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No. S 738

LEGAL PROFESSION ACT
(CHAPTER 161)

LEGAL PROFESSION
(MODIFIED APPLICATION OF ACT
FOR INTERNATIONAL SERVICES)
(AMENDMENT) RULES 2015

In exercise of the powers conferred by sections 36M(2)(t) and 184(2)(q) of the Legal Profession Act, the Minister for Law makes the following Rules:

Citation and commencement

1. These Rules may be cited as the Legal Profession (Modified Application of Act for International Services) (Amendment) Rules 2015 and come into operation on 1 December 2015.

Amendment of Fourth Schedule

2. The Fourth Schedule to the Legal Profession (Modified Application of Act for International Services) Rules 2015 (G.N. No. S 700/2015) is amended by deleting rule 2 and substituting the following rule:

“Fixed deposits and interest payable

2.—(1) Subject to rule 4, a solicitor (or a foreign lawyer registered under section 36B of the Act) who receives any money exceeding the threshold amount for or on account of any particular client to hold in the applicable circumstances —

(a) must —

- (i) deposit the money separately in a bank or an approved finance company by way of fixed deposit repayable on demand in compliance with paragraph (3); and
- (ii) account to the client for all interest earned on the money deposited; or

- (b) must pay to the client out of the solicitor's (or foreign lawyer's) own money the amount of the interest which would have accrued for the client's benefit if the money had been deposited in accordance with sub-paragraph (a)(i).

(2) However, subject to rule 4, if a solicitor (or a foreign lawyer registered under section 36B of the Act) receives, on or after 1 December 2015, any money not exceeding the threshold amount but more than \$5,000 (or the equivalent in foreign currency on the date of receipt) for or on account of any particular client to hold in the applicable circumstances, and chooses to deposit the money by way of fixed deposit, the solicitor (or foreign lawyer) must —

- (a) deposit the money separately in a bank or an approved finance company by way of fixed deposit repayable on demand in compliance with paragraph (3); and
 - (b) account to the client for all interest earned on the money deposited.
- (3) Every fixed deposit referred to in paragraph (1)(a) or (2)(a) must —
- (a) in the case of a solicitor who practises in a Singapore law practice, be —
 - (i) in the name of —
 - (A) the solicitor receiving money for or on account of the client; or
 - (B) the solicitor's law practice; and
 - (ii) in the name of the client or the matter concerned;
 - (b) in the case of a solicitor registered under section 36E of the Act who practises in a Joint Law Venture or its constituent foreign law practice, a Qualifying Foreign Law Practice or a licensed foreign law practice, be —
 - (i) in the name of the solicitor's law practice; and
 - (ii) in the name of the client or the matter concerned; or
 - (c) in the case of a foreign lawyer registered under section 36B of the Act, be —
 - (i) in the name of the foreign lawyer's law practice; and
 - (ii) in the name of the client or the matter concerned.

(3A) Paragraphs (1), (2) and (3) apply to the following persons only if the money is received, or is to be held, for or on account of a client in respect of a matter involving the practice of Singapore law:

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- (a) a solicitor registered under section 36E of the Act who practises in a Joint Law Venture or its constituent foreign law practice, a Qualifying Foreign Law Practice or a licensed foreign law practice;
 - (b) a foreign lawyer registered under section 36B of the Act who practises in a Joint Law Venture, Qualifying Foreign Law Practice or licensed foreign law practice.
- (4) In this rule —

“applicable circumstances”, for a solicitor (or a foreign lawyer registered under section 36B of the Act) who receives money for or on account of a client, means circumstances in which —

- (a) the solicitor (or foreign lawyer) knows, from the instructions to the solicitor (or foreign lawyer) when receiving the sum of money, that the sum will not, within 4 months after the receipt of the sum, be withdrawn in whole or reduced to a sum below the threshold amount (if paragraph (1) applies) or \$5,000 (if paragraph (2) applies) for or on account of the client; and
- (b) the sum of money is not so withdrawn or reduced within that 4 months;

“approved finance company” means a 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 purpose of these Rules;

“law practice” —

- (a) in relation to a solicitor who practises in a Singapore law practice, means —
 - (i) the law firm of which the solicitor is the sole proprietor, a partner or an employee;
 - (ii) the law corporation of which the solicitor is a director or an employee; or
 - (iii) the limited liability law partnership of which the solicitor is a partner or an employee;
- (b) in relation to a solicitor registered under section 36E of the Act who practises in a Joint Law Venture or its constituent foreign law practice, a Qualifying Foreign Law Practice or a licensed foreign law practice, means the Joint Law Venture, constituent foreign law practice, Qualifying Foreign Law Practice or licensed foreign law practice (as the case may be);

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- (c) in relation to a foreign lawyer registered under section 36B of the Act who practises in a Singapore law practice, means the Singapore law practice; or
- (d) in relation to a foreign lawyer registered under section 36B of the Act who practises in a Joint Law Venture, Qualifying Foreign Law Practice or licensed foreign law practice, means the Joint Law Venture, Qualifying Foreign Law Practice or licensed foreign law practice (as the case may be);
- “threshold amount”, for money received by a solicitor (or a foreign lawyer registered under section 36B of the Act) for or on account of a particular client, means —
- (a) \$5,000 (or the equivalent in foreign currency on the date of receipt) if received from that client before 1 December 2015; or
- (b) \$20,000 (or the equivalent in foreign currency on the date of receipt) if received from that client on or after 1 December 2015.”.

Made on 1 December 2015.

NG HOW YUE
*Permanent Secretary,
Ministry of Law,
Singapore.*

[LAW 32/001/8.21 Vol. 5; AG/LEGIS/SL/161/2015/11 Vol. 2]

(To be presented to Parliament under section 185 of the Legal Profession Act).