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Notification No. B 31 — The Legal Profession (Amendment) Bill is hereby published for general information. It was introduced in Parliament on the 17th day of October 2005.

Legal Profession (Amendment) Bill

Bill No. 31/2005.

Read the first time on 17th October 2005.

A BILL

i n t i t u l e d

An Act to amend the Legal Profession Act (Chapter 161 of the 2001 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Legal Profession (Amendment) Act 2005 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 Amendment of section 2

2. Section 2 of the Legal Profession Act (referred to in this Act as the principal Act) is amended —

(a) by inserting, immediately after the definition of “Academy” in subsection (1), the following definition:

10 “ “active practice” does not include practice as a locum solicitor;”;

(b) by deleting the words “or a law corporation’s” in paragraph (a) of the definition of “client” in subsection (1) and substituting the words “, a law corporation’s or a limited liability law
15 partnership’s”;

(c) by deleting paragraph (b) of the definition of “client” in subsection (1) and substituting the following paragraph:

“(b) in relation to non-contentious business —

20 (i) any person who, as a principal or on behalf of another, or as a trustee, an executor or an administrator, or in any other capacity, has power, express or implied, to retain or employ, and retains or employs or is about to retain or employ, a solicitor, a law corporation or a limited
25 liability law partnership; and

(ii) any person for the time being liable to pay a solicitor, a law corporation or a limited liability law partnership for his or its services any costs;”;

30 (d) by inserting, immediately after the definition of “legal officer” in subsection (1), the following definition:

“ “limited liability law partnership” means a limited liability partnership approved as a limited liability law partnership under section 81Q;”;

(e) by inserting, immediately after the words “law corporations” in the definition of “locum solicitor” in subsection (1), the words “, limited liability law partnerships”;

(f) by deleting subsection (4) and substituting the following subsection:

“(4) References to an employee of a solicitor or law firm or law corporation or limited liability law partnership shall be construed to include a locum solicitor engaged by the solicitor or law firm or law corporation or limited liability law partnership, as the case may be, and references to being employed by a solicitor or law firm or law corporation or limited liability law partnership shall be construed accordingly, in the following provisions:

(a) sections 78, 81D, 81E, 81F, 81H, 81S, 81T and 81U;

(b) the definition of “specified person” in section 79(2);

(c) paragraphs 1(1)(a)(ii), 5(1)(d) and 8A(1)(d) of the First Schedule; and

(d) the Second Schedule.”; and

(g) by inserting, immediately after subsection (5), the following subsection:

“(6) Unless it is expressly provided to the contrary —

(a) references to a partnership in this Act; or

(b) references to a law firm or firm in this Act, except in Part IXA,

shall not include a reference to a limited liability partnership.”.

Amendment of section 25

3. Section 25(1) of the principal Act is amended by inserting, immediately after the words “law corporation” in paragraph (a)(ii), the words “or limited liability law partnership”.

Amendment of section 26

4. Section 26 of the principal Act is amended —

(a) by inserting, immediately after paragraph (b) of subsection (1), the following paragraph:

“(ba) unless he is or is about to be a partner or an employee of a limited liability law partnership;”; and

5 (b) by deleting subsection (1A) and substituting the following subsection:

“(1A) No solicitor shall apply for a practising certificate to practise as a locum solicitor unless he is a citizen or a permanent resident of Singapore, and —

10 (a) has, for a period of not less than 3 years in the aggregate in the 5 years immediately preceding the application —

(i) practised as a solicitor on his own account or in partnership, as a director of a law corporation, as
15 as a partner of a limited liability law partnership or as an employee of a law firm, law corporation or limited liability law partnership; or

(ii) been employed as a legal officer;

(b) has completed such training within such time as the
20 Council may by rules under section 25 prescribe; or

(c) has practised as a locum solicitor at any time within the period of 3 years immediately preceding the application.”.

Amendment of section 32

25 **5.** Section 32(3) of the principal Act is amended by inserting, immediately after the word “employee,”, the words “or the limited liability law partnership in which the master is a partner or consultant or an employee,”.

