



STATUTORY INSTRUMENTS.

S.I. No. 118 of 2023

SOLICITORS ACCOUNTS REGULATIONS 2023

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SCHEDULE

Reporting Accountant's Report

SOLICITORS ACCOUNTS REGULATIONS 2023

THE LAW SOCIETY OF IRELAND, in exercise of the powers conferred on it by section 4 of the Solicitors Act 1954, section 5 of the Solicitors Act 1954, section 66 of the Solicitors Act 1954, section 71 of the Solicitors Act 1954, section 73 of the Solicitors (Amendment) Act 1994 and of every other power enabling them, and with the concurrence of the Legal Services Regulatory Authority, HEREBY MAKE the following Regulations.

PART 1 – PRELIMINARY

Citation, construction and commencement

1. (1) These Regulations may be cited as the Solicitors Accounts Regulations 2023.

(2) These Regulations shall come into operation on the 1st day of July 2023 and thenceforth, subject to Regulation 1(3), the Solicitors Accounts Regulations 2014 shall stand revoked.

(3) The Solicitors Accounts Regulations 2014 shall remain in full force and effect in relation to a solicitor in respect of:

- (a) any accounting period in any practice year that has commenced before the date specified in Regulation 1(2), until such time as the solicitor has duly complied with the provisions of Part V (Regulations 26 to 34 inclusive) as regards the furnishing to the Society of a reporting accountant's report for any such accounting period or periods; and
- (b) any investigation of the solicitor, as provided for in Regulation 35 thereof, and any proceedings which commenced and have not been finally completed before the date specified in Regulation 1(2).

Definitions

2. (1) In these Regulations:

"accounting date" means the last date of his or her firm's accounting period in each practice year which is selected by a solicitor and notified by him or her to the Society pursuant to Regulation 26(2);

"accounting period" means the period of one year ending on the accounting date, subject to the provisions of Regulations 26(2), 32 and 33;

"accounting records" means the books of account and all other documents, whether written or electronic, required to be maintained and kept by a solicitor arising from his or her practice as a solicitor (including, where applicable, as a personal insolvency practitioner) in accordance with these Regulations; and,

for the avoidance of doubt, may include loose-leaf books, cards and such other forms of permanent documents of record as are appropriate for the operation of and the vouching of an efficient accounting system;

“accounting statement” means a statement furnished to the Society pursuant to Regulation 40(1);

“Act of 1960” means the Solicitors (Amendment) Act 1960 (No. 37 of 1960);

“Act of 1994” means the Solicitors (Amendment) Act 1994 (No. 27 of 1994);

“Act of 2002” means the Solicitors (Amendment) Act 2002 (No. 19 of 2002);

“Act of 2008” means the Civil Law (Miscellaneous Provisions) Act 2008 (No. 14 of 2008);

“Act of 2012” means the Personal Insolvency Act 2012 (No. 44 of 2012);

“Act of 2015” means the Legal Services Regulation Act 2015 (No. 65 of 2015);

“associate” for the purposes of Regulation 26(4) includes but is not limited to a business partner, an employee, engaging in any business or joint venture other than as a solicitor and reporting accountant, or being involved in any company or business with the solicitor in which there are common shareholdings, or which have the same beneficial owner(s);

“associated firms” means two or more firms having one or more partners in common;

“authorised person” means a person authorised in writing by the Society for the purpose of exercising any of the Society's functions pursuant to section 66 of the Principal Act (as amended) or these Regulations; and shall include any authorised representative or assistant of the authorised person;

“authorised signatory” has the meaning assigned to it in Regulation 9(5);

“balancing date” means -

- (a) the date expiring three, six and nine months after the commencement of the accounting period in each practice year; and
- (b) the accounting date at the end of the accounting period in each practice year;

“balancing statement” has the meaning assigned to it in Regulation 13(8)(a);

“bank” has the meaning assigned to it in section 75 of the Act of 1994 as follows;

- (a) a bank which is the holder of a licence under section 9 (1) of the Central Bank Act, 1971,
- (b) any financial institution referred to in subsection (4)(a)(ii) and (iii) of section 7 (as inserted by the Central Bank Act, 1989) of the Central Bank Act, 1971, and
- (c) a bank or financial institution standing designated by order of the Minister for Justice under section 75(2) of the Act of 1994;

PROVIDED that such bank or financial institution, or the relevant branch thereof, is situate in the State;

“bill of costs” means a formal written intimation furnished by a solicitor to a client of the amount of professional fees and, where applicable, outlays payable by the client concerned to the solicitor in respect of the provision to such client, in the course of and arising from his or her practice as a solicitor, of legal services; and “interim bill of costs” shall be construed in accordance with Regulation 12(4) and section 152 of the Act of 2015;

“cheque” includes a transaction conducted electronically that is equivalent to a transaction by means of a cheque;

“client” includes the personal representative of a client and any person on whose behalf the person who gave or is giving instructions was or is acting in relation to any matter in which a solicitor or his or her firm had been or is instructed; and includes a beneficiary to an estate under a will, intestacy or trust and a debtor under an insolvency arrangement; and also includes any person on whose account a solicitor receives, holds, controls or pays clients' moneys in the course of and arising from his practice as a solicitor;

“client account” means an account (whether a current bank account or a deposit bank account) opened and kept by a solicitor at a bank in his or her name designated for clients' moneys, and in the title of which account the word “client” appears; provided that a reference in these Regulations to “a client account” or “the client account” or “client account” shall, unless the particular circumstances or the context (or both) otherwise require or requires, refer to the totality of client accounts opened and kept by the solicitor;

“client ledger account” means that part of the books of account of a solicitor which, in accordance with Regulation 25(1)(b), records in respect of each client matter, the financial transactions conducted by the solicitor with or on behalf of his or her client, on client account;

“clients' moneys” means moneys received, held or controlled by a solicitor arising from his or her practice as a solicitor for or on account of a client or clients, whether the moneys are received, held or controlled by him or her as agent, bailee, stakeholder, trustee or in any other capacity, including moneys received by the solicitor acting as personal representative of an estate and moneys received by the solicitor on account of outlays not yet discharged; provided that “clients' moneys” for the purposes of these Regulations shall not include -

- (a) moneys received, held or controlled by a solicitor in respect of which he or she is a controlling trustee or a non-controlling trustee, or
- (b) moneys to which the only person entitled is the solicitor himself or, in the case of a firm, one or more of the partners or solicitors in the firm, or
- (c) moneys placed on joint deposit account or joint deposit receipt other than where the payees are all solicitors practising in the same firm, or

- (d) (save as provided for under Regulation 8 and without prejudice to the generality of the liability of a solicitor pursuant to the provisions of section 73 of the Act of 1994 and regulations made thereunder) interest received by a solicitor on clients' moneys held by the solicitor on account of his or her clients generally on an interest-bearing "general client account" as defined in Regulation 2(1); or
- (e) moneys received, held or controlled by a personal insolvency practitioner in accordance with an insolvency arrangement;
- (f) moneys received or held by a solicitor, other than in respect of legal services provided or to be provided by a solicitor, arising from that solicitor's practice as a solicitor, and includes any part of such services;
- (g) moneys received by the solicitor in respect of investment business services where the solicitor is an authorised investment business firm; and "investment business services" and "authorised investment business firm" have the meanings respectively assigned to them in section 2 of the Investor Compensation Act 1998;
- (h) moneys received by a solicitor in the course of conducting a personal legal or financial matter.

