

THE LAW SOCIETY OF SINGAPORE

PRACTICE DIRECTION 3.3.1

[Formerly PDR 2013, paras 78 and 79A; PDR 1989, chap 7, para 3(b)]

DRAWING MONEY FOR LEGAL COSTS FROM CLIENT ACCOUNT

While all practising solicitors (as defined by the subsidiary legislation) should be familiar with (*inter alia*) the Legal Profession (Solicitors' Accounts) Rules (Cap 161, R 8, 1999 Rev Ed) ('SAR'), the Council of the Law Society had previously noted with concern the increasing frequency of complaints from the lay client of moneys from the client account being applied towards payment of the solicitor's costs without the knowledge or consent of the client.

Members' attention is drawn to rule 7(1)(a)(iv) of the SAR:

"[There may be drawn from a client account ... in the case of client's money ...] money properly required for or towards payment of the solicitor's costs where a bill of costs or 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/her] will be applied towards or in satisfaction of such costs[.]"

Before a solicitor can deduct money from a client account in satisfaction of his/her costs, he/she must have:

- (a) delivered to the client a bill of costs or other form of written intimation of the amount of costs incurred;
- (b) notified the client that such an amount will be deducted in satisfaction of his/her costs; and
- (c) allowed a lapse of two working days after giving the notification referred to paragraph (a) above, before transferring such amount for costs out of the client account.

Signatories to cheques drawn on client account should be persons meeting the requisite requirements under rule 8(7) of the SAR. Where a second signatory is required, he/she must follow the requirements prescribed in Council's Practice Direction on "Responsibilities and Duties of a Second Signatory under the Legal Profession (Solicitors' Accounts) Rules (Practice Direction 3.3.10).

Failure to follow the process set out above could render a solicitor to be in breach of the SAR and thereby guilty of professional misconduct.

Date: 31 January 2019

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