

THE LAW SOCIETY OF SINGAPORE'S RECOMMENDED FEE GUIDELINES FOR CONVEYANCING TRANSACTIONS

Following the abolition of scale fees vide the Legal Profession (Solicitors' Remuneration) Order 2003 (the Order), the Council of the Law Society received feedback from members of the Society that they would like the Society to set fee guidelines for conveyancing transactions that meet the statutory requirement set out in Rule 2 of the Order, that is the remuneration of the solicitor shall be such sum as is fair and reasonable having regard to all the circumstances of the case, and in particular the circumstances set out in paragraphs (a) to (g) of Rule 2.

In response to this, the Council considered and accepted the recommendation of the Conveyancing Practice Law Committee to issue the guidelines set out below for conveyancing transactions.

The desirability of having guidelines and the suggested modes of charging advised for the several types of conveyancing transactions described were discussed and feedback received from conveyancing solicitors from law practices of varying sizes.

These guidelines are meant to assist the solicitor and client to reach an agreement of a fee which is fair and reasonable having regard to the circumstances of the case. The fee, which is charged using the guidelines, is for a normal-type of conveyancing transaction.

If the conveyancing transaction is such that taking into consideration the circumstances of the case as set out in Rule 2(a) to (g) of the Order, a fair and reasonable fee would be one exceeding the recommended fee, the solicitor could accordingly consider setting a fee higher than the fee recommended.

The circumstances set out in Rule 2(a) to (g) of the Order are:

- (a) the importance of the matter to the client,
- (b) the skill, labour, specialised knowledge and responsibility involved on the part of the solicitor,
- (c) the complexity of the matter and the difficulty or novelty of the question raised,
- (d) the amount or value of the property,
- (e) the time expended by the solicitor ,
- (f) the number and importance of the documents prepared or perused, without regard to length and
- (g) the place where, and the circumstances under which, the services or business or any part thereof are rendered or transacted.

Further, the guidelines do not extend to any transaction which is required to be, and is, by special exertion, carried through in an exceptionally short space of time, in which case under Rule 3 of the Order the solicitor may charge additional remuneration for the special exertion according to the circumstances.

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RECOMMENDED GUIDELINES FOR CHARGING IN NON-CPF
CONVEYANCING TRANSACTIONS

<p>1. <u>Vendor's Solicitor</u></p> <p>Legal fee to be charged at</p>	<p>0.15% of the sale price/sale consideration, subject to the minimum fee of \$900.00, for the case where the sale price/sale consideration does not exceed \$2 million.</p>
<p>2. <u>Purchaser's Solicitor</u></p> <p>Legal fee to be charged at</p>	<p>0.3% of the purchase price/purchase consideration, subject to the minimum fee of \$1,800.00, for the case where the purchase price/purchase consideration does not exceed \$2 million.</p>
<p>3. <u>Mortgagor's Solicitor</u></p> <p>Legal fee to be charged at</p>	<p>0.15% of the total loan/credit facilities quantum, subject to the minimum fee of \$900.00, where the loan/credit facilities quantum does not exceed \$2 million.</p>
<p>4. <u>Mortgagee's Solicitor</u></p> <p>Legal fee to be charged at</p>	<p>0.3% of the total loan/credit facilities quantum, subject to the minimum fee of \$1,800.00, where the total loan/credit facilities quantum does not exceed \$2 million.</p>
<p>5. <u>Where the same solicitor acts for Purchaser, Mortgagor & Mortgagee</u></p> <p>Legal fee to be charged at</p>	<p>0.4% of the purchase price/purchase consideration, subject to the minimum fee of \$2,500.00, for the case where the purchase price/purchase consideration does not exceed \$2 million.</p>
<p>6. <u>Where the same solicitor acts for Mortgagor and Mortgagee</u></p> <p>Legal fee to be charged at</p>	<p>0.4% of the total loan/credit facilities quantum, subject to the minimum fee of \$2,500.00, where the total loan/credit facilities quantum does not exceed \$2 million.</p>

Notes

- There is no recommendation for a situation where the same Solicitor acts for both Vendor and Purchaser, as this is rare.
- No guideline is provided for determining the additional fee for that part of the sale/purchase price or consideration, which exceeds \$2 million.
- No guideline is provided for determining the additional fee for that part of the total loan/credit facilities quantum, which exceeds \$2 million.
- The recommended fees exclude disbursements and Goods and Services Tax.
- The recommended fees are additional to the recommended fees for various CPF conveyancing transactions below.

