

## **Legal Profession (Deposit Interest) Rules**

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

### **LEGAL PROFESSION (DEPOSIT INTEREST) RULES**

**R 5**

**G.N. No. S 194/1970**

**REVISED EDITION 2010**

(31st May 2010)

[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the solicitor when receiving the sum of money, that the sum will not, within 4 months after the receipt of the sum, be withdrawn in whole or reduced to a sum below the threshold amount (if paragraph (1) applies) or \$5,000 (if paragraph (2) applies) for or on account of the client; and