

LEGAL PROFESSION ACT
(CHAPTER 161, SECTION 81N)

LEGAL PROFESSION (LAW CORPORATION) RULES

ARRANGEMENT OF RULES

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[1st October 2000]

Citation

1. These Rules may be cited as the Legal Profession (Law Corporation) Rules

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.

[S 248/2012 wef 01/06/2012]

Application for approval as law corporation

2.—(1) An application under section 81B of the Act for approval of a company or proposed company as a law corporation and of the name or proposed name of the law corporation shall be made in such form as may be determined by the Council and shall be accompanied by —

- (a) such documents, particulars and information as the Council may require; and
- (b) an application fee of \$1,000.

(2) The Council may, in the interests of the legal profession or the public, reject an application made under paragraph (1).

Memorandum and articles of association

3. The memorandum and articles of association of a law corporation shall provide for the matters specified in the Schedule.

Application for alteration of memorandum or articles of association

4.—(1) Every law corporation shall, before amending any provision of its memorandum or articles of association relating to or affecting the matters specified in the Schedule, apply to the Council for approval of the proposed amendment.

(2) The application under paragraph (1) shall be made in such form as may be determined by the Council and shall be accompanied by such documents, particulars and information as the Council may require.

Appeal to High Court

5. An appeal to the High Court under section 81J of the Act against a decision of the Council shall be made by way of originating summons in Form 4 of Appendix A to the Rules of Court (Cap. 322, R 5).

[S 655/2006 wef 01/01/2007]

Notification of transfer of business

6.—(1) Every law corporation to which the business of a law firm or limited liability law partnership has been transferred shall, within 7 days of the transfer, give notice in writing to every client of the law firm or limited liability law partnership of the transfer and that with effect from the date of the transfer —

(a) the law corporation shall replace the law firm or limited liability law partnership as the provider of legal services to the client;

[S 655/2006 wef 01/01/2007]

(b) the possession of any documents held by the law firm or limited liability law partnership for or on behalf of that client shall be transferred to the law corporation to be held for or on behalf of that client; and

[S 655/2006 wef 01/01/2007]

(c) any money or funds held by the law firm or limited liability law partnership for or on account of that client shall be transferred to the law corporation to be held for or on account of that client.

[S 655/2006 wef 01/01/2007]

(2) Every client to whom a notice under paragraph (1) has been given shall, if he objects to any of the matters referred to in paragraph (1)(a), (b) or (c), notify the law corporation of such objection within 14 days of the receipt of the notice.

(3) Every client who does not give any notice of his objection under paragraph (2) shall be deemed to have consented to the matters specified in paragraph (1)(a), (b) and (c).

Notification of change of particulars

7. Every law corporation shall, within 7 days of any change in the following particulars, notify the Council of such change:

(a) particulars of its directors and shareholders;

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(b) its registered office and the address of every branch office;
and

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(c) its telephone and fax numbers.

Submission of lodged documents

8. Every law corporation shall, within 7 days of the lodgment of any document with the Registrar of Companies, submit to the Council such copies of the lodged document as the Council may require.

Accounts

9. The following rules relating to the keeping of accounts by solicitors shall apply, with the necessary modifications, to law corporations:

(a) the Legal Profession (Deposit Interest) Rules (R 5);

(b) the Legal Profession (Solicitors' Accounts) Rules (R 8);

(c) the Legal Profession (Solicitors' Trust Accounts) Rules (R 9);

(d) the Legal Profession (Accountant's Report) Rules (R 10).

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.

[S 248/2012 wef 01/06/2012]

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.

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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.

[S 248/2012 wef 01/06/2012]

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.

[S 248/2012 wef 01/06/2012]

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

(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.

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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.

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THE SCHEDULE

Rules 3 and 4(1)

MATTERS TO BE PROVIDED IN MEMORANDUM AND ARTICLES OF ASSOCIATION OF LAW CORPORATION

1. The primary object of the law corporation is to supply legal services.
2. The chairman and the managing director of the law corporation shall each be a solicitor who has in force a practising certificate.

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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.

[S 248/2012 wef 01/06/2012]

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.

[S 248/2012 wef 01/06/2012]

THE SCHEDULE — *continued*

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.

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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.

[S 248/2012 wef 01/06/2012]

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

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5. The business of the law corporation, in so far as it relates to legal services, shall be under the control and management of all the directors.

6. No person shall transfer or dispose of any shares in the law corporation without the prior approval of the directors. The directors shall not grant their approval if such transfer will result in a contravention of any requirement in Part VIA of the Legal Profession Act (Cap. 161) or any rules made thereunder on the holding, transfer or disposal of shares in a law corporation.

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.

[S 248/2012 wef 01/06/2012]

8. The memorandum or articles of association relating to the manner and terms of any transfer or disposal of shares referred to in paragraph 7 shall be subject to the approval of the Council.

9. The memorandum or articles of association relating to the matters specified in the Legal Profession Act and any rules made thereunder shall not be amended without the prior approval of the Council.

[G.N. No.S 425/2000]

LEGISLATIVE HISTORY
LEGAL PROFESSION (LAW CORPORATION) RULES
(CHAPTER 161, R 21)

This Legislative History is provided for the convenience of users of the Legal Profession (Law Corporation) Rules. It is not part of these Rules.

1. G. N. No. S 425/2000 — Legal Profession (Law Corporation) Rules 2000

Date of commencement : 1 October 2000

2. 2002 Revised Edition — Legal Profession (Law Corporation) Rules

Date of operation : 31 January 2002

**3. G. N. No. S 655/2006 — Legal Profession (Law Corporation)
(Amendment) Rules 2006**

Date of commencement : 1 January 2007

**4. G.N. No. S 248/2012 — Legal Profession (Law Corporation)
(Amendment) Rules 2012**

Date of commencement : 1 June 2012