Amendment of section 33

30 **6.** Section 33 of the principal Act is amended —

(a) by inserting, immediately after the words “law corporation” in subsection (6), the words “or a limited liability law partnership”; and

- (b) by inserting, immediately after subsection (7), the following subsection:

“(7A) Where an act mentioned in subsection (6) is done by a partner, an officer or employee of a limited liability partnership, that partner, officer or employee shall (without prejudice to the liability of the limited liability partnership) be liable to the punishments provided in subsection (5).”.

Amendment of section 61

7. Section 61 of the principal Act is amended —

- (a) by inserting, immediately after the words “law corporation”, the words “or a limited liability law partnership”; and
- (b) by inserting, immediately after the words “law corporation” in the section heading, the words “or limited liability law partnership”.

Amendment of section 72

8. Section 72(2) of the principal Act is amended by inserting, immediately after the words “law corporations”, the words “or to limited liability law partnerships”.

Amendment of section 73

9. Section 73 of the principal Act is amended by inserting, immediately after the words “law corporation” in subsections (2)(a) and (b), (3)(d) and (4)(b), the words “or the limited liability law partnership”.

Amendment of section 75

10. Section 75 of the principal Act is amended —

- (a) by deleting subsection (11) and substituting the following subsection:

“(11) Where it is proved to the satisfaction of the Council that any person has sustained loss in consequence of dishonesty on the part of —

- (a) any solicitor or employee of a solicitor in connection with that solicitor’s practice in Singapore as a

solicitor or in connection with any trust in Singapore of which that solicitor is a trustee;

(b) any officer or employee of a law corporation in connection with legal services performed in Singapore by the law corporation; or

(c) any partner, officer or employee of a limited liability law partnership in connection with legal services performed in Singapore by the limited liability law partnership,

then subject to this section, the Society may, if the Council thinks fit, make a grant to that person out of the Fund for the purpose of relieving or mitigating that loss.”; and

(b) by inserting, immediately after the words “law corporation” in subsection (12), the words “or limited liability law partnership”.

Amendment of section 75A

11. Section 75A of the principal Act is amended —

(a) by inserting, immediately after the words “law corporation” in subsection (1)(c), the words “or a limited liability law partnership”;

(b) by inserting, immediately after the words “law corporations” in subsections (2)(c) and (3)(b) and (c), the words “and limited liability law partnerships”;

(c) by inserting, immediately after the words “law corporation” in the 2nd line of subsection (3)(f), the words “or a limited liability law partnership”;

(d) by inserting, immediately after the words “law corporation” in the 5th and last lines of subsection (3)(f), the words “or the limited liability law partnership”;

(e) by inserting, immediately after the words “law corporations” in subsection (3)(g), the words “or limited liability law partnerships”; and

(f) by deleting subsection (6) and substituting the following subsection:

5 “(6) Nothing in this section shall affect the right of any advocate and solicitor or law corporation or limited liability law partnership, in addition to the indemnity provided in rules made under this section, to insure himself or the law corporation or the limited liability law partnership further against loss arising from such claims as may be instituted against him or the law corporation or the limited liability law partnership.”.

Amendment of section 75C

10 **12.** Section 75C of the principal Act is amended —

- (a) by inserting, immediately after the word “partnership” in the 3rd line of subsection (1), the words “(whether in a law firm or a limited liability law partnership)”;
- 15 (b) by inserting, immediately after the words “law corporation” in subsection (1)(b), the words “or a limited liability law partnership”; and
- (c) by inserting, immediately after subsection (4), the following subsection:

20 “(4A) Subsection (1) shall not apply to a solicitor who is a partner of a limited liability law partnership if at least one of the partners of that limited liability law partnership is a solicitor who has been in active practice in Singapore for not less than 3 continuous years or 3 years out of a continuous period of 5 years.”.

Amendment of section 77

13. Section 77(2) of the principal Act is amended by inserting, immediately after the words “law corporation” wherever they appear, the words “or the limited liability law partnership”.

