

CIRCULAR ON THE ESTABLISHMENT OF THE LEGAL SERVICES REGULATORY AUTHORITY

I INTRODUCTION

1. On 18 November 2015, the amendments under the Legal Profession (Amendment) Act 2014 and the relevant subsidiary legislation (see Annex) to modernise Singapore's regulatory framework for lawyers and law practices will come into operation.
2. The key changes under this new regulatory framework are as follows:
 - a. Common professional disciplinary framework for all lawyers. The existing professional disciplinary framework applicable to Singapore-qualified lawyers ("SLs") will be extended to include all foreign-qualified lawyers ("FLs") registered to practise in law practices in Singapore. A common set of professional conduct rules will apply;
 - b. New regime to license law practice entities. An integrated regime for the licensing of both Singapore law practices ("SLPs") and foreign law practice entities ("FLPs") will be established and administered by the new Legal Services Regulatory Authority ("LSRA"), which will be headed by a Director of Legal Services ("DLS"). The LSRA will also register FLs; and
 - c. Alternative business structures. Law practices will be allowed to form Legal Disciplinary Practices ("LDPs"), a form of alternative business structure ("ABS") which provides only legal services, but where non-lawyer employees are allowed to become partners, directors or shareholders, or to share in the profits of the law practice subject to prescribed limits. Such non-lawyer employees will be registered with LSRA as regulated non-practitioners ("RNPs").
3. These changes were recommended by the Committee to Review the Regulatory Framework of the Singapore Legal Services Sector ("Regulatory Committee") in January 2014.¹ The recommendations recognised that law practice structures were becoming increasingly complex and aimed to modernise Singapore's regulatory framework for lawyers and law practices, so as to maintain high professional standards for the legal profession.
4. The Regulatory Committee's recommendations were accepted by the Ministry of Law ("MinLaw") in January 2014, and the Legal Profession (Amendment) Act 2014 was passed by Parliament on 4 November 2014.² The amendments, along with the relevant subsidiary legislation (see Annex), will come into operation on **18 November 2015**.

¹ The final report of the Regulatory Committee can be accessed at <https://www.mlaw.gov.sg/content/dam/minlaw/corp/News/Final%20Report%20of%20the%20Committee%20to%20Review%20the%20Reg%20Framework%20of%20the%20Spore%20Legal%20Sector.pdf>.

² The Legal Profession (Amendment) Act 2014 can be accessed at <https://sso.agc.gov.sg/SL/S840-2014>.

5. The key recommendations of the Regulatory Committee in relation to the regulation of individuals and entities will be implemented as follows:

- a. Individual level

- i. A Professional Conduct Council (“PCC”) chaired by the Chief Justice will be established to oversee all relevant rules relating to professional conduct matters for SLs and FLs practising law in Singapore, and the management of law practices.
- ii. All SLs and FLs practising law in Singapore will be subject to the same professional disciplinary processes involving a Review Committee, Inquiry Committee and Disciplinary Tribunal, which come under the ultimate oversight of the Supreme Court.

- b. Entity level

- i. A new department under MinLaw, the LSRA, will be established.
- ii. The LSRA will be helmed by the DLS and assume various functions currently exercised by the Attorney-General’s Chambers’ Legal Profession Secretariat (“AGC LPS”), and the Law Society respectively in relation to the licensing of law practices and regulation of business criteria (e.g. names of law practices, and foreign ownership, profit sharing and SL to FL ratios applicable to SLPs) applicable to law practices in Singapore.
- iii. The LSRA will assume the AGC LPS’s function of registering FLs in Singapore.
- iv. The LSRA will also oversee regulation and licensing of law practices in Singapore which are ABSs. For a start, only LDPs will be permitted.

II COMMON DISCIPLINARY FRAMEWORK (THE LAW SOCIETY AND SUPREME COURT)

6. Presently, SLs have to adhere to the Legal Profession (Professional Conduct) Rules (“current PCR”) and come under a professional disciplinary process which is administered by the Law Society and comes under the ultimate oversight of the Supreme Court. For SLs, this framework will remain unchanged.
7. The key change would be the extension of the professional disciplinary process which is currently applicable to SLs (namely, the Review Committee, the Inquiry Committee, the Disciplinary Tribunal and the Court of Three Judges) to FLs registered in Singapore. Where an FL is the subject of disciplinary proceedings, an FL will be appointed to each of the committees, as well as to the Disciplinary Tribunal. Other aspects of the disciplinary framework will remain the same. The new disciplinary framework will continue to fall under the ultimate oversight of the Supreme Court.
8. A common set of professional conduct rules will apply to all lawyers practising in Singapore. In this regard, the current PCR will be updated and replaced with the Legal Profession (Professional Conduct) Rules 2015 (“new PCR”). The new PCR delineates:

- a. General universally accepted principles and rules of conduct applicable to all lawyers; and
 - b. Specific rules of conduct relevant only to those practising Singapore law or called to the Singapore Bar.
- 9. Matters relating to professional practice, etiquette, conduct and discipline will be overseen by the PCC, which will be chaired by the Chief Justice and comprising representation across various segments of the legal profession, including the Judiciary, the Law Society and practising SLs and FLs. The new PCR will be promulgated by the PCC. The PCC will be assisted by two committees:
 - a. The PCC Working Group, which will periodically review and work out the detailed revisions to the new PCR; and
 - b. The PCC Advisory Committee, which will give advice to both SLs and FLs on ethical issues.
- 10. The appointment of the PCC and the new PCR are being finalised and will come into effect on 18 November 2015. For queries on the PCC and new PCR, please contact the Law Society at represent@lawsoc.org.sg.