"compliance partner" means a sole practitioner or solicitor who is a partner in a firm which is a partnership of solicitors who is nominated from time to time by the firm and notified in writing to the Society as the partner responsible for completing and signing on behalf of all the partners the Form of Acknowledgement in respect of each reporting accountant's report furnished to the Society in relation to the firm pursuant to these Regulations;

"controlled trust" means a trust, other than an estate, of which a solicitor is a controlling trustee;

"controlling trustee" means a solicitor who is a sole trustee of a trust or who is a co-trustee with his or her partner or employee, or with more than one of such persons, but, for the avoidance of doubt, does not include a solicitor who is a personal representative of an estate;

"controlled trust account" means an account (whether a current bank account or a deposit bank account) opened and kept by a controlling trustee at a bank in the State in his or her name solely for moneys subject to a particular controlled trust, and in the title of which account the word "trustee" appears or which is otherwise clearly designated as a trust account; provided that a reference in these Regulations to "a controlled trust account" or "the controlled trust account" or "controlled trust account" shall, unless the particular circumstances or the context (or both) otherwise require or requires, refer to the totality of controlled trust accounts opened and kept by the controlling trustee;

"controlled trust ledger account" means that part of the books of account of a solicitor which, in accordance with Regulation 25(1)(b), records in respect of each controlled trust matter of which he or she is a controlling trustee, the

financial transactions conducted by the solicitor with or on behalf of the controlled trust, on controlled trust account;

“controlled trust moneys” means moneys received, held or controlled by a controlling trustee which are subject to a controlled trust of which the controlling trustee is a controlling trustee;

“Council” means the Council of the Society;

“debt settlement arrangement” has the meaning given in the Act of 2012

“debtor” means, in relation to an insolvency arrangement, the debtor who has entered into that insolvency arrangement;

“dedicated account” means an account (whether a current account or deposit account) opened and kept by a solicitor at a bank in his or her name designated for client moneys or insolvency arrangement moneys received, held or controlled by him or her in respect of a specific client;

“deposit account” means a deposit account or a savings account or a deposit receipt account maintained in the name of a solicitor or his or her firm at a bank in the State and designated as a client account or a controlled trust account or a non-controlled trust account or an insolvency arrangement account of that solicitor or his or her firm;

“documents” includes deeds, wills, papers, books of account, records, vouchers, correspondence, print-outs and files and shall be construed to include any documents stored in an electronic or other non-written form or on film or otherwise;

“draft” means a bank draft and includes a transaction conducted electronically that is equivalent to a transaction by means of a draft;

“employed solicitor” means: -

- (a) a solicitor who is employed by a person or body that does not provide legal services and who is solely engaged in the provision of legal services to that person or body;
- (b) a solicitor who is employed by another solicitor or firm and who is engaged in the provision of legal services otherwise than as a sole practitioner or as a partner in a firm and who does not, in the course of his or her practice as a solicitor, handle or in any way deal with clients' moneys or controlled trust moneys or non-controlled trust moneys or insolvency arrangement moneys or other moneys.

“firm” means: -

- (a) Any partnership of two or more solicitors (as constituted from time to time), including any such partnership that has been authorised as a limited liability partnership under the Legal Services Regulation Act 2015;
- (b) Any sole practitioner being a solicitor, including a sole practitioner who employs one or more solicitors, and a sole practitioner who, although having established a practice, is employed by a person who is not a solicitor;

where the relevant partnership or sole practitioner, as the case may be, carries on a practice.

“form of acknowledgement” means the form of acknowledgement to be completed and signed by a sole practitioner or a compliance partner pursuant to Regulation 27;

“general client account” means an account (whether a current account or deposit account) opened and kept by a solicitor at a bank in his or her name designated for clients’ moneys, received, held or controlled by him or her in respect of more than one client;

“independent law centre” has the meaning assigned to it under Regulation 4 of the Solicitors Acts 1954 to 2002 (Independent Law Centres) Regulations 2006 (S.I. No. 103 of 2006);

“*insolvency arrangement*” means a debt settlement arrangement or a personal insolvency arrangement;

“*insolvency arrangement account*” means an account (whether a current bank account or a deposit bank account) opened and kept by a personal insolvency practitioner at a bank in the State, which account is used solely for the purposes of receiving payments from or on behalf of a debtor and transmitting such payments to creditors (after the deduction of any fees, costs and outlays payable to the personal insolvency practitioner permitted to be made under the Act of 2012, regulations made thereunder, these Regulations and the insolvency arrangement) and in the title of which account the words “*insolvency arrangement*” appears or which is otherwise clearly designated as an insolvency arrangement account; provided that a reference in these Regulations to “an insolvency arrangement account” or “the insolvency arrangement account” or “insolvency arrangement account” shall, unless the particular circumstances or the context (or both) otherwise require or requires, refer to the totality of insolvency arrangement accounts opened and kept by the personal insolvency practitioner;

“*insolvency arrangement ledger account*” means that part of the books of account of a solicitor which, in accordance with Regulation 25(1)(b), records in respect of each insolvency arrangement matter of which he or she is appointed personal insolvency practitioner, the financial transactions conducted by the solicitor with or on behalf of the insolvency arrangement, on insolvency arrangement account;

“*insolvency arrangement moneys*” means moneys received or held by a personal insolvency practitioner which are subject to an insolvency arrangement in respect of which he is appointed personal insolvency practitioner;

“interest” means, in relation to moneys received by a solicitor or his or her firm for or on account of a client, or a controlled trust, or a non-controlled trust or an insolvency arrangement, the amount of interest that would be earned if such moneys had been held as an individual amount in a deposit account of the solicitor’s choosing at the bank (or, if more than one bank, the principal bank) to the practice of the solicitor for a period commencing seven days after the receipt by the solicitor or his or her firm of such moneys and ending when the solicitor or his or her firm actually pays out such moneys to, or on behalf of,

such client, or controlled trust, or non-controlled trust or insolvency arrangement;

"interest charge" means a charge levied by a bank as a result of the application of a negative rate of interest in respect of moneys received by a solicitor or his or her firm for or on account of a client;

"legal services" means services of a legal or financial nature provided by a solicitor arising from that solicitor's practice as a solicitor, and includes any part of such services and, for the avoidance of doubt, includes any investment business services provided by a solicitor who is not an authorised investment business firm; and "investment business services" and "authorised investment business firm" have the meanings respectively assigned to them in section 2 of the Investor Compensation Act 1998;

"limited liability partnership" shall have the meaning assigned to it by the Act of 2015;

"matter" means:

- (a) a separate matter in respect of which a solicitor provides legal services to a client;
- (b) a separate matter relating to a controlled trust, of which a solicitor is a controlling trustee;
- (c) a separate matter, relating to a non-controlled trust of which a solicitor is a non-controlling trustee; or
- (d) a separate matter relating to an insolvency arrangement in respect of which a solicitor is appointed a personal insolvency practitioner;

"moneys" includes moneys in the currency of the State and a currency other than that of the State, cheques, bank notes, postal orders, money orders or any form of negotiable or non-negotiable instrument, moneys deposited or otherwise credited to a bank account or moneys deposited or otherwise credited to a bank or other financial institution outside the State;

"non-controlled trust" means a trust, other than an estate, of which a solicitor is a non-controlling trustee;

"non-controlled trust account" means an account (whether a current bank account or a deposit bank account) opened and kept by a non-controlling trustee at a bank in the names of each of the trustees of the non-controlled trust and in the title of which account the word "trustee" appears or which is otherwise clearly designated as a non-controlled trust account; provided that a reference in these Regulations to "a non-controlled trust account" or "the non-controlled trust account" or "non-controlled trust account" shall, unless the particular circumstances or the context (or both) otherwise require or requires, refer to the totality of non-controlled trust accounts opened and kept by the non-controlling trustee;

"non-controlled trust ledger account" means that part of the books of account of a solicitor which, in accordance with Regulation 25(1)(b), records in respect of each non-controlled trust matter of which he or she is a non-controlling

trustee, the financial transactions conducted by the solicitor with or on behalf of the non-controlled trust, on non-controlled trust account;

“non-controlled trust moneys” means moneys received, held or controlled by a non-controlling trustee which are subject to a non-controlled trust of which the non-controlling trustee is a non-controlling trustee;

“non-controlling trustee” means a solicitor who is a co-trustee of a trust with one or more other persons who is or are not a partner or employee of the solicitor but does not include a solicitor who is a personal representative of an estate with one or more other such persons;

“office account” means an account (whether a current bank account or a deposit bank account) opened and kept by a solicitor at a bank in his or her name through which moneys belonging to the solicitor are transacted in the course of and arising from his or her practice as a solicitor including acting as a Personal Insolvency Practitioner; provided that a reference in these Regulations to “an office account” or “the office account” or “office account” shall, unless the particular circumstances or the context (or both) otherwise require or requires, refer to the totality of office accounts opened and kept by the solicitor;

“office balancing statement” has the meaning assigned to it in Regulation 13(9)(b);

“office ledger account” means that part of the books of account of a solicitor which, in accordance with Regulation 25(1)(b), records in respect of each matter the financial transactions conducted by the solicitor on office account;