RECOMMENDED GUIDELINES FOR CHARGING IN CPF CONVEYANCING TRANSACTIONS

A. Where an application is first made to CPF Board for the withdrawal of CPF money, and CPF Board issues its Letter of Approval

Aggregate amount of CPF moneys approved		Where CPF Solicitor is from different law firm from Member's Solicitor	Where Mortgagee's solicitor is also CPF Solicitor	Where same solicitor acts for Purchaser, Member and CPF Board
Band				
1.	Up to \$750,000.00	Legal fee chargeable by CPF Solicitor - \$900.00 Legal fee chargeable by Member's Solicitor - \$450.00	Legal fee chargeable by CPF Solicitor - \$500.00	Legal fee chargeable by CPF Solicitor - \$500.00 Legal fee chargeable by Member's Solicitor - \$200.00
2.	Over \$750,000.00 up to \$1.5 million	Legal fee chargeable by CPF Solicitor - \$1,250.00 Legal fee chargeable by Member's Solicitor - \$625.00	Legal fee chargeable by CPF Solicitor - \$500.00	Legal fee chargeable by CPF Solicitor - \$500.00 Legal fee chargeable by Member's Solicitor - \$200.00
3.	Over \$1.5 million up to \$2.5 million	Legal fee chargeable by CPF Solicitor - \$1,500.00 Legal fee chargeable by Member's Solicitor - \$750.00	Legal fee chargeable by CPF Solicitor - \$500.00	Legal fee chargeable by CPF Solicitor - \$500.00 Legal fee chargeable by Member's Solicitor - \$200.00

B. Where CPF moneys have not been released as yet:-

The Member obtains CPF Board's approval for the withdrawal of additional CPF moneys.

- (i) Where the total of the new sum and the previous sum is still within the band which was applied by the CPF Solicitor to charge his fee earlier, there shall be no further charge.
- (ii) Where the total of the new sum and the previous sum exceeds the band which was applied by the CPF Solicitor to charge his fee earlier, the fee chargeable by the CPF Solicitor shall be the fee applicable for the new band less the fee previously paid.
- (iii) Where the CPF Solicitor has previously applied Band 3 to charge his fee, there shall be no further charge..

C. Where any CPF moneys have been released and within six (6) months after such release the Member obtains CPF Board's approval for the withdrawal of additional CPF moneys

Same as under Paragraph B.

D. Where no separate title has been issued (e.g. housing developer's case) and any CPF moneys have been released and prior to expiry of six (6) months after notice to take possession has been served on Member, Member obtains CPF Board's approval for the withdrawal of additional CPF moneys.

Same as under Paragraph B.

E. Where the Member obtains CPF Board's approval for the withdrawal of additional CPF moneys after the periods referred to in Paragraphs C and D above.

Legal fee chargeable by CPF Solicitor: \$200.00

Legal fee chargeable by Member's Solicitor: \$100.00

F. Where a CPF Charge has been registered, the Member subsequently obtains CPF Board's approval to use CPF moneys for redemption and discharge of existing mortgage.

Legal fee chargeable by CPF Solicitor: \$150.00

Legal fee chargeable by Member's Solicitor: Fee for acting for mortgagor in the discharge of mortgage only.

G. Where a CPF Charge has been registered, the Member subsequently discharges the mortgage without using CPF moneys for redemption but requiring CPF solicitor's action.

Legal fee chargeable by CPF Solicitor: \$75.00

Legal fee chargeable by Member's Solicitor: Fee for acting for mortgagor in the discharge of mortgage only.

H. Where a CPF Charge has been registered, the Member subsequently:

(i) obtains a mortgage loan (i.e. creates mortgage in favour of lender, or

(ii) restructures the existing mortgage loan and/or obtains additional loan from the existing mortgagee

without the use of any additional CPF moneys and no CPF documentation is required.

Legal fee chargeable by CPF Solicitor: \$75.00

Legal fee chargeable by Member's Solicitor: \$50.00. This is in addition to the fee for acting for mortgagor in the mortgage.

I. Where a CPF charge has been registered and the Member subsequently obtains refinancing, i.e., discharges existing mortgage and creates fresh mortgage in favour of new mortgagee.

