

(2) The court or a Judge may order the respondent to deliver to the applicant a list of the moneys or securities which he has in his custody or control on behalf of the applicant, or to bring into court the whole or any part of the same, within such time as the court or a Judge orders.

(3) In the event of the respondent alleging that he has a claim for costs, the court or a Judge may make such provision for the payment or security thereof or the protection of the respondent's lien, if any, as the court or a Judge thinks fit.

Interim certificate

81.—(1) If, during the taxation of any bill of costs or the taking of any account between solicitor and client, it appears to the Registrar that there must in any event be moneys due from the solicitor or law corporation to the client, the Registrar may make an interim certificate as to the amount so payable by the solicitor or law corporation.

[4/2000]

(2) Upon the filing of such certificate, the court or a Judge may order the moneys so certified to be immediately paid to the client or brought into court.

PART VIA

LAW CORPORATIONS

Interpretation of this Part

81A. In this Part, unless the context otherwise requires —

“company” has the same meaning as in the Companies Act (Cap. 50);

“law firm” means a solicitor practising on his own account or a partnership whose members are solicitors;

“legal services” means the legal services which a solicitor can lawfully perform under this Act;

“solicitor” means an advocate and solicitor who has in force a practising certificate.

[4/2000]

Approval for law corporations

81B.—(1) A solicitor who wishes to have a company or a proposed company approved as a law corporation shall apply to the Council for approval —

- (a) of the company as a law corporation; and
- (b) of the name or proposed name of the law corporation.

[4/2000]

(2) An application under subsection (1) shall be made in accordance with rules made under section 81N.

[4/2000]

(3) Subject to the provisions of this Part, the Council may, on receiving an application in respect of a company or a proposed company under this section, approve the company or proposed company as a law corporation if —

- (a) the memorandum of association of the company or proposed company provides that the primary object of the company or proposed company is to supply legal services and such other class of services as may be prescribed; and
- (b) the articles of association of the company or proposed company provide for such matters as may be prescribed.

[4/2000]

(4) If the Council gives approval for a proposed company to be a law corporation, the approval shall not take effect until the company is registered and incorporated under the Companies Act (Cap. 50).

[4/2000]

Name of law corporation

81C.—(1) The Council shall not approve the name or proposed name of a law corporation which in its opinion —

- (a) is misleading or detracts from the dignity of an honourable profession;
- (b) is so similar to that of an existing law corporation, law firm or group practice as to be likely to be confused with it; or
- (c) is inconsistent with any of the provisions of any rules on publicity made under section 71 (1).

[4/2000]

(2) Notwithstanding section 27 of the Companies Act, a law corporation which is a limited company need not have the word “Limited” or “Berhad” as part of its name and a law corporation

which is a private company need not have the word "Private" or "Sendirian" as part of its name.

[4/2000]

(3) Every law corporation shall have either the words "Law Corporation" or the acronym "LLC" as part of its name and no person, firm or group practice other than an approved law corporation shall have such words as part of its name.

[4/2000]

(4) The directors of a law corporation shall ensure that every invoice or official correspondence of the law corporation bears the statement that it is incorporated with limited liability.

[4/2000]

(5) No name of a law corporation may be changed without the prior approval in writing of the Council.

[4/2000]

(6) Notwithstanding anything in this section or section 27 of the Companies Act (Cap. 50), where the Council is satisfied that the name of a law corporation has been approved (whether through inadvertence or otherwise and whether originally or by change of name) in contravention of subsection (1), the Council may direct the law corporation to change its name and the law corporation shall comply with that direction within 6 weeks from the date of the direction or such longer period as the Council may allow.

[4/2000]

Effect of company becoming law corporation

81D.—(1) A law corporation is authorised to do anything that a solicitor can do by law and is required to do all that a solicitor is required to do by law.

[4/2000]

(2) Subsection (1) shall not apply to the doing of anything that can only be done by a solicitor as a natural person.

[4/2000]

(3) A solicitor who provides legal services as a director or an employee of a law corporation shall be subject to the same standards of professional conduct and competence in respect of such services as if he were personally providing the legal services as a solicitor in a law firm.

[4/2000]

(4) The mere fact that a solicitor personally provides legal services as a director or an employee of a law corporation shall not affect the personal liability of that solicitor at law.