“office side of the client ledger account” refers to the record of financial transactions conducted by a solicitor in respect of each matter on office account and for the avoidance of doubt, reference to the “office side of the client ledger account” incorporates, where appropriate, office side of the controlled trust ledger account, office side of the non-controlled trust ledger account and office side of the insolvency arrangement ledger account;

“outlays” means disbursements made or to be made or expenses incurred or to be incurred by a solicitor for and on behalf of a client in respect of the provision to that client of legal services;

“outstanding lodgement” means moneys lodged to the client account or trust account or non-controlled trust account or insolvency arrangement account on or before the balancing date but not credited or recognised on the bank statement until immediately after the balancing date;

“partner” includes a solicitor who is either a salaried partner or an equity partner in a firm;

“personal insolvency arrangement” has the meaning given in the Act of 2012;

“personal insolvency practitioner” means a solicitor who is authorised in accordance with the Act of 2012 to carry on the practice of a personal insolvency practitioner;

“personal representative” has the meaning assigned to it in the Succession Act 1965 (No. 27 of 1965);

“practice year” means any year ending on the 31st December;

“Principal Act” means the Solicitors Act 1954 (No. 36 of 1954);

“professional fees” means fees (not including outlays) charged by a solicitor to a client in a bill of costs furnished to that client and payable to the solicitor in respect of legal services which have been provided to the client; and includes fees represented by moneys actually held by the solicitor in client account to the credit of the client concerned;

“Registrar” means the holder of the office of Registrar of Solicitors appointed by the Society pursuant to section 8 of the Principal Act;

“Regulation of Practice Committee Regulations” means the Solicitors Acts 1954 to 2015 (Regulation of Practice Committee) Regulations 2020 (S.I. No. 239 of 2020);

“reporting accountant” has the meaning assigned to it in Regulation 26(4);

“reporting accountant's report” has the meaning assigned to it in Regulation 26(1);

“Society” means the Law Society of Ireland and, as appropriate, includes the Council or a committee appointed by the Council or a member of the Council or an employee or agent of the Society;

“sole practitioner” means a solicitor who is practising as a sole principal in a firm;

“solicitor” has the meaning assigned to it in the Solicitors Acts; and a reference to a solicitor includes a reference to a firm of solicitors unless the context otherwise requires and includes a former solicitor or a deceased solicitor unless the context otherwise requires;

“Solicitors Accounts Regulations 2014” means the Solicitors Accounts Regulations 2014 (S.I. 516 of 2014) and includes reference to the Solicitors Accounts (Amendment) Regulations 2021 (S.I No. 463 of 2021);

“Solicitors Acts” means the Solicitors Acts 1954 to 2015.

(2) Other words and phrases in these Regulations shall, where applicable, have the meanings assigned to them in the Solicitors Acts.

(3) The Interpretation Act 2005 shall apply for the purposes of the interpretation of these Regulations, except insofar as there is inconsistency with the Solicitors Acts or with these Regulations.

(4) For the purposes of section 31 of the Act of 1960, Part V (comprising Regulations 26 to 34 inclusive) of these Regulations shall be deemed to be “Accountant's Certificate Regulations”.

(5) Insofar as the provisions of these Regulations on the one hand and the provisions of the Personal Insolvency Act 2012 (Accounts and Related Matters) Regulation 2013 (S.I. No. 247 of 2013) on the other hand, relate to the same subject matter, the two sets of provisions shall, whenever possible, be treated as complementary, so that both sets of provisions shall be applicable and neither provision shall narrow the effect of the other; but in case of conflict, the provisions of the Personal Insolvency Act 2012 (Accounts and Related Matters) Regulation 2013 (S.I. No. 247 of 2013) shall prevail.

Solicitors to whom these Regulations apply

3. (1) Subject to Regulation 3(4), these Regulations shall apply to a solicitor who is, in the course of and arising from his or her practice as a solicitor, engaged in the provision of legal services and shall, for the avoidance of doubt, apply to a solicitor carrying on practice as a personal insolvency practitioner as defined in the Act of 2012.

(2) Where any breach of these Regulations occurs, the responsibility for any breach rests with the individual solicitor responsible for the breach and the sole practitioner or each and every partner of the firm.

(3) Wherever in these Regulations an obligation is specified as being that of a solicitor, such obligation of the solicitor shall be a personal one notwithstanding that the solicitor may have caused some other person or persons to perform the act or function comprising such obligation; and it shall be assumed, unless and until the contrary be shown to the satisfaction of the Society, that such other person or persons had the express or implied authority of the solicitor to perform such act or function.

(4) These Regulations shall not apply to —

- (a) a solicitor who is an employed solicitor during the entire of the practice year or years and the accounting period in question;
- (b) a solicitor in the full-time service of the State within the meaning of subsection (3) of section 54 of the Principal Act (as substituted by section 62 of the Act of 1994); and
- (c) a solicitor who is in the part-time service of the State, in respect of moneys received, held, controlled or paid by him or her in the course of such service.

(5) A solicitor, to whom Regulation 3(4) applied at the time of he or she making application to the Society for a practising certificate for a practice year, shall be required to notify the Society if at any time during that practice year he or she proposes to change to being a solicitor to whom Regulation 3(1) applies; such notification to the Society to be made not later than fourteen days prior to such change taking place.

(6) Where the Society deem it appropriate in any particular circumstances, the Society may require a solicitor, who represents to the Society that he or she is a solicitor to whom these Regulations do not or should not apply, to verify such representation by means of a statutory declaration or in such other formal manner as the Society may direct; provided that the Society may, in addition, conduct their own investigation in order to confirm the veracity of any such representation.

PART II — CLIENT ACCOUNT AND OFFICE ACCOUNT

General duty to pay clients' moneys into client account

4. (1) Subject to the provisions of Regulations 5 and 6, a solicitor who receives, holds or controls clients' moneys shall, without delay, pay such clients' moneys into the client account.

(2) A solicitor who receives, holds or controls moneys in respect of outlays not yet disbursed shall, without delay, pay such moneys into the client account and shall treat such moneys in all respects as clients' moneys.

(3) A solicitor may, in the course of and arising from his or her practice as a solicitor, open and keep in a bank more than one client account.

(4) Where a solicitor holds client moneys in a currency other than Euro, such money must be held in a separate account for the appropriate currency and the solicitor must keep separate accounting records for that currency.

Where discretion to pay into client account

5. (1) Subject to Regulation 5(2), a solicitor may pay into a client account such moneys as are:

- (a) controlled trust moneys, subject to Regulation 14, or non-controlled trust moneys, subject to Regulation 20;
- (b) moneys to replace moneys which for any reason have been withdrawn from the client account in contravention of Regulation 9(1) or (2) or any other provision of these Regulations;
- (c) moneys received by the solicitor which include an amount being paid to the solicitor by or on behalf of a client in respect of professional fees and/or on account of outlays actually disbursed by the solicitor in the course of the provision of legal services to that client;
- (d) moneys which represent interest on clients' moneys, as provided for in Regulation 8;
- (e) the proceeds of a loan to that solicitor from a financial institution specifically for a personal legal transaction for the purchase of a property by a solicitor who is engaged in the transaction, provided the funds are discharged from the client account promptly in accordance with the terms of the loan agreement with the financial institution or, in the absence of a written loan agreement or an express term in the loan agreement governing the requirement to transfer the moneys within a specified timeframe, within 14 days of receipt of the moneys.

(2) A solicitor shall not hold moneys to which the solicitor is beneficially entitled in a client account for longer than three months from the date on which he or she becomes so beneficially entitled.

(3) In Regulation 5(2), “moneys to which the solicitor is beneficially entitled” includes:

- (a) moneys held by the solicitor for —
 - (i) professional fees in respect of all or part of the amount of which the solicitor is entitled, as provided for in Regulation 7(1)(a)(iii), to transfer from client account to office account, or
 - (ii) outlays in respect of which the solicitor is entitled, as provided for in Regulation 7(1)(a)(ii), to withdraw from client account;
- (b) moneys held by the solicitor which, pursuant to Regulation 12, should be the subject-matter of a bill of costs furnished to the client concerned; or
- (c) moneys which are held in client account to the credit of a client matter which the solicitor is himself or herself beneficially entitled to share together with one or more clients, to the extent of the amount of the beneficial share of the solicitor.

(4) It shall be a breach of these Regulations for a solicitor to pay into or hold in a client account moneys other than clients' moneys and moneys referred to in Regulation 5(1), 5(2) and 5(3) and specifically it shall be a breach of these Regulations for a solicitor to:

- (a) hold any personal funds in the client account or to pass any such funds through the client account;
- (b) pay funds into the client account other than in respect of the provision of legal services.

