

THE LAW SOCIETY OF SINGAPORE

PRACTICE DIRECTION 3.3.8

[Formerly PDR 1989, misc section, query 5]

QUERY: SOLICITORS' ACCOUNTS RULES – PAYMENT INTO CLIENT AND OFFICE ACCOUNTS

The Council has adopted the following rulings recommended by the Solicitors Accounts Rules Committee. Members are requested to note them.

1. Question: Can a solicitor (as defined by the subsidiary legislation) pay sums received as costs to account into an office account without having to render a bill for any part of the work done in a matter?

Answer:

(a) Situation where a bill or written intimation need not be rendered

Where the money is expressly paid to him “as an agreed fee (or on account of an agreed fee) for business undertaken or to be undertaken” – Rule 9(2)(c)(ii) of the Legal Profession (Solicitors' Accounts) Rules (Cap 161, R 8, 1999 Rev Ed) ('SAR').

(b) Situation where a bill or written intimation needs to be rendered

Where the fee has not been agreed but costs have been incurred and a bill or written intimation had been delivered in respect thereof – Rule 9(2)(c)(i) of the SAR.

(c) Situation where the sums received as costs cannot be paid into an office account whether or not a bill or written intimation is rendered

Where work has not yet commenced, and the fee has not been agreed – Rules 9(2)(c)(i) and 9(2)(c)(ii) of the SAR.

Such sums must first be paid into the clients account as directed by rule 3(1) of the SAR. However, once costs have been incurred and a bill or written intimation delivered, the money may be withdrawn from the clients account and paid into the office account – Rule 7(1)(a)(iv) of the SAR.

2. Question: Can sums received as costs and disbursements be placed in an office account instead of a client account?

Answer:

(a) Costs

Yes, sums received as costs can be placed in an office account instead of a client account if:

- (i) It is an agreed fee – Rule 9(2)(c)(ii) of the SAR.
- (ii) It is not an agreed fee, but costs have been incurred and a bill or other written intimation of the amount of costs has been delivered for payment – Rule 9(2)(c)(i) of the SAR.

(b) Disbursements

Yes, sums received on account and for the payment of disbursements can be placed in office account instead of a client account if it amounts to money received “in reimbursement of money expended by the solicitor on behalf of a client” – Rule 9(2)(b) of the SAR.

Date: 31 January 2019

THE COUNCIL OF THE LAW SOCIETY OF SINGAPORE