Amendment of section 79

30 **14.** Section 79(2) of the principal Act is amended —

- (a) by deleting the word “or” at the end of paragraph (b) of the definition of “specified person”; and

(b) by deleting the full-stop at the end of paragraph (c) of the definition of “specified person” and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:

5 “(d) any partner or employee of the limited liability law partnership of which the solicitor is a partner or an employee.”.

Amendment of section 81

10 **15.** Section 81(1) of the principal Act is amended by inserting, immediately after the words “law corporation” wherever they appear, the words “or limited liability law partnership”.

Amendment of section 81A

16. Section 81A of the principal Act is amended by inserting, immediately after the word “solicitors” in the definition of “law firm”, the words “but does not include a limited liability law partnership”.

Amendment of section 81C

15 **17.** Section 81C(1) of the principal Act is amended by inserting, immediately after the words “law corporation,” in paragraph (b), the words “limited liability law partnership,”.

Amendment of section 81F

20 **18.** Section 81F of the principal Act is amended —

- (a) by deleting the words “a law firm” in subsection (3)(c) and substituting the words “any law firm or limited liability law partnership”; and
- 25 (b) by deleting the words “law firm” in subsection (4) and substituting the words “any law firm or limited liability law partnership”.

Amendment of section 81H

30 **19.** Section 81H(4) of the principal Act is amended by inserting, immediately after the words “law firm” in paragraph (c), the words “or limited liability law partnership”.

“limited liability partnership agreement”, “manager” and “officer” have the same meaning as is assigned to them in the Limited Liability Partnerships Act 2005 (Act 5 of 2005).

Approval for limited liability law partnerships

5 **81Q.**—(1) A solicitor who wishes to have a limited liability partnership or a proposed limited liability partnership approved as a limited liability law partnership shall apply to the Council for approval —

10 (a) of the limited liability partnership as a limited liability law partnership; and

 (b) of the name or proposed name of the limited liability law partnership.

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

15 (3) If the Council gives approval for a proposed limited liability partnership to be a limited liability law partnership, the approval shall not take effect until the limited liability partnership is registered under the Limited Liability Partnerships Act 2005 (Act 5 of 2005).

Name of limited liability law partnership

20 **81R.**—(1) The Council shall not approve the name or proposed name of a limited liability law partnership which in its opinion —

 (a) is misleading or detracts from the dignity of an honourable profession;

25 (b) is so similar to that of an existing law corporation, limited liability law partnership, 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).

30 (2) The partners of a limited liability law partnership shall ensure that every invoice or official correspondence of the limited liability law partnership bears the statement that it is incorporated with limited liability.

 (3) No name of a limited liability law partnership may be changed without the prior approval in writing of the Council.

(4) Notwithstanding anything in this section or section 19 of the Limited Liability Partnerships Act 2005 (Act 5 of 2005), where the Council is satisfied that the name of a limited liability law partnership 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 limited liability law partnership to change its name and the limited liability law partnership shall comply with that direction within 6 weeks from the date of the direction or such longer period as the Council may allow.

Effect of becoming limited liability law partnership

81S.—(1) A limited liability law partnership 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.

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

(3) A solicitor who provides legal services as a partner or an employee of a limited liability law partnership 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) The mere fact that a solicitor personally provides legal services as a partner or an employee of a limited liability law partnership shall not affect the personal liability of that solicitor at law.

Relationship between client and limited liability law partnership

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

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

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

Professional misconduct

81U.—(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 limited liability law partnership.

(2) The partners of the limited liability law partnership who are solicitors shall be jointly liable to disciplinary proceedings under this Act if the business of the limited liability law partnership is conducted in a manner unbefitting 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.

(3) A partner or an employee of a limited liability law partnership who is a solicitor (whether or not he has in force a practising certificate) shall not —

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

(4) Subsection (3) shall not prevent a locum solicitor engaged by a limited liability law partnership from concurrently practising as a locum solicitor in another limited liability law partnership or any law firm or law corporation.

Effect of disciplinary action

81V. Where a solicitor has been suspended from practice or struck off the roll pursuant to disciplinary proceedings under this Act, he shall not be a manager of a limited liability law partnership.