[4/2000]

Relationship between client and law corporation

81E.—(1) A law corporation shall have the same rights and shall be subject to the same fiduciary, confidential and ethical requirements with respect to each client of the law corporation that exist at law with respect to a solicitor and his client.

[4/2000]

(2) Solicitor-client privilege exists between a law corporation and a client of the corporation in the same way as it exists between a solicitor and his client and extends to every solicitor who is an officer or employee of the corporation.

[4/2000]

(3) Sections 128 to 131 of the Evidence Act (Cap. 97) on professional communications shall apply to a law corporation, its officers and its employees as it applies to a solicitor.

[4/2000]

Professional misconduct

81F.—(1) An act or omission of a solicitor may constitute unsatisfactory professional conduct or professional misconduct even though it is only done or occurs while the solicitor provides legal services through a law corporation.

[4/2000]

(2) The directors of the law corporation who are solicitors shall be jointly liable to disciplinary proceedings under this Act if the business of the law corporation is conducted in a manner unbecoming an honourable profession and where such conduct cannot be attributed to the act or omission of a particular solicitor or solicitors whose identity is known.

[4/2000]

(3) A director or an employee of a law corporation who is a solicitor (whether or not he has in force a practising certificate) shall not —

- (a) hold shares in any other law corporation;
- (b) be a director or consultant or an employee of any other law corporation;
- (c) be a partner or consultant or an employee of a law firm; or
- (d) practise as a solicitor on his own account.

[4/2000]

Requirements as to alteration of memorandum or articles of association.

81G. The directors of a law corporation must ensure at all times that any amendment or alteration to its memorandum or articles of association must comply with all the requirements with respect to law corporations in this Act.

[4/2000]

Shares of law corporation

81H.—(1) No person shall transfer or dispose of any shares in a law corporation except in accordance with this section and the rules made under section 81N.

[4/2000]

(2) All the shares in a law corporation shall be held by solicitors subject to any rules made under section 81N as to any shares or proportion of shares in a law corporation which may be held by such other persons or class of persons as may be prescribed.

[4/2000]

(3) No share in a law corporation may be held by a person as nominee for another person.

[4/2000]

(4) Except with the prior approval of the Council or in circumstances prescribed in the rules made under section 81N, any person who holds shares in a law corporation shall not —

(a) hold shares in any other law corporation;

(b) be a director or consultant or an employee of any other law corporation;

(c) be a partner or consultant or an employee of any law firm; or

(d) practise as a solicitor on his own account.

[4/2000]

(5) No security may be created over any share in a law corporation.

[4/2000]

(6) A solicitor who, pursuant to disciplinary proceedings under this Act, is suspended from practice or struck off the roll, shall not hold any shares in a law corporation unless the Council, on the solicitor's application, grants him a grace period to transfer or dispose his shares in the law corporation.

[4/2000]

(7) Where a solicitor has been suspended from practice or struck off the roll pursuant to disciplinary proceedings under this Act, he

shall not, directly or indirectly, take part in or be concerned in the management or practice of a law corporation.

[4/2000]

(8) Any transfer or disposal made in contravention of subsections (1) to (6) shall be null and void.

[4/2000]

(9) Notwithstanding subsections (2) and (7), where a solicitor has for any reason ceased to hold a practising certificate, the Council may, upon application made by the solicitor or by the law corporation of which he is a member, grant him a grace period of not more than 2 years to transfer his shares in the law corporation.

[4/2000]

(10) The solicitor referred to in subsection (9) shall be treated as a solicitor for the purposes of computing the proportion of any class of shares in the law corporation held by solicitors.

[4/2000]

(11) Notwithstanding subsections (2) and (7), where a solicitor has by reason of death, bankruptcy or incapacity by reason of mental or physical disability ceased to hold a practising certificate, the Council may allow the executor or administrator of the solicitor's estate or the committee of the person and estate or any other person to hold the solicitor's shares in the law corporation of which he was or is a member for a grace period of not more than 2 years.

[4/2000]

(12) The grace period of not more than 2 years referred to in subsection (11) shall commence —

- (a) in the case of death, from the date the administrator is appointed or the date the probate or letters of administration are granted;
- (b) in the case of bankruptcy, from the date the solicitor is adjudged a bankrupt; or
- (c) in the case of incapacity by reason of mental or physical disability, from the date the solicitor becomes incapable to act.