(5) A solicitor shall return to the client any client moneys in a client account on behalf of a client in respect of a specific matter as soon as practicable following completion of the provision of legal services in respect of that matter and, in any event, a solicitor shall not hold those clients' moneys for a period of longer than six months after the completion of the provision of legal services to that client in respect of that matter, unless the retention of those funds is otherwise permitted by these Regulations.

Treatment of “mixed” moneys and exceptions to requirement to lodge clients' moneys to client account

6. (1) Where a solicitor receives a cheque, electronic funds transfer or draft which includes a mixture of clients' moneys and/or controlled trust moneys or non-controlled trust moneys and/or other moneys (but not including insolvency arrangement moneys), the solicitor shall first pay the entire proceeds of the cheque or draft into client account and, thereafter, without delay, the solicitor shall transfer the part or parts of such proceeds as shall appropriately be payable into a controlled trust account or a non-controlled trust account or into office account, as the case may be.

(2) Where a solicitor receives insolvency arrangement moneys co-mingled with other moneys, a solicitor shall not pay or lodge the insolvency arrangement moneys into an account other than an insolvency arrangement account. It shall be a breach of these Regulations for insolvency arrangement moneys to be co-mingled with those of the personal insolvency practitioner or with those of any other person.

(3) Without prejudice to the generality of Regulation 4(1), a solicitor shall not be required to pay into client account such clients' moneys received by him or her which he or she pays into a separate bank account in the name of the client or (where so instructed by the client in writing) of some other person.

(4) Without prejudice to the generality of Regulation 4(1), a solicitor (hereinafter in this Regulation 6(4) referred to as "the purchaser's solicitor") who, when acting for a purchaser of property, receives a cheque or draft from or on behalf of his or her client or from a lender to his or her client which is drawn in favour of the purchaser's solicitor or is drawn in favour of the client who endorses it either generally or specifically to the purchaser's solicitor and where the proceeds of such cheque or draft are required to be paid, without delay, to the vendor (or the solicitor for the vendor) in respect of the balance (other than the deposit) of the purchase price of the property in question, the purchaser's solicitor shall not be required to pay the proceeds of such cheque or draft into a client account; provided that the application of such proceeds for that purpose is apparent from the purchaser's solicitor's file maintained in relation to such client matter.

(5) Without prejudice to the provisions of Regulation 6(3) and 6(4), it shall be a breach of these Regulations -

- (a) for a solicitor, having received clients' moneys, to fail, without reasonable cause, to pay such clients' moneys into the appropriate client account (or client accounts); and
- (b) for a solicitor, having received clients' moneys, to fail, without reasonable cause, to record such receipt in his or her accounting records.

(6) The Society may, upon application by a solicitor, give directions in writing to the solicitor regarding the holding of clients' moneys in an account other than a client account.

Withdrawals from client account

7. (1) A solicitor may withdraw from a client account in accordance with Regulation 9:

- (a) in the case of clients' moneys -
 - (i) moneys properly required for the payment to the client concerned or (in accordance with the instructions of the client concerned) to another person or other persons on behalf of the client.
 - (ii) moneys properly required for or towards payment of an amount due to the solicitor by the client concerned in

respect of outlays actually disbursed by the solicitor on behalf of that client in the course of the provision of legal services to the client, subject to the provisions of section 149(2) of the Act of 2015, where applicable; and

- (iii) moneys properly available to be applied by the solicitor in satisfaction (in whole or in part) of professional fees payable by the client concerned, subject to compliance with Section 149(2) of the Act of 2015, where applicable, and Regulations 12(1) or Regulation 12(4) of these Regulations, provided that it has been made clear, in writing (whether in a bill of costs or otherwise), to such client that clients' moneys held by the solicitor for the client are being or will be applied by the solicitor in satisfaction (in whole or in part) of such professional fees; and provided that such moneys shall be transferred from client account to office account within three months from the date of compliance with Regulations 12(1) or 12(4); and
 - (iv) where the solicitor is acting as personal representative of an estate, moneys properly required for a payment in the due execution of the estate concerned; and
 - (v) moneys which are then transferred into another client account in accordance with the instructions of the client concerned.
- (b) in the case of controlled trust moneys or non-controlled trust moneys: -
- (i) moneys properly required for a payment in the due execution of the controlled trust or non-controlled trust concerned; and
 - (ii) moneys to be then transferred into a controlled trust account or a non-controlled trust account opened and maintained solely for the controlled trust moneys or the non-controlled trust moneys of the controlled trust or non-controlled trust concerned.
- (c) moneys which for any reason have been paid into the client account by mistake or otherwise in contravention of these Regulations.

PROVIDED that, in any case arising under Regulation 7(1) (a) or 7(1) (b), the moneys so withdrawn shall not exceed the total of the moneys held for the time being in the client account on behalf of the client concerned or the controlled trust or non-controlled trust concerned.

(2) It shall be a breach of these Regulations—

- (a) for a debit balance to arise on any client ledger account, other than a debit balance which is totally offset by a credit balance arising on another client ledger account in respect of the same client; and

- (b) for a solicitor to discharge personal or office expenditure from client account.
 - (c) for a solicitor to transfer moneys from the client account towards payment of outlay due to the solicitor or in satisfaction of professional fees without relating such transfer to a specific client.
 - (d) for a solicitor to fail to hold sufficient funds in the client account to meet all liabilities to clients.
- (3) (a) Without prejudice to the provisions of Regulation 7(2) above, where a solicitor fails to hold sufficient funds in the client account to meet all liabilities to clients, the solicitor must rectify that failure as soon as possible.
- (b) If the solicitor cannot rectify that failure within seven days of it coming to attention of the solicitor or within seven days of when the deficit ought reasonably to have come to the attention of the solicitor, had the solicitor fully complied with the provisions of these regulations, the solicitor must notify the Society in writing immediately thereafter.
- (c) Without prejudice to the generality of Regulation 7(3) (b), where the failure arises as a result of a bank error or as a result of the charging of negative interest to the client account, the solicitor shall not be obliged to notify the Society provided the error or negative interest is refunded to the client account as soon as practicable in accordance with these Regulations.

Interest

8. (1) A solicitor shall, in respect of client moneys or insolvency arrangement moneys received by that solicitor for or on behalf of a client or an insolvency arrangement,

- (i) hold such moneys in an interest bearing account and account for interest thereon while so held; or
- (ii) account for interest thereon.

Such obligation to account shall be discharged as follows:

- (a) where such moneys are held in a dedicated account which is an interest bearing account, by ensuring that all interest which accrues on such account is lodged to the credit of that account as additional, as the case may be client moneys or insolvency arrangement moneys held for or on behalf of that client or insolvency arrangement until such time as they are paid out of such account; and
- (b) in all other cases, by accounting for all interest, in excess of €100 (one hundred euro), which would have been earned on such moneys had they been held as an individual amount to the credit of an interest bearing dedicated account of the solicitors

choosing at the bank (or if more than one bank, the principal bank) to the practice of the solicitor for the period commencing seven days after the receipt by the solicitor of such moneys and for so long thereafter as they are so held and, where appropriate, paying that interest concerned out of:

- (i) general client account up to but not exceeding the amount of interest at that time standing to the credit of the general client account; or
- (ii) office account; or
- (iii) (immediately following a transfer of the amount due from office account to the general client account) the general client account.

(2) A solicitor shall, within a period of three months or by the next accounting date (whichever is the later) after the date on which an amount of interest has been credited by the bank to an interest bearing general client account either:

- (a) transfer from the general client account to office account, the amount of such interest so credited, to the extent it has not already been paid out of general client account by the solicitor to an individual client or clients entitled to be paid interest, or treated as additional client moneys held by the solicitor, and designate such amount transferred as being interest earned on client account; or
- (b) credit to the appropriate client ledger account of the individual clients concerned the amount of interest due to those clients and, each such amount so credited to a client ledger account shall thereafter be treated by the solicitor as additional client moneys held by the solicitor for that client.

(3) Where a solicitor holds client moneys or insolvency arrangement moneys in a non-interest bearing account the solicitor has the same obligation to account for interest on those moneys, as if held in an interest bearing account.

