

THE LAW SOCIETY OF SINGAPORE

PRACTICE DIRECTION 7.2.4

[Formerly PDR 2013, para 31; PDR 1989, chap 1, para 25(d)]

**ACTING FOR BOTH DEBENTURE HOLDER OF A COMPANY AND RECEIVER
APPOINTED BY THE HOLDER**

It is not objectionable in principle for a receiver to use the same legal practitioner that acts for the appointer, the debenture holder. The receiver is almost invariably a public accountant who should be able to identify a situation that is likely to give rise to a conflict of interest between the company that he/she represents and the appointer. If there is a likelihood of conflict, then the receiver should use different legal practitioners. This aside, any conflict or likelihood of conflict should be identifiable by the legal practitioners acting for the debenture holder, and the legal practitioners can in such a situation be expected to inform the receiver accordingly and advise that he/she engages different legal practitioners.

The likelihood of conflict should be real and not fanciful, and in this respect, 'potential' conflict is not the true test, since potential conflict includes a possibility of conflict that can be remote.

Date: 1 June 2018

THE COUNCIL OF THE LAW SOCIETY OF SINGAPORE