Additional grounds for winding up limited liability law partnership

81W.—(1) A limited liability law partnership may be wound up under the Limited Liability Partnerships Act 2005 (Act 5 of 2005) on any of the following grounds:

- (a) the limited liability law partnership ceases to satisfy the requirements of this Act or the rules made under section 81ZB relating to a limited liability law partnership; or
- (b) the business of the limited liability law partnership has been conducted in a manner unbefitting the profession.

(2) The grounds for winding up referred to in subsection (1) are additional to those prescribed by the Limited Liability Partnerships Act 2005.

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

Right of appeal against decisions of Council under this Part

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

- (a) a limited liability partnership or proposed limited liability partnership as a limited liability law partnership; or
- (b) a change in the name of a limited liability law partnership,

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

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

(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.

Register of limited liability law partnerships

81Y.—(1) The Council is required —

(a) to keep a register of all limited liability law partnerships approved under section 81Q 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.

(2) The Council is required to enter on the register of limited liability law partnerships the name of every limited liability law partnership approved under section 81Q.

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

This Part to prevail over inconsistent provisions of limited liability partnership agreement

81Z. This Part and any rules made under section 81ZB for the purposes of this Part shall prevail over any inconsistent provision of the limited liability partnership agreement of a limited liability law partnership.

Application of Limited Liability Partnerships Act and other written law to limited liability law partnerships

81ZA.—(1) Nothing in this Part shall affect the operation of the Limited Liability Partnerships Act 2005 (Act 5 of 2005), and the provisions of this Part shall apply with the provisions of the Limited Liability Partnerships Act 2005.

(2) In the case of a conflict between any provision of the Limited Liability Partnerships Act 2005 and any provision in this Part, the provision in this Part shall prevail unless otherwise expressly provided in this Part.

(3) Such provisions of any other written law having effect in relation to solicitors or law firms or law corporations as may be prescribed, shall have effect in relation to limited liability law

partnerships with such prescribed modifications as may be necessary or expedient; and such provisions shall be construed accordingly.

(4) In this section, references to this Part include references to rules made under section 81ZB.

5 **Rules on limited liability law partnerships**

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

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

- 10 (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 be partners in or officers of a limited liability law partnership;
- 15 (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 limited liability law partnership and for the matters set out in section 72;
- 20 (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.

Reference in other written law

25 **81ZC.** 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 81ZB, be construed as including a reference to a limited liability law partnership.”.

Deletion and substitution of heading to Part VIII

22. The heading to Part VIII of the principal Act is deleted and the following heading substituted therefor:

5 “REMUNERATION OF SOLICITORS, LAW CORPORATIONS
AND LIMITED LIABILITY LAW PARTNERSHIPS”.

Amendment of section 107

23. Section 107 of the principal Act is amended —

- 10 (a) by inserting, immediately after the word “companies” in subsection (2)(b), the words “or limited liability partnerships”; and
- (b) by inserting, immediately after the words “law corporation” in subsection (4), the words “or a limited liability law partnership”.

Amendment of section 108

24. Section 108 of the principal Act is amended —

- 15 (a) by inserting, immediately after the words “law corporations” in subsections (2) and (5), the words “or limited liability law partnerships”;
- (b) by inserting, immediately after the words “law corporation” in paragraphs (a) and (d) of subsection (3), the words “or limited liability law partnership”;
- 20 (c) by inserting, immediately after the words “law corporation” in the 1st line of paragraph (a) of subsection (4), the words “or a limited liability law partnership”;
- (d) by inserting, immediately after the words “law corporation” in the last line of paragraph (a) of subsection (4), the words “or the limited liability law partnership”; and
- 25 (e) by deleting the words “or law corporations” in the section heading and substituting the words “, law corporations or limited liability law partnerships”.

Amendment of section 109

25. Section 109 of the principal Act is amended by inserting, immediately after the words “law corporation” wherever they appear, the words “or limited liability law partnership”.

Amendment of section 110

26. Section 110 of the principal Act is amended —

- (a) by inserting, immediately after the word “employee,” in the 4th line of subsection (1), the words “or the limited liability law partnership of which he is a partner or an employee,”; and
- 10 (b) by inserting, immediately after the word “employee,” in the 5th line of subsection (2), the words “or by the limited liability law partnership of which he is a partner or an employee,”.