Legal fee chargeable by CPF Solicitor: \$300.00

Legal fee chargeable by Member's Solicitor: \$150.00. This is in addition to the fee for acting for mortgagor in the fresh mortgage and the fee for acting for mortgagor in the discharge of existing mortgage.

J. **Where a CPF Charge has been registered, and the original purchaser applies to include new co-owner(s) and a fresh mortgage is created by the original and new owners in favour of the mortgagee.**

J(1) Where a fresh Letter of Approval is issued to the original and new owners, whereby no additional CPF moneys are approved for withdrawal

Legal fee chargeable by CPF Solicitor: \$400.00

Legal fee chargeable by Member's Solicitor: \$200.00. This is in addition to the fee for acting for mortgagor in the discharge of existing mortgage, and the fee for acting for the mortgagor in the fresh mortgage (if any).

J(2) Where a fresh Letter of Approval is issued to the original and new owners, whereby additional CPF moneys are approved for withdrawal

Legal fee chargeable by CPF Solicitor: \$400.00.

Legal fee chargeable by Member's Solicitor: \$200.00. This is in addition to the fee for acting for mortgagor in the discharge of existing mortgage, and the fee for acting for the mortgagor in the fresh mortgage (if any).

K. **Where**

- (i) **a CPF Charge has been registered;**
- (ii) **any of the original owners disposes of his share in the property ("retiring owner") and the remaining owner(s) obtain refinancing;**
- (iii) **the CPF Charge is partially discharged as regards the retiring owner's interest;**
- (iv) **the existing mortgage is discharged and a fresh mortgage is created; and**
- (v) **CPF Board's consent is obtained.**

Legal fee chargeable by CPF Solicitor: \$400.00. This is in addition to the fee chargeable for acting for CPF Board in the

partial discharge of existing CPF Charge.

Legal fee chargeable by Member's Solicitor:

\$200.00. This is in addition to the fee for acting for the Member in the partial discharge of CPF charge and for mortgagor in the discharge of existing mortgage, and the fee for acting for mortgagor in the fresh mortgage.

- L(1) **Where the Member applies to CPF Board for CPF Board's consent for the registration of documents against the property and a Production form is required e.g. Notice of Death, Severance of Joint Tenancy, mortgage, etc.**

Legal fee chargeable by CPF Solicitor:

\$50.00. However, this fee is chargeable only if none of the legal fees prescribed under the foregoing Paragraphs applies.

- L(2) **Where the Member applies to the CPF Board for CPF Board's consent for the registration of documents (e.g. Notice of Death, Severance of Joint Tenancy, Mortgage, etc) against the property and both (a) a Production Form is required and (b) the title deeds to the property are required to be produced by the CPF Board.**

Legal fee chargeable by CPF Solicitor:

\$75.00. However, this fee is chargeable only if none of the legal fees prescribed under the foregoing Paragraphs applies.

- M. **Where the Member applies directly to the CPF Board for revision of CPF deductions or the use of CPF moneys for partial repayment of mortgage loan (not requiring discharge of mortgage) and the CPF solicitor is not required by the Board to take any action or prepare any CPF Documents.**

Legal fee chargeable by CPF Solicitor:

None is chargeable.

- N. **In addition to the above fees, the CPF Solicitor shall be entitled to charge (a) \$100.00 for the preparation of any Deed of Arrangement or Deed or Instrument of Postponement (where applicable) (b) \$100.00 for the preparation of any Confirmation of Priority Arrangement Form ("CPA") (where applicable) and (c) for disbursements incurred.**

O. Reversal of Priority of Pre-1 September 2002 Cases

In the case where the CPF Member had already, prior to 1 September 2002, charged and mortgaged his property to CPF Board and a mortgagee, the CPF Member and this same mortgagee ("Existing Mortgagee") may apply to CPF Board under the new CPF Property Rules for the existing priority in favour of CPF Board to be reversed in favour of the Existing Mortgagee:-

In addition to the fee of \$100.00 for the CPA,
 Legal fee chargeable by CPF Board's Solicitor: \$200.00

P. CPF Discharge

Legal Fee Chargeable by CPF Solicitor \$200.00

Legal Fee Chargeable by Member's solicitor \$220.00

Note

- The recommended fees exclude disbursements and Goods and Services Tax.