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**No. S 662**

LEGAL PROFESSION ACT  
(CHAPTER 161)

LEGAL PROFESSION  
(PROFESSIONAL INDEMNITY INSURANCE)  
(AMENDMENT) RULES 2006

In exercise of the powers conferred by section 75A 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 (Professional Indemnity Insurance) (Amendment) Rules 2006 and shall come into operation on 1st January 2007.

**Deletion and substitution of rule 1A**

2. Rule 1A of the Legal Profession (Professional Indemnity Insurance) Rules (R 11) (referred to in these Rules as the principal Rules) is deleted and the following rule substituted therefor:

**“Definition**

**1A.** In these Rules, unless the context otherwise requires —

“authorised insurer” means an insurance underwriter approved by the Council;

“foreign lawyer” has the same meaning as in section 130A of the Act;

“law firm” has the same meaning as in the Legal Profession (Professional Conduct) Rules (R 1);

“Singapore lawyer” has the same meaning as in section 130A of the Act.”.

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**Amendment of rule 2****3.** Rule 2 of the principal Rules is amended —

- (a) by deleting the words “such insurance underwriters as it may approve” and substituting the words “authorised insurers”;
- (b) by deleting the words “or in any law corporation” in paragraph (a) and substituting the words “, law corporation or limited liability law partnership,”;
- (c) by deleting the word “or” at the end of sub-paragraph (i) of paragraph (b);
- (d) by deleting the word “and” at the end of sub-paragraph (ii) of paragraph (b) and substituting the word “or”, and by inserting immediately thereafter the following sub-paragraph:
  - “(iii) a limited liability law partnership or former limited liability law partnership in connection with its business of providing legal services or with any trust of which the limited liability law partnership or the employee is or formerly was a trustee;”; and
- (e) by deleting the full-stop at the end of paragraph (c) and substituting the word “; and”, and by inserting immediately thereafter the following paragraph:
  - “(d) a limited liability law partnership or former limited liability law partnership in connection with legal services provided by it or with any trust of which that limited liability law partnership is or formerly was a trustee.”.

**Amendment of rule 3****4.** Rule 3 of the principal Rules is amended —

- (a) by deleting the words “insurance underwriter approved by the Council” in paragraphs (1)(a) and (2) and substituting in each case the words “authorised insurer”;

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- (b) by deleting the word “and” at the end of sub-paragraph (i) of paragraph (1)(a);
- (c) by inserting, immediately after sub-paragraph (ii) of paragraph (1)(a), the following sub-paragraph:
- “(iii) in rule 4(1)(ba) if he is or will be practising in a limited liability law partnership; and”;
- (d) by inserting, immediately after paragraph (2), the following paragraph:
- “(2A) Every limited liability law partnership shall take out and maintain in force at all times during the period in which it carries on its business of providing legal services such insurance as is referred to in rule 2(d) for the amount of insurance cover specified in rule 4(1)(d) with an authorised insurer.”;
- (e) by inserting, immediately after the words “law corporation” in the 1st line of paragraph (3), the words “and limited liability law partnership”; and
- (f) by inserting, immediately after paragraph (4), the following paragraph:
- “(5) Every law corporation and limited liability law partnership, and every advocate and solicitor practising in a law firm, that employs a foreign lawyer or a Singapore lawyer who does not hold a practising certificate shall —
- (a) take out insurance under the common insurance scheme referred to in rule 2 against loss arising from claims against such a law corporation or limited liability law partnership, or such advocates and solicitors, in respect of civil liability incurred by the foreign lawyer or Singapore lawyer in connection with his practice in the law firm or the legal services provided by the law corporation or limited liability law partnership, as the case may be; and

- (b) maintain in force such insurance at all times during the period the foreign lawyer or Singapore lawyer is employed by the law firm in which the advocate and solicitor is practising or by the law corporation or limited liability law partnership, as the case may be.”.

#### **Amendment of rule 4**

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

- (a) by deleting the word “and” at the end of sub-paragraph (b), and by inserting immediately thereafter the following sub-paragraph:

“(ba) \$2 million, or such other amount as may be determined by the Council, for each and every claim in respect of civil liability incurred by an advocate and solicitor practising in any limited liability law partnership;”;

- (b) by deleting the full-stop at the end of sub-paragraph (c) and substituting the word “; and”, and by inserting immediately thereafter the following sub-paragraph:

“(d) \$2 million, or such other amount as may be determined by the Council, for each and every claim in respect of civil liability incurred by a limited liability law partnership.”.

#### **Amendment of rule 5**

6. Rule 5 of the principal Rules is amended by inserting, immediately after the words “law corporation”, the words “or a limited liability law partnership”.

#### **Amendment of rule 6**

7. Rule 6 of the principal Rules is amended by inserting, immediately after paragraph (2), the following paragraph:

“(3) In the case of insurance referred to in rule 3(5), the period of insurance shall be the period when the foreign lawyer or the

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Singapore lawyer is employed by the law firm or law corporation or limited liability law partnership, as the case may be.”.

### **New rule 6A**

8. The principal Rules are amended by inserting, immediately after rule 6, the following rule:

#### **“Payment of premium**

**6A.**—(1) An advocate and solicitor, a law corporation or a limited liability law partnership shall be deemed to have contravened the requirement to maintain insurance under rule 3 if any payment by way of premium for insurance that the advocate and solicitor, law corporation or limited liability law partnership (as the case may be) is required to maintain under that rule remains unpaid for more than 2 months after the date when the payment became due.

(2) Paragraph (1) shall apply notwithstanding that the advocate and solicitor, law corporation or limited liability law partnership has made any arrangement for the payment to be made by any other person.”.

### **Miscellaneous amendments**

9. The principal Rules are amended by inserting, immediately after the words “law corporation” wherever they appear in the following provisions, the words “or limited liability law partnership”:

Rules 3(3)(a) and (b), 4(2) and 6(1) and (2).

*[G.N. No. S 73/2005]*

Made this 1st day of December 2006.

PHILIP JEYARETNAM  
*President,*  
*Council of the Law Society of*  
*Singapore.*

[AG/LEG/SL/161/2002/1 Vol. 3]

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