



FOR SOLICITORS/SINGAPORE LAW PRACTICES

1) What is the Unclaimed Money Fund (“UMF”)?

The UMF is a fund set up under section 70J of the Legal Profession Act that is maintained and administered by the Law Society of Singapore (“the Law Society”). The UMF framework is voluntary.

2) How does the UMF help me/my practice?

To address the problem of maintaining a client account holding unclaimed client money, solicitors and Singapore law practices will be able to transfer unclaimed client money into the UMF, subject to meeting certain requirements such as making reasonable efforts to locate the client.

3) What happens to the unclaimed client money that has been transferred to the UMF?

The Law Society may, among other things, use the money to fund pro bono services provided by the Law Society or its wholly-owned subsidiary, as prescribed under the relevant legislation. This will allow the money to be applied towards the public good.

4) Who can make an application for the transfer of unclaimed client money to the UMF?

Applications to transfer unclaimed client money to the UMF can only be made by a sole proprietor, partner or director of a Singapore law practice.

5) What types of unclaimed client money can I transfer to the UMF?

For administrative purposes, the Law Society has categorised unclaimed client money into three types:

- a) Legacy amounts – sums held in the client’s account for 6 years before 1 November 2019 (i.e. between 1 November 2013 to 31 October 2019) and which satisfy the dormancy requirement i.e. no transaction (other than an excluded transaction) had occurred during this period. Sums held on or before 1 November 2013 are considered legacy amounts if the dormancy requirement is satisfied.
- b) Small amounts – sums of \$200 and below held in the client account.
- c) All other amounts – sums which are neither legacy nor small amounts.

6) How do I make an application to transfer unclaimed client money to the UMF?

Applications must be made using the following prescribed forms on the Law Society’s website:

Form 1: for transfer of legacy amounts after the Initial Period (from 1 November 2021 onwards) and all other amounts

Form 1 & Form 2a: for transfer of legacy amounts during the Initial Period (from 1 November 2019 to 31 October 2021 – both dates inclusive)

Form 1 & Form 2b: for transfer of small amounts

Please submit the signed, original application form and any relevant supporting documents by hand or post to the following address:

The Law Society of Singapore
28 Maxwell Road, #01-03 Maxwell Chambers Suites
Singapore 069120

Please note that the Law Society may refuse to consider an application if the application is incomplete or not made in accordance with the relevant legislation.

7) What are the “reasonable efforts” that I must make to return the unclaimed money to my client?

Rule 5 of the UMF Rules sets out the basic requirements which will be considered by the Law Society in determining whether reasonable efforts were made to return the money to the client.

In addition, the Council’s Practice Direction 3.14.1 prescribes a list of non-exhaustive specific steps that a solicitor or Singapore law practice will need to take to return the money to the client. These include:

- (a) Sending letters, faxes or e-mails to the client;
- (b) Making phone calls to the client;
- (c) Carrying out internet searches of the client’s name;
- (d) Contacting appropriate third parties (e.g. client’s family members, employers, banks/creditors);
- (e) Where the client is a corporate entity, conducting an ACRA search.

For small sums, reasonable efforts should be proportionate to the amount held. Where large sums are involved, the Law Society may require additional measures to be taken as may be appropriate (e.g. placing an advertisement in print or other media and/or engaging professional services from private investigators).

Please refer to the Council’s Practice Direction 3.14.1 at paragraphs 3.1 and 3.2 for further information.

8) Can I deduct out-of-pocket expenses incurred in trying to trace my client?

You must ensure that the terms of engagement with your client allow you to deduct an amount for out-of-pocket expenses incurred in attempting to return the money to your client.

Before you apply to transfer the unclaimed client money into the Fund, you must also take into account any authorised deductions made for out-of-pocket expenses. You are also required to keep records of the amount deducted, if any.

9) Must I keep records of any transfers of unclaimed client money into the Fund?

A solicitor or Singapore law practice that pays transferred unclaimed client money into the Fund must keep records for a period of 6 years beginning on the date of the payment. Please see Rule 8 of the UMF Rules for further information on the record-keeping requirements.

The Council may also require such records to be inspected to ensure compliance with the UMF Rules. You may refer to Rule 9 of the UMF Rules for further information.

10) Am I still liable to my client after the transfer of the unclaimed client money to the UMF?

Yes, the client still has a statutory right to sue you or your law practice any time on or before the expiry of 6 years after the transfer date of the transferred unclaimed client money (“the 6-year period”).

If your client decides to apply to the Law Society within the 6-year period for the payment of transferred unclaimed client money from the UMF, your liability to the client is discharged only after the Law Society pays the relevant amount to the client.

11) Do I need to inform my client about the UMF?

All solicitors and Singapore law practices must inform their clients about the UMF, in particular the circumstances under which: (a) unclaimed client money can be transferred to the UMF; and (b) they can apply for the payment of transferred unclaimed client money from the UMF. This applies for all new matters commencing from 1 November 2019, as well as matters which are ongoing as of 1 November 2019. You may wish to refer to the sample information sheet which is available in the Members’ Library on the Law Society’s website.

12) Who do I contact for more information?

Please contact the Law Society by email at umf@lawsoc.org.sg.