

Subsidiary Legislation made under s.38.

Solicitors' Accounts Rules

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ARRANGEMENT OF RULES

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1960-02

Supreme Court

1973/066

Solicitors' Accounts Rules

Title.

1. These rules may be cited as the Solicitors' Accounts Rules.

Interpretation.

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

“client” means any person on whose account a solicitor holds or receives client's money ;

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

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

“Committee” means the Admissions and Disciplinary Committee established by rule 3 of the Barristers and Solicitors Rules;

“solicitor” means a person admitted and enrolled as a solicitor of the court, and includes any person admitted and enrolled as a barrister and acting as a solicitor under section 32 of the Act, and also includes any firm of solicitors ;

“solicitor-trustee” means a 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;

“trust money” means money held or received by a solicitor which is not client's money and which is subject to a trust of which the solicitor is a 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, a 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.

(2) For the purposes of this rule, a 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 solicitor as may be necessary for the purpose of opening or maintaining the account ;
- (c) money to replace any sum 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 solicitor, which under rule 5 he is entitled to split but which he does not split.

Splitting.

5. Where a solicitor holds or receives a cheque or draft which includes clients' 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 a solicitor is required or permitted to pay into a client account shall be paid into a client account.

Drawings from a 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 solicitor from the client or in reimbursement of money expended by the 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 solicitor's costs where a bill of 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 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 paragraph (b) applies, as may have been paid into the account under paragraph (b) or (d) of rule 4; 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) of this rule 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 drawings from client account.

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

- (a) a cheque drawn in favour of the solicitor ; or
- (b) a transfer to a bank account in the name of the 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 Committee, upon an application in writing made to it by the solicitor, specifically authorizes in writing its withdrawal.

Exceptions.

9.(1) Notwithstanding the provisions of these rules, a 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 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, a 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 solicitor to withhold from such accounts ; or
- (b) is received by him for or towards payment of a debt due to the solicitor from the client or in reimbursement of money expended by the 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 clients' 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 Committee, upon an application in writing made to it by a solicitor, may specifically authorize the solicitor in writing to withhold any client's money from a client account.

Obligation to keep accounts.

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

- (a) to show all his dealings with—
 - (i) clients' 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) Every solicitor shall keep a record of all bills of costs, distinguishing between profit costs and disbursements, and of all written intimations under sub-paragraph (iv) of paragraph (a) of rule 7 delivered by the solicitor to his clients, which record shall be contained in a bills delivered book or a file of copies of such bills and intimations.

(3) In this rule each of the expressions “book” and “record” shall be 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.

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

Powers of Committee.

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

- (a) on its own motion; or
- (b) on a written complaint lodged with it by a third party,

may require any solicitor to produce at such time and place as may be fixed by the Committee, 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 Committee, and such person shall be directed to prepare for the information of the Committee 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 so to do a solicitor shall produce such books of account, bank pass books, loose-leaf bank statements, statements of accounts, vouchers and documents at the time and place fixed.

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

Delivery of intimation and notification.

12. A written intimation of the amount of a solicitor's costs incurred and a notification to a client that money held for him will be applied as mentioned in sub-paragraph (iv) of paragraph (a) of rule 7 may be delivered to a client in the same manner as a bill of costs.

Requirement by Committee.

13. Every requirement to be made by the Committee of a solicitor under these rules shall be made in writing under the hand of the secretary and sent by registered post to the last address of the solicitor notified to the Registrar of the Supreme Court and, when so made and sent, shall be deemed to have been received by the solicitor within forty-eight hours of the time of posting.

Saving of rights of solicitor.

14. Nothing in these rules shall deprive a solicitor of any recourse or right, whether by way of lien, set-off, counter-claim, charge or otherwise, against moneys standing to the credit of a client account.