

**LEGAL PROFESSION ACT
(CHAPTER 132)**

**ADVOCATES AND SOLICITORS (ACCOUNTS)
RULES**

S 20/1986

2006 Edition

REVISED EDITION 2022

SUBSIDIARY LEGISLATION

ADVOCATES AND SOLICITORS (ACCOUNTS) RULES

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SUBSIDIARY LEGISLATION

**Rules made under section 23 and continued in force under section 5(2) of the
Legal Profession Act (Amendment) Order, 2003 (S 40/2003)****ADVOCATES AND SOLICITORS (ACCOUNTS) RULES**

Commencement: 1st January 1987

Citation

1. These Rules may be cited as the Advocates and Solicitors (Accounts) Rules.

Interpretation

2. In these Rules, unless the context otherwise requires —

“advocate and solicitor” means an advocate and solicitor of the Court or any firm of advocates and solicitors;

“client” means any person on whose account an advocate and solicitor holds or receives client’s money;

“client account” means a current or deposit account at a bank in the name of the advocate and solicitor in the title of which the word “client” appears;

“client money” means money held or received by an advocate and solicitor on account of a person for whom he is acting in relation to the holding or receipt of such money either as an advocate and solicitor or, in connection with his practise as an advocate and solicitor, as agent, bailee, stakeholder, solicitor-trustee or in any other capacity but not money to which the only person entitled is the advocate and solicitor himself or, in the case of a firm of advocates and solicitors, one or more of the partners in the firm;

“solicitor-trustee” means an advocate and solicitor who is a sole trustee or who is co-trustee only with a partner, clerk or servant of his or with more than one of such persons; and

“trusts money” means money held or received by an advocate and solicitor which is not client’s money and which is subject to a trust of which the advocate and solicitor is trustee, whether or not he is solicitor-trustee of such trust.

Obligation to pay into client account

3. (1) Subject to the provisions of rule 9, an advocate and solicitor who holds or receives client’s money, or money which under rule 4 he is permitted and elects to pay into a client account, shall without delay pay such money into a client account.

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(2) For the purpose of this rule, an advocate and solicitor shall keep not less than one client account and may keep as many such accounts as he thinks fit.

Payment into client account

4. There may be paid into a client account —

(a) trust money;

(b) such money belonging to the advocate and solicitor as may be necessary for the purpose of opening or maintaining the account;

(c) money to replace any such which may by mistake or accident have been drawn from the account in contravention of rule 8(2); and

(d) a cheque or draft received by the advocate and solicitor, which under rule 5 he is entitled to split but which he does not split.

Splitting

5. Where an advocate and solicitor holds or receives a cheque or draft which includes client's money or trust money of one or more trusts —

(a) he may where practicable split such cheque or draft and, if he does so, he shall deal with each part thereof as if he had received a separate cheque or draft in respect of that part; or

(b) if he does not split the cheque or draft, he shall, if any part thereof consists of client's money, and may, in any other case, pay the cheque or draft into a client account.

Restriction on payment into client account

6. No money other than money which under rules 3, 4 and 5 an advocate and solicitor is required or permitted to pay into a client account shall be paid into a client account.

Drawings from client account

7. There may be drawn from a client account —

(a) in the case of client's money —

(i) money properly required for a payment to or on behalf of the client;

- (ii) money properly required for or towards payment of a debt due to the advocate and solicitor from the client or in reimbursement of money expended by the advocate and solicitor on behalf of the client;
 - (iii) money drawn on the client's authority; and
 - (iv) money properly required for or towards payment of the advocate and solicitors' costs where a bill of costs or other written intimation of the amount of the costs incurred has been delivered to the client and the client has been notified that money held for him will be applied towards or in satisfaction of such costs;
- (b) in the case of trust money, including money held by the advocate and solicitor as solicitor-trustee —
- (i) money properly required for a payment in the execution of the particular trust; and
 - (ii) money to be transferred to a separate bank account kept solely for the money of the particular trust;
- (c) such money, not being money to which either paragraph (a) or (b) applies, as may have been paid into the account under rule 4(b) or (d); and
- (d) money which may by mistake or accident have been paid into the account in contravention of rule 6:

Provided that in any case under paragraph (a) or (b) the money so drawn shall not exceed the total of the money held for the time being in such account on account of such client or trust.

Further restrictions on drawing from client account

8. (1) No money drawn from a client account under rule 7(a)(ii) or (iv), or under rule 7(c) or (d) shall be drawn except by —

- (a) a cheque drawn in favour of the advocate and solicitor; or
- (b) a transfer to a bank account in the name of the advocate and solicitor not being a client account.

(2) No money other than money permitted by rule 7 to be drawn from a client account shall be so drawn unless the Chief Registrar, upon an application in writing made to him by the advocate and solicitor, specifically authorises in writing its withdrawal.