Amendment of section 111

27. Section 111 of the principal Act is amended —

- 15 (a) by inserting, immediately after the words “law corporation” in the 2nd line of subsection (1), the words “or a limited liability law partnership”; and
- (b) by inserting, immediately after the words “law corporation” in the 5th and 7th lines of subsection (1), the words “or the limited liability law partnership”.
- 20

Amendment of section 112

28. Section 112 of the principal Act is amended —

- 25 (a) by inserting, immediately after the words “law corporation” in subsections (2), (3) and (4), the words “or limited liability law partnership”; and
- (b) by deleting subsection (5) and substituting the following subsection:
 - “ (5) A provision in any such agreement that the solicitor or law corporation or limited liability law partnership —
 - 30 (a) shall not be liable for negligence; or
 - (b) shall be relieved from any responsibility to which the solicitor or the law corporation or the limited liability

law partnership would otherwise be subject as a solicitor or a law corporation or a limited liability law partnership,

shall be wholly void.”.

5 **Amendment of section 113**

29. Section 113 of the principal Act is amended —

- (a) by inserting, immediately after the words “law corporation” in the 9th line of subsection (7), the words “or limited liability law partnership”;
- 10 (b) by inserting, immediately after the words “law corporation” in the 1st line of subsection (10), the words “or limited liability law partnership”; and
- (c) by inserting, immediately after the words “law corporation” in the last line of subsection (10), the words “or the limited liability
- 15 law partnership”.

Amendment of section 114

30. Section 114 of the principal Act is amended by inserting, immediately after subsection (2), the following subsection:

- 20 “(2A) Where a limited liability law partnership has made an agreement with its client under section 111 and anything has been done by the limited liability law partnership or any of its partners or employees under the agreement, and, before the agreement has been completely performed by the limited liability law partnership or any of its partners or employees, the limited liability law partnership is
- 25 wound up, an application may be made to the court by any party thereto or by the representatives of that party.”.

Amendment of section 116

- 30 **31.** Section 116 of the principal Act is amended by inserting, immediately after the words “law corporation” in the definition of “solicitor”, the words “or a limited liability law partnership”.

Amendment of section 118

32. Section 118(2) of the principal Act is amended —

- (a) by deleting the word “or” at the end of sub-paragraph (ii) of paragraph (a); and
- (b) by inserting, immediately after sub-paragraph (iii) of paragraph (a), the following sub-paragraph:

5 “(iv) in the case of a limited liability law partnership, by one of the partners of, or by a solicitor employed by, that limited liability law partnership; or”.

Amendment of section 130A

10 **33.** Section 130A of the principal Act is amended by inserting, immediately after the words “Part VIA” in the definition of “Singapore law firm”, the words “or a limited liability law partnership registered under Part VIB”.

Amendment of section 136

15 **34.** Section 136 of the principal Act is amended by inserting, immediately after the words “law corporation” wherever they appear in subsections (1) and (3), the words “or limited liability law partnership”.

Amendment of First Schedule

35. The First Schedule to the principal Act is amended by inserting, immediately after paragraph 8, the following paragraphs:

- 20 **“8A.—**(1) Subject to sub-paragraph (2), where —
- (a) the Council is satisfied that a limited liability law partnership has contravened any rules applicable to it by virtue of section 72;
 - (b) a person has been appointed receiver or manager of property of a limited liability law partnership;
 - 25 (c) a winding up order under the Limited Liability Partnerships Act 2005 (Act 5 of 2005) has been made with respect to a limited liability law partnership or a resolution for voluntary winding up has been passed with respect to a limited liability law partnership; or
 - 30 (d) the Council has reason to suspect dishonesty on the part of any partner or employee of a limited liability law partnership in connection with that limited liability law partnership's business or in connection with any trust of which that limited liability law partnership is or formerly was a trustee,

the powers conferred by Part II shall be exercisable in relation to the limited liability law partnership and its business in like manner as they are exercisable in relation to a solicitor and his practice.