(4) Where client moneys are received by a solicitor for or on behalf of a client, the client (without prejudice to any other legal remedy) may refer, any question relating to interest on such client money to the Society, and the Society (after providing reasonable opportunity to the client and to the solicitor to make submissions to the Society on such question) shall determine such question and shall duly notify the client and the solicitor in writing of such determination.

(5) Nothing in this Regulation shall:

- (a) affect any arrangement in writing, whenever made, between a solicitor and a client as to the application of client moneys received by the solicitor or his or her firm for or on account of that client or interest thereon;

- (b) deprive a solicitor of any legal recourse or right, whether by way of lien, charge or otherwise, that the solicitor may have against client moneys of a client standing to the credit of a client account.

(6) Where a solicitor holds clients' moneys or insolvency arrangement moneys in an account in accordance with this Regulation 8 and an interest charge is applied or is proposed to be applied by a bank to that account:

- (a) A solicitor may agree with a client in respect of the manner in which such interest charge is to be discharged, provided that any such agreement under this Regulation 8(6) (a) must be in writing.
- (b) Subject to the provisions of Regulation 8(6)(a), the following shall apply in respect of any proposed or actual application of an interest charge by a bank to any account containing any moneys listed in this Regulation 8(6): -
- (i) The solicitor shall instruct that any such interest charge is not applied to that account, but is applied to the solicitor's office account and disbursed by the solicitor from the solicitor's office account; and
- (ii) In the event that the bank proceeds to apply such charge to that account notwithstanding the request of the solicitor in Regulation 8(6) (b) (i), the solicitor shall transfer such moneys from the office account to the client account in satisfaction of the application of any such interest charge.
- (c) Unless otherwise agreed in accordance with Regulation 8(6) (a), any moneys paid by the solicitor in satisfaction of any interest charge in accordance with Regulation 8(6) (b) is outlay for the purposes of these Regulations provided that it has been made clear to the client that clients' moneys held by the solicitor for the client are being or will be applied by the solicitor in satisfaction (in whole or in part) of such interest charge.
- (d) An "interest charge" is a "bank charge" for the purposes of Regulation 23.

(7) Notwithstanding any provision of this Regulation 8 and subject to compliance with Regulation 8(6), it shall not be a breach of these Regulations for a solicitor to hold moneys received by a solicitor or his or her firm for or on account of a client or an insolvency arrangement in an account where: -

- (a) an interest charge has been applied by the bank in respect of moneys held in an existing account; or
- (b) the solicitor is proposing to open an account in respect of which an interest charge is to be applied by the bank

and the solicitor cannot open or hold moneys in an interest bearing account at the bank (or if more than one bank, the principal bank) to the practice of the solicitor.

Manner of withdrawal from client account

9. (1) A solicitor shall not withdraw moneys from a client account other than by means of a cheque drawn on that client account signed by an authorised signatory or by means of an electronic transfer of funds authorised by an authorised signatory, except for the transactions referred to in Regulation 7(1)(a)(v), Regulation 7(1)(b)(ii) or Regulation 9(2).

(2) A solicitor shall not withdraw moneys from a client account as provided for in Regulation 7(1)(a)(ii) or (iii) or Regulation 7(1)(c) other than by -

- (a) cheque drawn on that client account signed by an authorised signatory in favour of the solicitor, the proceeds of which are then paid into the office account; or

- (b) electronic funds transfer authorised by an authorised signatory from client account to office account.

(3) (a) Where a solicitor withdraws moneys from a client account by means of a cheque drawn on that client account or by electronic funds transfer, the payee details to be recorded on the client account cheque and the cheque stub or requisition docket or other document of record in respect thereof maintained and kept by the solicitor shall include the name of the payee or other person who is to be credited with such payment.

- (b) Where a solicitor withdraws moneys from a client account by means of a cheque drawn on that client account or by electronic funds transfer which is made payable to a bank in order to purchase a draft or other negotiable or non-negotiable instrument, the payee details to be recorded on the client account cheque and the cheque stub or requisition docket or other document of record in respect thereof maintained and kept by the solicitor shall include the name of the person shown as payee on such draft or other negotiable or non-negotiable instrument.

- (c) Where a solicitor withdraws moneys from a client account in accordance with this Regulation to make a payment in cash in excess of €100, the solicitor shall obtain documentary evidence of payment of such moneys, such evidence to include the witnessed signature of the recipient of the moneys.

(4) A solicitor shall not withdraw moneys from a client account, other than moneys permitted by and in accordance with Regulation 7, unless the Society, upon application by the solicitor, give directions in writing in respect of such other withdrawal.

(5) (a) An "authorised signatory" under these Regulations shall be, subject to Regulation 9(5)(b) and 9(5)(c), a solicitor who is a partner or sole practitioner in the firm with a practising certificate in force, who is authorised to sign cheques or to conduct electronic transfers of funds on the client account.

- (b) Where there is more than one authorised signatory, a person who is not referred to in Regulation 9(5)(a) above may act as an authorised co-signatory where at least one of the authorised signatories is a solicitor within the meaning of Regulation 9(5)(a) above.
- (c) A person who is not a solicitor within the meaning of Regulation 9(5)(a) above may act as the sole authorised signatory for a firm if the Society is satisfied that there are exceptional circumstances permitting such a person to act and has granted prior approval in writing for same.

Transfers between client ledger accounts

10. A solicitor shall not transfer an amount from the client ledger account of one client to the client ledger account of another client, other than in circumstances in which it would have been permissible for the solicitor under these Regulations to have withdrawn, by means of a cheque or electronic funds transfer drawn on the client account in favour of the second client, such amount debited against the first client and then to have paid the proceeds of that cheque or electronic funds transfer into a client account credited to the second client; provided that —

- (a) the solicitor shall maintain and keep in respect of each such transfer such accounting records and other documents as will enable such transaction to be appropriately vouched; and
- (b) the solicitor shall record each such transaction in his or her books of account in the manner provided for in Regulation 13.

Office account

11. (1) A solicitor may, in the course of and arising from his practice as a solicitor, open and keep in a bank or banks more than one office account as he or she thinks fit; and a solicitor may pay into office account any moneys to which he or she is beneficially entitled.

(2) A solicitor shall, without delay, pay all moneys received by him or her in respect of professional fees and outlay into the client account or office account.

(3) Where a solicitor pays moneys received by him or her in respect of professional fees and/or outlay into the client account pursuant to Regulation 5(1)(c) or Regulation 11(2), the solicitor shall then transfer such moneys from the client account to office account, in accordance with Regulation 7(1)(a)(ii) and/or Regulation 7(1)(a)(iii).

(4) A solicitor shall, without delay, record as a debit on the office side of the relevant client ledger account the amount of professional fees in any bill of costs furnished to a client.

(5) It shall not be permissible under these Regulations for a credit balance to arise on the office side of a client ledger account; and, where such a credit

balance does arise, it shall be a breach of these Regulations for the solicitor to fail, without delay, to correct the position as appropriate in the particular circumstances consequent on an investigation by him or her as to how such credit balance has arisen, including whether such credit balance has arisen as a result of:

- (a) a failure to comply with Regulation 4(2) by lodging moneys in respect of outlays not yet disbursed to office account instead of to client account; or
- (b) a failure to comply with Regulation 11(4) by not recording as a debit on the office side of the relevant client ledger account the amount of professional fees in a bill of costs furnished to a client and where the subsequent receipt (in whole or in part) of such amount from the client has been recorded as a credit on the office side of that client ledger account; or
- (c) the payment into office account of moneys received from a client in excess of an amount payable by that client for professional fees the subject of a bill of costs, the furnishing of which has been recorded as provided for in Regulation 11(4); or
- (d) another accounting or posting error;

PROVIDED that it shall not be a breach of these Regulations for a credit balance to arise on the office side of a client ledger account where that credit balance is totally offset by a debit balance or balances arising on the office side of one or more other client ledger accounts in respect of the same client.

Duty to furnish bill of costs

12. (1) A solicitor, who holds clients' moneys on a client account on behalf of a client to whom the solicitor has provided legal services in relation to a legal matter for a client which has concluded and the clients' moneys concerned are clients' moneys which would be properly available to be applied by the solicitor in satisfaction (in whole or in part) of professional fees by the client concerned if the solicitor had furnished to that client a bill of costs, shall be required to furnish to such client a bill of costs in accordance with the provisions of section 152 of the Act of 2015 which, inter alia, specifies the amount of the professional fees payable by the client in respect of such legal services in such client matter ; and, thereafter, the provisions of Regulation 7(1)(a)(iii) shall apply to the transfer of such moneys from client account to office account.

