

THE LAW SOCIETY OF SINGAPORE

PRACTICE DIRECTION 3.3.7

[Formerly PDR 1989, miscellaneous section, query 4]

**QUERY: SOLICITORS' ACCOUNTS RULES – OPENING A FIXED DEPOSIT
ACCOUNT WITH FINANCE COMPANY**

Question: We have taken over the conduct of a matter whereby we are required to hold as stakeholder, a balance sum of money for a period of time.

Our client has instructed us to put the moneys into fixed deposit account with finance company.

Kindly clarify if we are at liberty to do so. Reference is hereby made to rules 9(2) and 9(4) of the Legal Profession (Solicitors' Accounts) Rules (Cap 161, R 8, 1999 Rev Ed) ('SAR').

Answer: The Council is of the view that, *prima facie*, as stakeholder's moneys is clients' moneys within the definition of rule 2 of the SAR, it must be paid into a bank account. As a stakeholder, the solicitor (as defined by the subsidiary legislation) ordinarily gets the interest unless it is agreed that the stakeholding interest goes to the client or the other party.

Date: 31 January 2019

THE COUNCIL OF THE LAW SOCIETY OF SINGAPORE