(2) Those powers shall only be exercisable by virtue of sub-paragraph (1)(a) if the Society has given the limited liability law partnership notice in writing that the Council is satisfied that the limited liability law partnership has contravened the rules specified in the notice and also (at the same or any later time) notice that those powers are accordingly exercisable in its case by virtue of sub-paragraph (1)(a).

8B. The powers conferred by Part II shall also be exercisable as mentioned in paragraph 8A(1) where —

- (a) a complaint is made to the Society that there has been undue delay on the part of a limited liability law partnership in connection with any matter in which it was instructed on behalf of a client or with any controlled trust;
- (b) the Society by notice in writing invites the limited liability law partnership to give an explanation within a period of not less than 8 days specified in the notice;
- (c) the limited liability law partnership fails within that period to give an explanation which the Council regards as satisfactory; and
- (d) the Society gives notice of the failure to the limited liability law partnership and (at the same or any later time) notice that the powers conferred by Part II are accordingly exercisable.

8C.—(1) Where the registration of a limited liability law partnership has been cancelled under section 81Y, the powers conferred by Part II shall be exercisable in relation to the limited liability law partnership and its former business as a limited liability law partnership as they are exercisable in relation to a solicitor and his practice.

(2) Where the powers conferred by Part II are exercisable in relation to a limited liability law partnership in accordance with paragraph 8A or 8B, they shall continue to be so exercisable after that limited liability law partnership's registration has been cancelled or has otherwise ceased to be in force.

8D. In connection with the application of Part II to a limited liability law partnership in that Part —

- (a) any reference to the solicitor or to his practice shall be construed as including a reference to the limited liability law partnership in relation to which the powers conferred by that Part are exercisable by virtue of paragraph 8A, 8B or 8C(1) or to its business (or former business) as a limited liability law partnership;
- (b) any reference to paragraph 1 shall be construed as including a reference to paragraph 8A or 8C(1); and

- (c) any reference to paragraph 3 shall be construed as including a reference to paragraph 8B.”.

Amendment of Second Schedule

36. The Second Schedule to the principal Act is amended —

- 5 (a) by deleting sub-paragraph (1) of paragraph 1 and substituting the following sub-paragraph:

“ (1) Where it appears to the Council that the professional services provided by a solicitor in connection with any matter in which —

- 10 (a) he or his firm;
 (b) the law corporation of which he is a director or an employee; or
 (c) the limited liability law partnership of which he is a partner or an employee,

15 has been instructed by a client have, in any respect, not been of the quality which it is reasonable to expect of him as a solicitor, the Council may take any of the directions mentioned in paragraph 2 (referred to in this Schedule as the directions) with respect to the solicitor.”;

- (b) by deleting sub-paragraph (1) of paragraph 2 and substituting the following sub-paragraph:

“ (1) The directions are —

- 20 (a) determining that the costs to which the solicitor, or the law corporation of which he is a director or an employee, or the limited liability law partnership of which he is a partner or an employee, is entitled in respect of his services (referred to in this Schedule as the costs) are to be limited to such amount as
 25 may be specified in the determination and directing him to comply, or to secure compliance, with one or more of the permitted requirements as appear to the Council to be necessary in order for effect to be given to the Council’s determination;
- 30 (b) directing the solicitor to secure the rectification, at his expense or at that of his firm, or the law corporation of which he is a director or an employee, or the limited liability law partnership of which he is a partner or an employee, of such error, omission or other deficiency arising in connection with the matter in question as the Council may specify;
- 35 (c) directing the solicitor to pay such compensation to the client as the Council sees fit to specify in the direction; and
- (d) directing the solicitor to take, at his expense or at that of his firm, or the law corporation of which he is a director or an

employee, or the limited liability law partnership of which he is a partner or an employee, such other action in the interests of the client as the Council may specify.”;

(c) by inserting, immediately after the words “law corporation” in paragraph 5(1), the words “or limited liability law partnership”; and

(d) by deleting sub-paragraph (1) of paragraph 9 and substituting the following sub-paragraph:

