, on \_\_\_\_\_

*Particulars of Accountant:*

Full Name \_\_\_\_\_

Singapore NRIC No./FIN \_\_\_\_\_

Qualifications \_\_\_\_\_

Firm Name and Address \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

To: The Council,  
The Law Society of Singapore,  
Singapore.

FIRST SECTION

Matters in respect of which the accountant has been unable to satisfy himself  
and the reasons for the inability:

SECOND SECTION

Matters (other than trivial breaches) in respect of which it appears to the  
accountant that the solicitor has not complied with the provisions of the Legal  
Profession (Solicitors' Accounts) Rules (R 8):

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\*Delete whichever is inapplicable.”.

Made this 6th day of July 2011.

WONG MENG MENG  
*President,*  
*Council of the Law Society of Singapore.*

[LS/10/CVP2/Gen/11-09/AC; AG/LLRD/SL/161/2010/14 Vol. 1]

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