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Subject: Press Release: Commencement of Unclaimed Money Fund framework  
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Attachments: Frequently Asked Questions for Claimants.pdf (2 pages), Frequently Asked Questions for Members.pdf (3 pages)

**PRESS RELEASE**  
**(For Immediate Release)**

**COMMENCEMENT OF THE UNCLAIMED MONEY FUND FRAMEWORK**

The Unclaimed Money Fund (“the Fund”) framework has come into force with effect from 1 November 2019.

The Fund is administered by the Law Society of Singapore and aims to help solicitors and Singapore law practices deal with the problem of unclaimed client money. Solicitors and Singapore law practices that have money left unclaimed in their client accounts will be able to apply to the Law Society to transfer this money to the Fund, subject to fulfilling certain requirements and the approval of the Law Society.

Owners of the unclaimed client money who wish to claim the money that was transferred to the Fund can also apply to the Law Society within 6 years of the date of transfer to have the money returned to them. Claims made after the 6-year period will be considered by the Law Society on a case-by-case basis.

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

For more information about the Fund, please refer to the Law Society’s Frequently Asked Questions (attached) for members and claimants respectively.

**Regards**

**Ufairah AKRAM (Ms)**

**Senior Executive Officer**

**Membership, Communications and International Relations**

**The Law Society of Singapore**

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## **FOR CLAIMANTS**

The Law Society of Singapore (“the Law Society”) manages the administration of the Unclaimed Money Fund (“UMF”), which holds unclaimed client money for the purposes of returning it to those who are entitled to receive it. For more information on the UMF, please email [umf@lawsoc.org.sg](mailto:umf@lawsoc.org.sg).

### **1) What is unclaimed client money?**

In the course of client engagements, solicitors or Singapore law practices will receive money to hold on behalf of their clients. The money remains in the client account until it is paid out based on the client’s instructions or returned to the client.

However, there may be occasions when the client money is left unclaimed in a client account. For example, the client has changed his or her contact details without notifying the solicitor or Singapore law practice; or where the client moves overseas and becomes uncontactable, and the solicitor or Singapore law practice has no other means of returning the money to the client. In such cases, the money goes unclaimed and remains with the solicitor or Singapore law practice, until it can be returned to the client.

### **2) What happens to the unclaimed client money in 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.

### **3) How do I know if I should make a claim?**

If you have paid money to a solicitor or Singapore law practice and after completing the legal work for you, the solicitor or Singapore law practice was unable to locate you to return any balance of the monies, these monies may have been transferred to the UMF.

If the monies have been transferred to the UMF and you wish to claim the monies, you will need to complete the Application Form for Claimants (Form 3) and provide the relevant supporting documents for the Law Society to process your claim.

Alternatively, you may also wish to contact the solicitor or Singapore law practice in charge of your matter for further information.

### **4) How do I make a claim?**

You are required to obtain a court order or make a statutory declaration which states the amount of money that has been paid by the solicitor or Singapore law practice into the UMF, and which should be paid to you as the claimant.

In addition, you must complete Form 3, which is available on the Law Society’s website, with the following information:

- Full name, address, contact details and NRIC/FIN/Passport number;
- Information on the solicitor or Singapore law practice in charge of your matter;
- The amount of money that you are claiming; and
- Reason(s) why the money was left unclaimed.

Please submit the signed, original application form, original court order or statutory declaration, and any relevant supporting documents by mail or in person to the following address:

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

**5) What happens after I make a claim?**

The Law Society will review your application and notify you in writing of the Law Society's decision on your application.

**6) Is there a time limit for when I can bring a claim?**

If the statutory requirements are met, the Law Society will be able to return the transferred unclaimed client money if an application is made within 6 years after the date. You will be notified in writing of the Law Society's determination on whether your application has satisfied the requirements for the payment of transferred unclaimed client money.

However, if an application is made beyond the 6-year period, the Law Society may make payments strictly on a discretionary, case-by-case basis. You should write in to the Law Society with the particulars of, and reasons for, the delayed application. You will be notified in writing of the Law Society's decision on whether or not payment of the transferred unclaimed client money will be made.

**7) Am I entitled to be paid interest on the amount that was transferred to the UMF?**

No interest on any unclaimed client money that was transferred to the UMF is payable by the Law Society to a claimant.

**8) I would like to make a claim but I have some questions. Who do I contact for more information?**

Please contact the Law Society by email at [umf@lawsoc.org.sg](mailto:umf@lawsoc.org.sg).



## **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](mailto:umf@lawsoc.org.sg).