[4/2000]

(13) The solicitor referred to in subsection (9) or the persons referred to in subsection (11) shall not during the grace period of 2 years exercise any voting rights attached to his shares in the law corporation or take part or be concerned in the management or practice of the law corporation.

[4/2000]

Additional grounds for winding up law corporation

81I.—(1) A law corporation may be wound up under the Companies Act (Cap. 50) on any of the following grounds:

- (a) the law corporation ceases to satisfy the requirements of this Act or the rules made under section 81N relating to a law corporation; or
- (b) the business of the law corporation has been conducted in a manner unbecoming the profession.

[4/2000]

(2) The grounds for winding up referred to in subsection (1) are additional to those prescribed by the Companies Act.

[4/2000]

(3) An application to wind up a law corporation on a ground specified in subsection (1) may be made only by the Attorney-General or the Council.

[4/2000]

Right of appeal against decisions of Council under this Part

81J.—(1) An applicant, for approval by the Council of —

- (a) a company or proposed company as a law corporation;
- (b) an amendment or alteration to the memorandum or articles of association of a law corporation; or
- (c) a change in the name of a law corporation,

may appeal to the High Court against a decision of the Council.

[4/2000]

(2) An applicant making an appeal under subsection (1) must comply with the rules made under section 81N for the purposes of this section.

[4/2000]

(3) On the hearing of an appeal under this section, the High Court may —

- (a) confirm the decision of the Council; or
- (b) direct the Council to grant the application for approval, either unconditionally or subject to conditions specified by the Court,

and may make such order as to the payment of costs by the Council or by the applicant as it thinks fit.

[4/2000]

Register of law corporations

81K.—(1) The Council is required —

- (a) to keep a register of all law corporations approved under section 81B in such form and manner as the Council thinks fit and to have custody of the register and all documents relating to it; and
- (b) to allow any person to inspect the register in such manner as the Council thinks fit.

[4/2000]

(2) The Council is required to enter on the register of law corporations the name of every law corporation approved under section 81B.

[4/2000]

(3) The Council may cancel the registration of a law corporation which has ceased providing legal services or which has been wound up.

[4/2000]

This Part to prevail over inconsistent provisions of memorandum and articles of association

81L. This Part and any rules made under section 81N for the purposes of this Part shall prevail over any inconsistent provision of the memorandum and articles of association of a law corporation.

[4/2000]

Application of Companies Act and other written law to law corporations

81M.—(1) Nothing in this Part, with the exception of this section and sections 81C (2), 81H and 81I, shall affect the operation of the Companies Act (Cap. 50) in relation to its application to a company that is a law corporation.

[4/2000]

(2) A law corporation shall, notwithstanding that the shares in the law corporation are held by more than 20 members, be deemed to be an exempt private company for the purposes of the Companies Act.

[4/2000]

(3) A law corporation shall not be treated for the purposes of the Companies Act as a public company merely because it has more than 50 members.

[4/2000]

(4) Such provisions of any other written law having effect in relation to solicitors or law firms as may be prescribed, shall have effect in relation to law corporations with such prescribed modifications as may be necessary or expedient; and such provisions shall be construed accordingly.

[4/2000]

Rules on law corporations

81N.—(1) The Minister may, after consulting the Council, make rules for the purposes of this Part.

[4/2000]

(2) Without prejudice to the generality of subsection (1), any rules made thereunder may provide —

- (a) for prescribing anything which may be prescribed under this Part;
- (b) for restrictions to be imposed on persons or classes of persons who may become officers of a law corporation or who may hold shares in a law corporation and on the proportion of shares in a law corporation which may be held by such persons or classes of persons;
- (c) for the payment of fees on applications made under this Part or any rules made thereunder and for related matters;
- (d) for the keeping of accounts by a law corporation and for the matters set out in section 72;
- (e) for exempting any person or class of persons from any provision of this Part; and
- (f) for such incidental, consequential or supplementary provisions as may be necessary or expedient.

[4/2000]

Reference in other written law

81O. In any other written law, any reference to a solicitor, an advocate or an advocate and solicitor shall, with such necessary modifications or exceptions as may be prescribed under section 81N, be construed as including a reference to a law corporation.

[4/2000]