III LEGAL SERVICES REGULATORY AUTHORITY (MINLAW)

- 11. The amendments will introduce an integrated licensing regime for law practices to be administered by the new LSRA, which will commence operations on 18 November 2015. The LSRA will be established as a department under MinLaw and will be headed by the DLS.

A. Current licensing regime

- 12. Presently, there is no integrated regime governing the regulation of law practices as entities:
 - a. The AGC LPS assumes functions relating to the regulation and discipline of FLPs, and collaborations involving SLPs and FLPs; while
 - b. The Law Society oversees various approvals pertaining to SLPs, such as name approvals, but does not otherwise regulate or license SLPs.
- 13. The application processes under the present regime are also disparate with some applications processed through online systems, and others done manually.

B. Integrated licensing regime

- 14. Under LSRA's integrated licensing regime, law practices in Singapore will be able to submit applications to the LSRA for all approvals and registration of FLs and RNPs through a newly developed IT portal ("LSRA e-Services").
- 15. An integrated licensing regime would make it administratively more convenient for law practice entities to set up offices in Singapore by streamlining processes and allow for

more coherent and consistent regulation by the LSRA of the business criteria (e.g. names of law practices, and foreign ownership, profit sharing and SL to FL ratios applicable to SLPs) applicable to the various law practice entities.

16. The key features of LSRA e-Services and the recommended next steps for law practices prior to the commencement of the LSRA are as follows:

S/N	Key Features of LSRA e-Services	Recommended Next Steps
(1)	The particulars of existing law practices currently held by the Law Society and the AGC LPS, as well as the particulars of lawyers registered under AGC LPS, will be migrated to LSRA e-Services.	Law practices are encouraged to update their particulars with the Law Society and AGC LPS before the launch of LSRA. After the launch, law practices may wish to log in to LSRA e-Services to check and update their particulars.
(2)	There will be secure log-in to LSRA e-Services using the Inland Revenue Authority of Singapore's ("IRAS") e-Services Authorisation System ("EASY"), whereby only users authorised by the law practice will be able to access the law practice's data.	Law practices are encouraged to apply to IRAS for an account to access EASY and/or update their list of authorised users under EASY.
(3)	Law practices will be able to authorise third parties, such as corporate service providers, to transact on LSRA e-Services on their behalf by authorising them on EASY.	See (2) above.
(4)	There will be a dashboard whereby all relevant licences, approvals and FL registrations under a law practice, as well as draft applications, can be easily accessed and managed.	N.A.
(5)	Users will be able to save their applications as draft and log back in to retrieve and continue their application at their convenience.	N.A.
(6)	Law practices registering a newly-hired lawyer who was previously registered with AGC LPS or LSRA will be able to retrieve and edit the lawyer's previous particulars, instead of having to start a new application.	N.A.
(7)	Law practices wishing to convert their legal structure or licence type will likewise be able to retrieve and edit their existing particulars when making the new application.	N.A.
(8)	Payment for applications can be made online by credit card, and a shopping cart will allow law practices to make a single payment for multiple applications.	Law practices are encouraged to apply for corporate credit cards.

(9)	LSRA e-Services will also feature an online search function by name or practice area for members of the public looking for a law practice or a lawyer (only the contact details of the law practice will be displayed).	See (1) above.
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IV LEGAL DISCIPLINARY PRACTICES (MINLAW)

17. Law practices in Singapore will be allowed to form LDPs, a type of ABS. An LDP is a law practice which provides only legal services but is not wholly owned by lawyers. Employees who are not lawyers will be allowed to be partners, directors or shareholders, or to share in the profits of (up to 25%), the law practice if they are registered as an RNP with the LSRA. The suitability of each applicant will be carefully assessed by the LSRA.

18. The introduction of LDPs will give law practices the flexibility to attract and retain non-lawyer talent with strong management or finance experience to better manage the business or financial aspects of the law practice.

V WHAT DOES THIS MEAN FOR YOU?

19. The transition to the integrated licensing regime will be implemented with a view to minimise inconvenience to existing law practices. Applications pending with AGC LPS³ and the Law Society immediately before 18 November 2015 will be migrated to LSRA e-Services and assessed by LSRA. Law practices will not need to re-submit their applications nor pay any additional fees.

