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### No. S 250

## LEGAL PROFESSION ACT (CHAPTER 161)

# LEGAL PROFESSION (INTERNATIONAL SERVICES) (AMENDMENT) RULES 2012

In exercise of the powers conferred by section 130W of the Legal Profession Act, the Minister for Law, after consulting the Attorney-General, hereby makes the following Rules:

### **Citation and commencement**

**1.** These Rules may be cited as the Legal Profession (International Services) (Amendment) Rules 2012 and shall come into operation on 1st June 2012.

#### New rule 3A

**2.** The Legal Profession (International Services) Rules 2008 (G.N. No. S 481/2008) (referred to in these Rules as the principal Rules) are amended by inserting, immediately after rule 3, the following rule:

#### "Foreign collaboration requirements for Singapore law practice

**3A.**—(1) For the purposes of these Rules, a Singapore law practice satisfies the foreign collaboration (general) requirements if, and only if, the Singapore law practice satisfies all of the following requirements:

- (a) the number of solicitors practising in the Singapore law practice is at least 2 times the total number of
  - (i) foreign lawyers registered under section 130I of the Act to practise Singapore law in the Singapore law practice; and
  - (ii) foreign lawyers registered under section 130K of the Act to practise foreign law in the Singapore law practice;

- (b) the number of solicitors who are partners, directors or managers (as the case may be) of the Singapore law practice is at least 2 times the total number of —
  - (i) foreign lawyers registered under section 130I of the Act who are partners or directors (as the case may be) of the Singapore law practice; and
  - (ii) foreign lawyers registered under section 130K of the Act who are partners or directors (as the case may be) of the Singapore law practice;
- (c) the managing partner, managing director or manager (as the case may be) of the Singapore law practice is a solicitor;
- (d) the solicitors practising in the Singapore law practice are entitled to exercise or control the exercise of at least two-thirds of the total voting rights exercisable in respect of the management of the Singapore law practice;
- (e) the solicitors practising in the Singapore law practice are entitled to exercise or control the exercise of at least two-thirds of the total voting rights exercisable by the partners or shareholders (as the case may be) in the Singapore law practice;
- (f) the solicitors practising in the Singapore law practice hold at least two-thirds of the total value of equity interests in the Singapore law practice.

(2) For the purposes of these Rules, a Singapore law practice satisfies the foreign collaboration (profit) requirement if, and only if, the total amount of payments made by the Singapore law practice, during any financial year of the Singapore law practice, to all of the following does not exceed one-third of the total profits of that Singapore law practice during that financial year, based on the audited financial statement of that Singapore law practice for that financial year:

- (a) foreign lawyers who have been granted approval under section 130L(1) of the Act to share in the profits of the Singapore law practice;
- (b) foreign law practices which have been granted approval under section 130L(6) of the Act to share in the profits of the Singapore law practice.

(3) In paragraphs (1) and (2), "solicitor" means a solicitor who —

- (a) has in force a practising certificate; and
- (b) is not a nominee of any foreign law practice or foreign lawyer in respect of the management of, or the control of any voting power or equity interest in, the Singapore law practice in which he is practising.

(4) For the purposes of paragraph (3), a solicitor shall be deemed to be a nominee of a foreign law practice or foreign lawyer if that solicitor is accustomed, or under an obligation whether formal or informal, to act in accordance with the directions, instructions or wishes of that foreign law practice or foreign lawyer.".

# Amendment of rule 4

- 3. Rule 4(2) of the principal Rules is amended
  - (a) by inserting, immediately after the word "partnership," in sub-paragraph (f), the words "and the foreign law practice is not a Qualifying Foreign Law Practice,";
  - (b) by inserting, immediately after the word "corporation," in sub-paragraph (g), the words "and the foreign law practice is not a Qualifying Foreign Law Practice,"; and
  - (c) by inserting, immediately after sub-paragraph (g), the following sub-paragraph:
    - "(ga) where the application is made on or after 1st June 2012, the Singapore law practice must satisfy the foreign collaboration (general) requirements in rule 3A(1);".

## Amendment of rule 5

- 4. Rule 5 of the principal Rules is amended
  - (a) by inserting, immediately after the words "constituent foreign law practice" in paragraph (3), the words "of a Joint Law Venture";

(b) by deleting paragraph (4) and substituting the following paragraph:

"(4) The number of solicitors registered under section 130N of the Act to practise Singapore law in a Joint Law Venture or its constituent foreign law practice shall not at any time exceed —

- (a) in any case where the constituent foreign law practice is a Qualifying Foreign Law Practice, 4 times the sum of the following:
  - (i) the number of foreign lawyers registered under section 130I of the Act to practise Singapore law in the Joint Law Venture;
  - (ii) the number of foreign lawyers registered under section 130K of the Act to practise foreign law in the Joint Law Venture; and
  - (iii) the number of solicitors registered under section 130O of the Act to practise foreign law in the Joint Law Venture; or
- (b) in any other case, the sum of the following:
  - (i) the number of foreign lawyers registered under section 130I of the Act to practise Singapore law in the Joint Law Venture;
  - (ii) the number of foreign lawyers registered under section 130K of the Act to practise foreign law in the Joint Law Venture; and
  - (iii) the number of solicitors registered under section 130O of the Act to practise foreign law in the Joint Law Venture.";
- (c) by deleting the word "The" in paragraph (5A) and substituting the words "Subject to paragraph (5B), the";
- (*d*) by inserting, immediately after paragraph (5A), the following paragraph:

"(5B) Where the constituent Singapore law practice of a Joint Law Venture is required to satisfy the foreign collaboration (general) requirements in rule 3A(1), the total number of solicitors practising in the Singapore law practice shall be at least 2 times the total number of —

- (a) foreign lawyers registered under section 130I of the Act to practise Singapore law in the Singapore law practice; and
- (b) foreign lawyers registered under section 130K of the Act to practise foreign law in the Singapore law practice.";
- (e) by deleting the words "paragraph (7)" in paragraph (6) and substituting the words "paragraphs (7) and (7A)";
- (*f*) by deleting the word "The" in paragraph (7) and substituting the words "Subject to paragraph (7A), the";
- (g) by deleting the words "as in the audited financial statement of the Singapore law practice" in paragraph (7) and substituting the words "based on the audited financial statement of that Singapore law practice for that financial year";
- (*h*) by inserting, immediately after paragraph (7), the following paragraph:

"(7A) Where a Joint Law Venture is constituted under a Joint Law Venture licence issued pursuant to an application for that licence made on or after 1st June 2012, the total amount of payments made by the constituent Singapore law practice of the Joint Law Venture, during any financial year of that Singapore law practice, to all of the following shall not exceed one-third of the total profits of that Singapore law practice during that financial year, based on the audited financial statement of that Singapore law practice for that financial year:

- (a) the constituent foreign law practice of the Joint Law Venture;
- (b) foreign lawyers who have been granted approval under section 130L(1) of the Act to share in the profits of that Singapore law practice;
- (c) foreign law practices which have been granted approval under section 130L(6) of the Act to share in the profits of that Singapore law practice."; and