“(1) Where the Council is satisfied that it is necessary to do so for the purpose of investigating any complaint made to the Society relating to the quality of any professional services provided by a solicitor, the Society may give notice to —

(a) the solicitor or his firm;

(b) the law corporation of which the solicitor is a director or an employee; or

(c) the limited liability law partnership of which the solicitor is a partner or an employee,

requiring the production or delivery to any person appointed by the Society, at a time and place to be fixed by the Society, of all documents in the possession of the persons or entities referred to in sub-paragraph (a), (b) or (c) (as the case may be) in connection with the matters to which the complaint relates (whether or not they relate also to other matters).”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Legal Profession Act (Cap. 161) to provide for the regulation of limited liability partnerships providing legal services. The Bill inserts a new Part VIB (modelled on existing Part VIA relating to law corporations) and makes consequential amendments to the Legal Profession Act for these purposes. It also seeks to clarify the application of various provisions of the Legal Profession Act to locum solicitors.

Clause 1 relates to the short title and commencement.

Clause 2 inserts new definitions of “active practice” and “limited liability law partnership” in section 2. The clause also amends section 2(4) and the definitions of “client” and “locum solicitor” in section 2 to include references to limited liability law partnerships and inserts new section 2(6) to clarify that references in the Act to a partnership or (except in Part IXA) a law firm or firm do not include a limited liability partnership, unless expressly provided to the contrary.

Clause 3 amends section 25 (relating to applications for practising certificates) to include a reference to limited liability law partnership.

Clause 4 amends section 26(1) by inserting new paragraph (*ba*) to provide that no solicitor shall apply for a practising certificate unless (as an alternative to the existing exceptions) he is or is about to be a partner or an employee of a limited liability law partnership. Subsection (1A) is also amended to refer to limited liability law partnerships and to allow a solicitor to apply for a locum practising certificate if he has practised as a locum solicitor within a period of 3 years immediately preceding the application. This provision will disqualify a locum solicitor who has not practised within the specified period, notwithstanding that he held a locum practising certificate during that period, unless he undergoes the requisite training.

Clause 5 amends section 32(3) to enable a pupil who has completed not less than 4 months of his pupillage to appear on behalf of a master who is a partner or consultant or an employee of a limited liability law partnership.

Clause 6 amends section 33(6) to extend the provision by making it an offence for a body corporate to do any act which is of such nature or is done in such manner as to be calculated to imply that the body corporate has the capacity or powers of a limited liability law partnership when in fact the body corporate does not. It inserts new section 33(7A) to provide for the liability of partners, officers and employees of limited liability partnerships for offences under that section.

Clause 7 amends section 61 to empower the Council of the Law Society to inspect the files of winding up proceedings of limited liability law partnerships.

Clause 8 amends section 72(2) to extend to limited liability law partnerships the provision enabling the Council to make rules as to the opening and keeping by solicitors of accounts.

Clause 9 amends section 73 (relating to the requirement for an accountant's report) to extend that provision to limited liability law partnerships.

Clause 10 amends section 75 to extend subsection (11) (which allows the Law Society to make a grant out of the Compensation Fund) to apply to loss sustained in consequence of dishonesty on the part of any partner, officer or employee of a limited liability law partnership and amends subsection (12) to enable such grant to be made notwithstanding that the limited liability law partnership had wound up.

Clause 11 amends section 75A to enable the Council to make rules concerning indemnity against loss arising from claims in respect of civil liability incurred by a limited liability law partnership in connection with legal services performed by it or with any trust of which it is a trustee.

Clause 12 amends section 75C to prohibit a solicitor with less than 3 years' experience from being a partner of a limited liability law partnership unless he satisfies the requirements in that section.

Clause 13 amends section 77(2) to extend the prohibition against a solicitor authorising an unauthorised person (within the meaning of section 32) to operate a bank

account in connection with his practice as a solicitor to a bank account operated in the name of a limited liability law partnership.

Clause 14 amends section 79 to extend the prohibition against a solicitor acting for both a housing developer and a purchaser to any partner or employee of a limited liability law partnership.