(2) Where a solicitor has provided legal services in a client matter which has been completed, the solicitor shall furnish to the client, whether as part of a bill of costs or otherwise, a statement disclosing all moneys received, paid or held in respect of each client matter.

(3) A solicitor must maintain, on each client matter file, documentary evidence of compliance with Regulation 12(1) and 12(2) and, inter alia, section 68 of the Act of 1994 and sections 149 to 153 (inclusive) of the Act of 2015.

(4) Nothing in Regulation 12(1) shall prevent a solicitor from furnishing to a client an interim bill of costs for interim professional fees for legal services already provided in a client matter but where the client matter concerned has not yet been completed; provided that, where clients' moneys held in client account on behalf of the client concerned are clients' moneys which that client has designated as being in respect of such interim professional fees for legal services already provided by the solicitor, the solicitor shall be required to furnish to that client an interim bill of costs for the amount of such interim professional fees in the terms specified in Regulation 12(1); and, thereafter, the provisions of Regulation 7(1)(a)(iii) shall apply to the transfer in a prompt manner of such moneys from client account to office account.

(5) A solicitor shall not withdraw moneys from a client account in respect of professional fees or interim professional fees or outlays not properly payable to the solicitor at the time of such withdrawal.

Books of account to be maintained by solicitor

13. (1) A solicitor shall, at all times in the course of and arising from his or her practice as a solicitor, maintain, as part of his or her accounting records, proper and up-to-date books of account and such relevant supporting documents in respect of the firm in either hard copy or electronic formats or both as will enable clients' moneys handled and dealt with by the solicitor to be duly recorded and the entries relevant thereto in the books of account to be appropriately vouched.

(2) Without prejudice to the generality of Regulation 13(1), a solicitor shall maintain books of account:

- (a) which will show the true financial position in relation to the solicitor's transactions with clients' moneys and with other moneys transacted by him or her through the client account as referred to in Regulation 5(1); and

- (b) which shall, in respect of each client, distinguish separately between, on the one hand, clients' moneys and moneys as specified in Regulation 13(2)(a) and, on the other hand, any other moneys received, held, controlled or paid by him or her.

(3) (a) Without prejudice to the generality of Regulation 13(1), a solicitor shall at all times maintain a separate client ledger account for each client matter dealt with where clients' moneys are received, held, controlled or paid by the solicitor.

- (b) A solicitor shall, where applicable, maintain and keep on the relevant client matter file appropriate evidence of outlays disbursed out of moneys withdrawn from client account or disbursed out of moneys withdrawn from office account and recouped out of clients' moneys withdrawn from client account.

(4) Without prejudice to the generality of Regulation 13(1), a solicitor shall record each of his or her transactions with clients' moneys and with any other moneys transacted through client account as referred to in Regulation 13(2)(a), as appropriate:

- (a) (i) in a record of clients' receipts and payments, or
- (ii) in a record demonstrating amounts transferred, where the particular transaction involves the transfer from one client ledger account to another client ledger account, such record to include a narrative explaining each such transaction; and
- (b) in a client ledger.

(5) Without prejudice to the generality of Regulation 13(1), Part III (A) (relating to controlled trusts) and Part III (B) (relating to non-controlled trusts), a solicitor shall, as appropriate, record his or her transactions with controlled trust moneys or non-controlled trust moneys in the same way as is provided for in Regulation 13(4) (a) and (b) in respect of clients' moneys.

(6) Without prejudice to the generality of Regulation 13(1) and Part III (C) (relating to insolvency arrangements), a personal insolvency practitioner shall, as appropriate, record his or her transactions with insolvency arrangement moneys in the same way as is provided for in Regulation 13(4) (a) and (b) in respect of clients' moneys.

(7) Without prejudice to the generality of Regulation 13(1), a solicitor shall record in his or her books of account each of his or her transactions on office account with moneys (other than clients' moneys or moneys referred to in Regulation 13(2)(a) and other than controlled trust moneys or non-controlled trust moneys and other than insolvency arrangement moneys) as appropriate, in the following books of account:

- (a) a record of office receipts and payments;
- (b) an office ledger (or the office side of a client ledger);
- (c) an office ledger control account (to record the totals of all items that have been posted individually to the debit and credit columns of the office ledger); and
- (d) nominal ledger accounts (to record the totals of all items that have been posted individually other than to the debit and credit columns of the client ledger or the debit and credit columns of the office ledger).

(8) (a) A solicitor shall, as of each balancing date, prepare a statement (hereinafter in this Regulation referred to as a "balancing statement") comparing and balancing:

- (i) the total of the credit balances due to his or her clients as extracted from the client ledger accounts, including credit balances in respect of controlled trust moneys or non-controlled trust moneys held in client account, controlled trust ledger accounts, and insolvency arrangement ledger accounts, provided that, without prejudice to the generality of Regulations 7(2)(a), 18(5)(a) and 23(4)(a), the solicitor shall not offset debit balances against credit balances, other than a debit balance or balances arising on one or more ledger account or accounts which is or are totally

- offset by a credit balance or balances on one or more other ledger account or accounts in respect of, as the case may be, the same client within the client ledger, the same controlled trust or the same insolvency arrangement;
- (ii) the balance on the client ledger control account, controlled trust ledger control account and insolvency arrangement ledger control account; and
 - (iii) the balance or balances of each client account, controlled trust account and insolvency arrangement account opened and kept by the solicitor, as appearing from up-to-date statements from the bank or banks in which such account or accounts is or are so opened and kept, as adjusted for outstanding withdrawals and lodgements.
- (b) Each balancing statement shall be completed not later than two months after the balancing date to which it relates and shall be approved and dated, in writing, by the compliance partner.
 - (c) A solicitor shall maintain and keep a copy of each such balancing statement.
 - (d) The balancing statements in respect of the accounting period in question shall be furnished by the solicitor to his or her reporting accountant; and the information therein shall in turn be provided to the Society in the form of and as Appendix 3 to the reporting accountant's report for the accounting period in question.
 - (e) A solicitor shall review the listing of client ledger balances and controlled trust balances for undue or unnecessary delays in dealing with client matters, in particular in discharging undisbursed outlays, moneys due to clients or moneys due to be paid for or on behalf of clients, and where the listing discloses unnecessary or undue delays in dealing with client matters, take immediate action to deal with those matters, where appropriate, with same to be approved, in writing, by the compliance partner.
 - (f) A solicitor shall list client ledger balances outstanding two years or more as at the accounting date, disclosing the reason the balance is outstanding and, where appropriate, any action taken or proposed to clear the balances, such list to be approved by the compliance partner, and the information therein shall in turn be provided to the Society in the form of and as Appendix 6 to the reporting accountants report for the accounting period in question.
- (9) (a) Without prejudice to the generality of Regulation 11(5), a solicitor shall, on or within not later than two months after the date six months before the accounting date and on or within not later than two months after the accounting date, extract a list of all debit and credit balances as of those dates arising on the office side of the client ledger account, controlled trust ledger account, and insolvency arrangement ledger account.

- (b) A solicitor shall, not later than two months after the accounting date, prepare a statement (hereinafter in these Regulations referred to as an “office balancing statement”) comparing and balancing as of that accounting date:
 - (i) the balance on the office ledger control account; and,
 - (ii) the total of the debit and credit balances, as extracted from the office side of the client ledger account, controlled trust ledger account, and insolvency arrangement ledger account;

such statement to be approved and dated, in writing, by the compliance partner.
- (c) The lists of all debit and credit balances prepared pursuant to Regulation 13(9)(a) together with the office balancing statement in respect of the accounting period in question shall be furnished by the solicitor to his or her reporting accountant; and the information therein shall in turn be provided to the Society in the form of and as Appendix 5 to the reporting accountant's report for the accounting period in question.

PART III (A) — CONTROLLED TRUSTS

General duty where controlled trust moneys received

14. Subject to the provisions of Regulation 15, a solicitor who receives, holds or controls controlled trust moneys of which he or she is a controlling trustee, whether or not the controlled trust moneys are first paid into a client account as referred to in Regulation 5, shall, without delay, pay such controlled trust moneys into a controlled trust account opened and maintained solely for the controlled trust concerned.