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Exceptions

9. (1) Notwithstanding the provisions of these Rules, an advocate and solicitor shall not be under obligation to pay into a client account client's money held or received by him which —

(a) is received by him in the form of cash and is without delay paid in cash in the ordinary course of business to the client or to a third party; or

(b) is received by him in the form of a cheque or draft which is endorsed over in the ordinary course of business to the client or to a third party and is not passed by the advocate and solicitor through a bank account; or

(c) he pays into a separate bank account opened or to be opened in the name of the client or of some person named by the client.

(2) Notwithstanding the provisions of these Rules, an advocate and solicitor shall not pay into a client account client's money held or received by him which —

(a) the client for his own convenience requests the advocate and solicitor to withhold from such account; or

(b) is received by him for or towards payment of a debt due to the advocate and solicitor from the client or in reimbursement of money expended by the advocate and solicitor on behalf of the client; or

(c) is paid to him expressly on account of costs incurred, in respect of which a bill of costs or other written intimation of the amount of the costs has been delivered, or as an agreed fee, or on account of an agreed fee, for business undertaken or to be undertaken.

(3) Where a cheque or draft includes other client's money as well as client's money of the nature described in subrule (2), such cheque or draft shall be dealt with in accordance with rule 5.

(4) Notwithstanding the provisions of these Rules, the Chief Registrar, upon an application in writing made to him by an advocate and solicitor, may specifically authorise the advocate and solicitor in writing to withhold any client's money from a client account.

Obligation to keep accounts

10. (1) Every advocate and solicitor shall at all times keep properly written up such books and accounts as may necessary —

(a) to show all his dealings with —

- (i) client's money held, received or paid by him; and
- (ii) any other money dealt with by him through a client account; and

(b) to distinguish such money held, received or paid by him on account of each separate client and to distinguish such money from other money held, received or paid by him on any other account.

(2) All dealings referred to in subrule (1)(a) shall be recorded in —

(a) a client's cash book, or a clients' column on the credit side or debit side, as may be appropriate, or a cash book; and

(b) a client's ledger, or a clients' column on the credit side or debit side, as may be appropriate, of a ledger,

and no other dealings shall be recorded in such clients' cash book and ledger, or as the case may be, in such clients' columns.

(3) All dealings of the advocate and solicitor to his practice as an advocate and solicitor other than those referred to in subrule (1)(a) shall be recorded, as may be appropriate, in such other cash book, if any, and ledger or such other columns, if any, of a cash book and ledger as the advocate and solicitor may choose to maintain.

(4) In addition to the books and accounts referred to in subrules (2) and (3), every advocate and solicitor shall keep a record of all bills of costs, distinguishing between profit costs and disbursements, and of all written intimations under rule 7(a)(iv) delivered by the advocate and solicitor to his clients, which record shall be contained in a bills delivered book or a file of copies of such bills and intimations.

(5) In this rule each of the expressions "book", "ledger" and "record" is deemed to include a loose-leaf book and such cards or other permanent documents as are necessary for the operation of a mechanical system of book-keeping.

(6) Every advocate and solicitor shall preserve for at least 6 years from the date of the last entry therein all books, accounts and records kept by him under this rule.

Powers of Chief Registrar

11. (1) In order to ascertain whether the provisions of these Rules have been complied with, the Chief Registrar, acting either —

(a) on his own motion; or

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(b) on a written complaint lodged with him by a third party,

may require any advocate and solicitor to produce at such time and place as may be fixed by the Chief Registrar, his books of account, bank pass books, loose-leaf bank statements, statements of account, vouchers and any other necessary documents for the inspection of any person appointed by the Chief Registrar, and such person shall be directed to prepare for the information of the Chief Registrar a report on the result of such inspection and any such report may be used as a basis for proceedings under the Act.

(2) Upon being required to do so an advocate and solicitor shall produce such books of account, bank pass books, loose-leaf bank statements, statements of account, vouchers and documents at the time and place fixed.

(3) Before instituting an inspection on a written complaint lodged with him by a third party, the Chief Registrar shall require *prima facie* evidence that a ground of complaint exists, and may require the payment by such party to the Chief Registrar of a reasonable sum to be fixed by him to cover the costs of the inspection, and the costs of the advocate and solicitor against whom the complaint is made and the Chief Registrar may deal with any sum so paid in such manner as he thinks fit.

Delivery of intimation and notification

12. A written intimation of the amount of an advocate and solicitor's costs incurred and a notification to a client that money held for him will be applied as mentioned in rule 7(a)(iv) may be delivered to a client in the same manner as a bill of costs is required to be delivered under section 54(2).

Requirement by Chief Registrar

13. Every requirement to be made by the Chief Registrar of an advocate and solicitor under these Rules shall be made in writing under the hand of the Chief Registrar and sent by registered post to the last address of the advocate and solicitor notified to the Chief Registrar and, when so made and sent, is deemed to have been received by the advocate and solicitor within 48 hours of the time of posting.

Saving of rights of advocate and solicitor

14. Nothing in these Rules shall deprive an advocate and solicitor of any recourse or right, whether by way of *lien*, set-off, counterclaim, charge or otherwise, against moneys standing to the credit of a client account.