Clause 15 amends section 81 to extend to limited liability law partnerships the provisions relating to an interim certificate as to taxation of a bill of costs or the taking of account between solicitor and client.

Clause 16 amends section 81A to make it clear that the definition of “law firm” in Part VIA does not include a limited liability law partnership.

Clause 17 amends section 81C(1) to provide that the Council shall not approve the name or proposed name of a law corporation if it is so similar to that of an existing limited liability law partnership as to be confusing.

Clause 18 amends section 81F to prohibit a director or an employee of a law corporation who is a solicitor from being a partner, consultant or an employee of any limited liability law partnership, except in the case of a locum solicitor.

Clause 19 amends section 81H(4) to prohibit a person who holds shares in a law corporation from being a partner, consultant or an employee of any limited liability law partnership.

Clause 20 amends section 81M for consistency with new section 81ZA.

Clause 21 inserts a new Part VIB (new sections 81P to 81ZC) to provide for the regulation of limited liability law partnerships.

New section 81P defines certain terms used in Part VIB.

New section 81Q requires a solicitor who wishes to have a limited liability partnership or proposed limited liability partnership approved as a limited liability law partnership to apply to the Council for approval in accordance with rules made under new section 81ZB.

New section 81R sets out certain requirements in relation to the name of a limited liability law partnership.

New section 81S sets out some of the effects of becoming a limited liability law partnership.

New section 81T relates to the rights and fiduciary, confidential and ethical requirements as well as the solicitor-client privilege in respect of a limited liability law partnership, its partners, officers and employees and a client of the limited liability law partnership.

New section 81U provides for disciplinary proceedings to be taken in respect of professional misconduct by a solicitor even though he provides legal services through a limited liability law partnership. The new section also provides that partners of the limited liability law partnership who are solicitors shall be jointly liable to disciplinary

proceedings where an act or omission cannot be attributed to an act or omission by a particular solicitor who can be identified.

New section 81V prohibits a solicitor who has been suspended from practice or struck off the roll pursuant to disciplinary proceedings from being a manager of a limited liability law partnership.

New section 81W sets out additional grounds for winding up a limited liability law partnership under the Limited Liability Partnerships Act 2005 (Act 5 of 2005). Only the Attorney-General or the Council may apply for winding up on these grounds.

New section 81X provides for appeals to the High Court against decisions of the Council under Part VIB.

New section 81Y provides for the Council to keep a register of limited liability law partnerships approved under section 81Q and for inspection of the register.

New section 81Z provides that Part VIB and any rules made under section 81ZB shall prevail over any inconsistent provision of the limited liability partnership agreement of a limited liability law partnership.

New section 81ZA provides for the application of the Limited Liability Partnerships Act 2005 and any other prescribed written law to limited liability law partnerships.

New section 81ZB empowers the Minister, after consulting the Council, to make rules for the purposes of Part VIB.

New section 81ZC provides for reference in other written law to advocates and solicitors to include a reference to limited liability law partnerships subject to prescribed modifications or exceptions.

Clause 22 amends the heading of Part VIII to add a reference to limited liability law partnerships.

Clauses 23 to 30 amend sections 107 to 114 respectively to extend those sections to apply to limited liability law partnerships.

Clauses 31 and 32 amend sections 116 and 118 respectively to extend those sections to apply to limited liability law partnerships.

Clause 33 amends section 130A by amending the definition of “Singapore law firm” in Part IXA to include a limited liability law partnership registered under Part VIB.

Clause 34 amends section 136 (relating to relief to banks) for the section to apply to limited liability law partnerships.

Clause 35 amends the First Schedule by inserting new paragraphs 8A to 8D to clarify how the powers conferred by Part II of the First Schedule (relating to intervention in a solicitor’s practice) apply to a limited liability law partnership.

Clause 36 amends the Second Schedule by amending paragraphs 1(1), 2(1), 5(1) and 9(1) to provide for the Council to exercise its powers in respect of inadequate professional services in relation to a solicitor’s practice in a limited liability law partnership.

EXPENDITURE OF PUBLIC MONEY

This Bill will involve the Government in extra financial expenditure, the exact amount of which cannot at present be ascertained.