Where discretion to pay into controlled trust account

15. (1) Subject to Regulation 15(2), a controlling trustee may pay into a controlled trust account such moneys as are:

- (a) controlled trust moneys subject to the controlled trust concerned;
- (b) moneys to replace controlled trust moneys which for any reason have been withdrawn from the controlled trust account in contravention of Regulation 18; or
- (c) moneys which represent interest on controlled trust moneys, as provided for in Regulation 8.

(2) A controlling trustee shall not hold moneys to which the controlling trustee is beneficially entitled in a controlled trust account for longer than three months, from the date he or she becomes beneficially entitled.

(3) In Regulation 15(2) of this Regulation, “moneys to which the controlling trustee is beneficially entitled” has the same meaning, mutatis mutandis, as “moneys to which the solicitor is beneficially entitled” as provided for in Regulation 5(3).

Treatment of moneys which include trust moneys

16. (1) Where a controlling trustee receives a cheque, electronic funds transfer or draft which includes a mixture of controlled trust moneys subject to more than one controlled trust of which he or she is a controlling trustee, whether or not also including other moneys not being clients' moneys, the controlling trustee shall first pay the entire proceeds of such cheque or draft into a client account as provided for in Regulation 6(1) and, thereafter, the controlling trustee shall, without delay, transfer the part or parts of such proceeds of such cheque or draft as shall appropriately be payable into one or more controlled trust accounts or into the office account, as the case may be.

(2) It shall be a breach of these Regulations -

- (a) for a controlling trustee, having received controlled trust moneys, to fail, without reasonable cause, to pay (or transfer via client account) such controlled trust moneys to the appropriate controlled trust account (or controlled trust accounts); and
- (b) for a controlling trustee, having received controlled trust moneys, to fail, without reasonable cause, to record such receipt in his or her accounting records.

(3) The Society may, upon application by a controlling trustee, give directions in writing to the controlling trustee regarding the holding of controlled trust moneys in an account other than a controlled trust account.

Moneys to be paid into controlled trust account

17. No moneys, other than moneys which, as provided for in Regulations 14, 15 or 16, a controlling trustee is required or permitted to pay into a controlled trust account, shall be paid into a controlled trust account; and, where moneys are for any reason wrongly so paid, the controlling trustee shall, immediately on becoming aware of that fact, transfer the amount of such moneys to the account into which such moneys should have been paid in the first instance.

Withdrawals from controlled trust account

18. (1) A controlling trustee may withdraw from a controlled trust account –

- (a) controlled trust moneys properly required for a payment in the execution of the controlled trust concerned;
- (b) moneys, not being controlled trust moneys subject to the controlled trust concerned, which for any reason have been paid

into the controlled trust account by mistake or otherwise in contravention of these Regulations.

(2) The provisions of Regulation 9 (relating to the manner of withdrawal from client account) shall apply, mutatis mutandis, to the manner of withdrawal from controlled trust account.

(3) The provisions of Regulation 12 shall apply mutatis mutandis to the furnishing of information to clients in respect of controlled trusts.

(4) A controlling trustee shall not withdraw moneys from a controlled trust account, other than moneys permitted by and in accordance with Regulation 18(1), unless the Society, upon application by the solicitor, give directions in writing in respect of such other withdrawal.

(5) It shall be a breach of these Regulations -

- (a) for a debit balance to arise on any controlled trust ledger account, other than a debit balance which is totally offset by a credit balance arising on another controlled trust ledger account in respect of the same controlled trust; and
- (b) for a solicitor to discharge personal or office expenditure from a controlled trust account.

Duty of controlling trustee to maintain accounting records

19. A controlling trustee shall at all times maintain and keep such accounting records and other documents as shall be appropriate –

- (a) to show separately in respect of each controlled trust of which he or she is a controlling trustee all his or her transactions with controlled trust moneys received, held, controlled or paid by him or her on behalf of each such controlled trust; and
- (b) to distinguish controlled trust moneys from all other moneys received, held, controlled or paid by him or her on any other account.

PART III (B) —NON-CONTROLLED TRUSTS

General duty to pay non-controlled trust moneys into non-controlled trust account

20. (1) A solicitor, who is a non-controlling trustee of a non-controlled trust, who receives non-controlled trust moneys subject to such non-controlled trust, shall, without delay, pay such non-controlled trust moneys into a non-controlled trust account opened and maintained solely for the non-controlled trust concerned; provided that such non-controlled trust moneys, when received by the solicitor, may first be paid into client account before being transferred, without delay, to a non-controlled trust account in respect of the non-controlled trust concerned; and the solicitor shall keep an appropriate record of each

transaction concerning such non-controlling trust moneys in his or her books of account in accordance with Regulation 25.

(2) It shall be a breach of these Regulations for a solicitor to discharge personal or office expenditure from a non-controlled trust account.

PART III (C) — INSOLVENCY ARRANGEMENTS

General duty to pay insolvency arrangement moneys into insolvency arrangement account

21. A personal insolvency practitioner, who receives, holds or controls insolvency arrangement moneys, shall, without delay, pay such insolvency arrangement moneys into an insolvency arrangement account opened and maintained solely for the insolvency arrangement concerned.

Moneys to be paid into insolvency arrangement account

22. (1) Subject to Regulation 22(2), a personal insolvency practitioner shall pay into an insolvency arrangement account such moneys as are:

- (a) insolvency arrangement moneys received from or on behalf of the relevant debtor in respect of payments due under the insolvency arrangement; or
- (b) refunds from a creditor, the personal insolvency practitioner or, as applicable, the bank for the credit of the relevant debtor, in order to correct any error in making the payments referred to at Regulation 23(1)(a) to 23(1)(d) inclusive and in reversing the payments referred to at 23(1)(e); or
- (c) moneys which represent interest on insolvency arrangement moneys.

(2) A personal insolvency practitioner shall not hold moneys to which the personal insolvency practitioner is beneficially entitled in an insolvency arrangement account for longer than three months from the date he or she becomes beneficially entitled.

(3) No moneys, other than moneys which, as provided for in Regulation 21 or this Regulation 22, a personal insolvency practitioner is required or permitted to pay into an insolvency arrangement account, shall be paid into an insolvency arrangement account; and, where moneys are for any reason wrongly so paid, the personal insolvency practitioner shall, immediately on becoming aware of that fact, transfer the amount of such moneys to the account into which such moneys should have been paid in the first instance.

(4) It shall be a breach of these Regulations:

- (a) for a personal insolvency practitioner, having received insolvency arrangement moneys, to fail, without reasonable cause, to pay such insolvency arrangement moneys to the appropriate insolvency arrangement account(s); and

- (b) for a personal insolvency practitioner, having received insolvency arrangement moneys, to fail, without reasonable cause, to record such receipt in his or her accounting records.

Withdrawals from insolvency arrangement account

23. (1) A personal insolvency practitioner may withdraw from an insolvency arrangement account: -

- (a) moneys properly required for the payment on behalf of the debtor to a creditor according to his or her entitlement under the insolvency arrangement;
- (b) moneys properly required for or towards payment of an amount due to the personal insolvency practitioner under the Act of 2012 and Regulations made pursuant to the Act of 2012 and in accordance with the insolvency arrangement in respect of outlays actually disbursed by the personal insolvency practitioner on behalf of that debtor in the course of the provision of legal services to the debtor for which the personal insolvency practitioner has adequate documentary proof that the moneys are properly due at the time of withdrawal; and
- (c) moneys properly available to be applied by the personal insolvency practitioner in satisfaction (in whole or in part) of professional fees payable under the Act of 2012 and Regulations made pursuant to the Act of 2012 and in accordance with the insolvency arrangement where it has been made clear to such debtor that such moneys held by the personal insolvency practitioner are being or will be applied by the personal insolvency practitioner in satisfaction (in whole or in part) of such professional fees; provided that such moneys shall be transferred from the insolvency arrangement account to office account within three months from when the personal insolvency practitioner becomes entitled to the moneys in question; and
- (d) bank charges, where appropriate; and
- (e) moneys that have been transferred into the insolvency arrangement account in error for which the personal insolvency practitioner has adequate documentary proof demonstrating such error.

(2) The provisions of Regulation 9 (relating to the manner of withdrawal from client account) shall apply, mutatis mutandis, to the manner of withdrawal from an insolvency arrangement account.