20. A table summarising the impact of the integrated licensing regime is as follows:

Affected group	Application type	Current process	Future process
SLPs	New SLP	<ul style="list-style-type: none"> Applications for name approval are submitted to the Law Society 	<ul style="list-style-type: none"> New SLPs will apply for licences via LSRA e-Services with effect from 18 November 2015 Automatic assignment of new LSRA licence numbers for existing law practices
	Update law practice particulars	<ul style="list-style-type: none"> Updates are submitted to the Law Society and Supreme Court's e-Litigation 	<ul style="list-style-type: none"> Updates will be submitted via LSRA e-Services Law practice particulars will be synchronised with e-Litigation

³ Applications may be submitted to AGC LPS until 11.59pm on 17 November 2015. Applications submitted to AGC LPS will only be considered by AGC LPS to be complete when AGC LPS has received the completed signed declarations to the applications. Applications submitted to AGC LPS without completed signed declarations will be required to be resubmitted via LSRA e-Services.

	Foreign interests and foreign collaborations	<ul style="list-style-type: none"> Applications are submitted to AGC LPS 	<ul style="list-style-type: none"> Applications will be submitted via LSRA e-Services
FLPs	New FLP	<ul style="list-style-type: none"> New FLPs apply for licences from AGC LPS 	<ul style="list-style-type: none"> New FLPs will apply for licences via LSRA e-Services with effect from 18 November 2015 Automatic assignment of new LSRA licence numbers for existing law practices
	Update law practice particulars	<ul style="list-style-type: none"> Updates are submitted to AGC LPS 	<ul style="list-style-type: none"> Updates will be submitted via LSRA e-Services Law practice particulars in LSRA e-Services will be synchronised with e-Litigation
FLs and SLs practising in FLPs, and FLs practising in SLPs	New lawyer registration and renewals	<ul style="list-style-type: none"> Applications for new registrations and renewal of existing registrations are submitted to AGC LPS SLs practising in FLPs who are registered with AGC LPS are also required to apply for practising certificates via e-Litigation following registration by AGC LPS 	<ul style="list-style-type: none"> Applications for new and renewal registrations will be submitted via LSRA e-Services with effect from 18 November 2015 Existing registrations under AGC LPS will be automatically transferred to LSRA Existing FLs and SLs registered with AGC LPS will continue to use their certificates of registration until they expire SLs practising in FLPs who are registered with LSRA will still be required to apply for practising certificates via e-Litigation following registration by LSRA
	Update lawyer particulars	<ul style="list-style-type: none"> Updates are submitted to AGC LPS SLs practising in FLPs who are registered with AGC LPS are also required to update their particulars via e-Litigation 	<ul style="list-style-type: none"> Updates will be submitted via LSRA e-Services SLs practising in FLPs who are registered with LSRA will still be required to update their particulars via e-Litigation
	Terminate lawyer registration	<ul style="list-style-type: none"> Terminations are submitted to AGC LPS SLs practising in FLPs who are registered with AGC LPS are also 	<ul style="list-style-type: none"> Terminations will be submitted via LSRA e-Services SLs practising in FLPs who are registered with LSRA

		required to update their particulars via e-Litigation	will still be required to update their particulars via e-Litigation
SLs practising in SLPs	New SL	<ul style="list-style-type: none"> Applications for practising certificates and renewal of practising certificates are submitted via e-Litigation 	<ul style="list-style-type: none"> No change SL particulars in LSRA e-Services will be synchronised with e-Litigation
	Update SL particulars	<ul style="list-style-type: none"> Particulars are updated via e-Litigation 	
	Terminate SL's practising certificate	<ul style="list-style-type: none"> Applications are submitted via e-Litigation 	

VI KEY CONTACTS

21. Should you have any queries or require more information on the LSRA, please contact us at <https://www.ifag.gov.sg/MINLAW/apps/Feedback.aspx> selecting "MinLaw HQ – Regulation of Legal Services" as the subject.
22. Should you have any queries on the PCC and new PCR, please contact the Law Society at represent@lawsoc.org.sg.

MINISTRY OF LAW

30 SEPTEMBER 2015

(This circular is also available on the Ministry of Law's website at <https://www.mlaw.gov.sg/content/minlaw/en.html>)

ANNEX: NEW SUBSIDIARY LEGISLATION

Three new pieces of subsidiary legislation will be enacted to replace seven pieces of existing subsidiary legislation in relation to the establishment of the LSRA.

Current subsidiary legislation	New subsidiary legislation	Scope of subsidiary legislation
Legal Profession (Group Practice) Rules	Legal Profession (Law Practice Entities) Rules 2015	To consolidate the various subsidiary legislation relating to law practice entities and provide for the integrated licensing system regime for law practice entities
Legal Profession (International Services) Rules 2008 (provisions relating to entities)		
Legal Profession (Law Corporation) Rules		
Legal Profession (Limited Liability Law Partnership) Rules 2006		
Legal Profession (Naming of Law Firms) Rules		
Legal Profession (International Services) Rules 2008 (provisions relating to individuals)	Legal Profession (Regulated Individuals) Rules 2015	To provide for the registration of FLs and RNPs
Legal Profession (Modified Application of Act for International Services) Rules 2011	Legal Profession (Modified Application of Act for International Services) Rules 2015	To update the Legal Profession (Modified Application of Act for International Services) Rules 2011