

LEGAL PROFESSION ACT
(CHAPTER 161, SECTION 72(1))

LEGAL PROFESSION (DEPOSIT INTEREST) RULES

ARRANGEMENT OF RULES

Rule

1. Citation
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-

[15th August 1970]

Citation

1. These Rules may be cited as the Legal Profession (Deposit Interest) Rules.

Fixed deposits and interest payable

2.—(1) Subject to rule 4, a solicitor 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 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 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 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 be —

- (a) in the name of —
 - (i) the solicitor receiving money for or on account of the client; or
 - (ii) the solicitor’s law practice; and
- (b) in the name of the client or the matter concerned.

(4) In this rule —

“applicable circumstances”, for a solicitor who receives money for or on account of a client, means circumstances in which —

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the solicitor when receiving the sum of money, that the sum will not, within 4 months after the receipt of the sum, be withdrawn in whole or reduced to a sum below the threshold amount (if paragraph (1) applies) or \$5,000 (if paragraph (2) applies) for or on account of the client; and
- (b) the sum of money is not so withdrawn or reduced within that 4 months;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

- (a) the law firm of which the solicitor is the sole proprietor, a partner or an employee;
- (b) the law corporation of which the solicitor is a director or an employee; or
- (c) the limited liability law partnership of which the solicitor is a partner or an employee;

“threshold amount”, for money received by a solicitor 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.

[S 724/2015 wef 01/12/2015]

Client’s remedies

3.—(1) Without prejudice to any other remedy which may be available to him, any client who feels aggrieved that interest, or a sum equivalent thereto, has not been paid to him under these Rules shall be entitled to require the solicitor to obtain a certificate from the Council as to whether or not interest ought to have been earned for him.

(2) If so, the amount of such interest and on the issue of such a certificate the sum certified to be due shall be payable by the solicitor to the client.

Saving and application

4.—(1) Nothing in these Rules shall affect any arrangement in writing whenever made between a solicitor and his client as to the application of the client’s money or interest thereon.

(2) These Rules do not apply to —

- (a) money received by a solicitor which is subject to a trust of which the solicitor is a trustee; or

(b) conveyancing money received by a solicitor.

(3) In this rule, “conveyancing money” has the same meaning as in rule 2(2) of the Conveyancing and Law of Property (Conveyancing) Rules 2011 (G.N. No. S 391/2011)

[S 394/2011 wef 01/08/2011]

[G. N. Nos. S 194/70; S 379/98; S 658/2006]

LEGISLATIVE HISTORY
LEGAL PROFESSION (DEPOSIT INTEREST) RULES
(CHAPTER 161, R 5)

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

1. G. N. No. S 194/1970 — Legal Profession (Deposit Interest) Rules 1970

Date of commencement : 15 August 1970

2. 1990 Revised Edition — Legal Profession (Deposit Interest) Rules

Date of operation : 25 March 1992

3. G. N. No. S 379/1998 — Legal Profession (Deposit Interest) (Amendment) Rules 1998

Date of commencement : 1 August 1998

4. 1999 Revised Edition — Legal Profession (Deposit Interest) Rules

Date of operation : 1 January 1999

5. G. N. No. S 658/2006 — Legal Profession (Deposit Interest) (Amendment) Rules 2006

Date of commencement : 1 January 2007

6. 2010 Revised Edition — Legal Profession (Deposit Interest) Rules

Date of operation : 31 May 2010

7. G.N. No. S 394/2011 — Legal Profession (Deposit Interest) (Amendment) Rules 2011

Date of commencement : 1 August 2011

8. G.N. No. S 724/2015 — Legal Profession (Deposit Interest) (Amendment) Rules 2015

Date of commencement : 1 December 2015