(3) A personal insolvency practitioner shall not withdraw moneys from an insolvency arrangement account, other than moneys permitted by and in accordance with Regulation 23(1) of this Regulation.

(4) It shall be a breach of these Regulations: -

- (a) for a debit balance to arise on any insolvency arrangement ledger account, other than a debit balance which is totally offset

by a credit balance arising on another insolvency arrangement ledger account in respect of the same insolvency arrangement; and

- (b) for a solicitor to discharge personal or office expenditure from an insolvency arrangement account.

Duty of personal insolvency practitioner to maintain accounting records

24. A personal insolvency practitioner shall at all times maintain and keep such accounting records and other documents as shall be appropriate:

- (a) to show separately in respect of each insolvency arrangement all his or her transactions with insolvency arrangement moneys received, held, controlled or paid by him or her on behalf of each such insolvency arrangement; and
- (b) to distinguish insolvency arrangement moneys from all other moneys received, held, controlled or paid by him or her on any other account.

PART IV — ACCOUNTING RECORDS

Minimum Accounting Records

25. (1) A solicitor shall maintain accounting records in either electronic or hard copy formats or both, and, without prejudice to the specific provisions of any particular Regulation, the minimum accounting records which a solicitor shall maintain and keep in connection with his or her practice as a solicitor are:

- (a) a record of receipts and payments, which separately records transactions on office account, on client account and, where applicable, for transactions on controlled trust account or on non-controlled trust account or on insolvency arrangement account (herein after referred to as "each account") including details of the identity of the party providing the moneys received and the identity of the recipient of the moneys paid;
- (b) a separate ledger (or ledgers) for each account, which distinguishes clearly between transactions on each account; with a separate account in each ledger maintained for each type of account for each matter dealt with where clients' moneys or controlled trust moneys or non-controlled trust moneys or insolvency arrangement moneys are handled;
- (c) a record of bank lodgements and electronic funds transfers of moneys received by the solicitor, distinguishing between lodgements made to each account;
- (d) where a solicitor receives client moneys into the client account, the solicitor shall maintain a record of the identity of the client in respect of which the moneys were received;

- (e) a record demonstrating amounts transferred from one ledger account to another ledger account or to an office ledger account or from an office ledger account to another ledger account, each entry therein to include a narrative explaining the transaction;
- (f) a bank account register, detailing in respect of each account, the bank, the branch thereof, the title or name designation of the account, the account number, the opening date, the authorised signatories, the names of those mandated to withdraw from the account and, where applicable, the date of closure;
- (g) the original of each paid cheque (or where permitted by the Law Society, digital images of the front and back of all original paid cheques) drawn on each account other than the office account regularly procured by the solicitor from his or her bank or banks and maintained and kept by the solicitor in numerical sequence, together with the corresponding cheque stubs or requisition dockets;
- (h) for all client account transactions, a copy of each document of record issued by the bank in respect of electronic transfers of funds on a file dedicated for that purpose. Where moneys are withdrawn from a client account by means of an electronic funds transfer from the client account, the solicitor shall retain on the client's file, and a copy on a separate file dedicated to recording such transactions, the document of record issued by the solicitor and such other documentation issued by the bank to confirm that the transaction has been completed in accordance with the instructions of the solicitor. Where moneys are received by electronic funds transfer into the client account, the solicitor shall also retain on the client file a copy of the document of record issued by the bank to confirm that such transaction has taken place.
- (i) a copy of each draft and each other negotiable or non-negotiable instrument (other than a cheque referred to in Regulation 25(1)(g)) obtained by the solicitor in connection with any matter;
- (j) each matter file, each containing all documents generated in the course of each such matter;
- (k) a copy of each bill of costs (distinguishing between professional fees and outlays) furnished by the solicitor in respect of all matters, which shall be retained by the solicitor in a bills delivered book or on a file dedicated for that purpose;
- (l) a copy of each balancing statement and each office balancing statement;
- (m) a register of moneys placed on joint deposit;
- (n) a copy of each reporting accountant's report (together with all appendices, schedules and other documents relevant thereto) furnished to the Society.

(2) Where a solicitor maintains the accounting records on a computerised system, the solicitor shall ensure that appropriate back ups of computerised information are performed promptly and are securely stored other than on the practice's office premises, same to be approved and verified by the compliance partner.

(3) The solicitor shall retain securely at the firm's office premises the minimum accounting records for at least the current financial year and the previous financial year.

(4) A solicitor shall retain for at least six years each of the accounting records maintained and kept pursuant to this Regulation 25.

PART V — REPORTING ACCOUNTANT'S REPORT

Duty to deliver reporting accountant's report to Society

- 26.(1)(a) A solicitor shall ensure that there is furnished to the Society, in such manner as the Society may specify, not later than five months after his or her accounting date in each practice year, or within such further period as the Society may in writing permit in accordance with the provisions of Regulation 26(1)(b), a report signed by the solicitor's reporting accountant in the form set out in the Schedule to these Regulations or in such other form as may be expressly approved in writing by the Society in particular circumstances (in these Regulations referred to as a "reporting accountant's report").
- (b) Where an extension of time to file the reporting accountant's report is sought in writing at least 14 days prior to the expiry of the time period referred to in Regulation 26(1)(a), the Society may extend the time in which to file a reporting accountant's report by a period not exceeding one month after the conclusion of the time period referred to in Regulation 26(1)(a) if the Society is satisfied that it is appropriate in all of the circumstances to do so.
- (2) (a) In the case of a solicitor to whom the Solicitors Accounts Regulations 2014 applied, the accounting date selected by the solicitor and notified to the Society pursuant to the Solicitors Accounts Regulations 2014 shall continue to be the accounting date.
- (b) In the case of a solicitor to whom these Regulations apply, other than a solicitor to whom Regulation 26(2)(a) applies, the solicitor shall, within not later than three months after the date on which these Regulations commenced to apply to him or her, notify the Society of his or her accounting date.
- (c) The accounting date shall be stated in the annual declaration made to the Society by a solicitor for the purpose of obtaining a practising certificate.

- (d) Where a solicitor proposes to change his or her accounting date, the solicitor shall notify the Society in writing within not later than one month prior to such proposed change taking place; provided that, where such proposed change would extend any accounting period of the solicitor to longer than a period of one year from the immediately preceding accounting date, the prior written consent of the Society shall be required for such change.
- (3) (a) In the case of a solicitor to whom the Solicitors Accounts Regulations 2014 applied, the reporting accountant selected by the solicitor and notified to the Society pursuant to the Solicitors Accounts Regulations 2014 shall continue to be the reporting accountant.
- (b) In the case of a solicitor to whom these Regulations apply, other than a solicitor to whom Regulation 26(3)(a) applies, the solicitor shall, within not later than three months after the date on which these Regulations commenced to apply to him or her, notify the Society of the name and business address of his or her reporting accountant.
- (c) The name and business address of his or her reporting accountant shall also be stated in the annual declaration made to the Society by a solicitor for the purpose of obtaining a practising certificate.
- (d) Where a solicitor changes his or her reporting accountant or where a solicitor's reporting accountant resigns or otherwise ceases to operate as the solicitor's reporting accountant, the solicitor shall notify the Society in writing of such change, resignation or cessation of operation, together with the reasons for same, not later than fourteen days after such change has taken place.
- (4) A “reporting accountant” (which shall where the context so admits or requires include a firm of accountants or an officer, director, or employee of a limited company or other corporate entity authorised to act as a reporting accountant, or a member or employee of a partnership (whether such a partnership has been authorised as a limited liability partnership or not) authorised to act as a reporting accountant), for the purposes of these Regulations, shall mean a person -
 - (a) who is a practising member of any one or more of the following bodies, namely -
 - (i) Chartered Accountants Ireland,
 - (ii) The Institute of Chartered Accountants in England and Wales,
 - (iii) The Institute of Chartered Accountants in Scotland,
 - (iv) The Association of Chartered Certified Accountants,
 - (v) The Institute of Certified Public Accountants in Ireland, and

- (b) is not and never has been a spouse, co-habitee, parent, child, sibling, dependent, associate, partner, consultant, clerk or servant of the solicitor concerned or a person with whom the solicitor either directly or indirectly has a mutual business interest; and
 - (c) is maintaining such minimum level of professional indemnity insurance cover as the Society may appropriately and reasonably direct from time to time in order to provide for indemnity against losses arising from claims incurred (inter alia) in connection with his or her professional practice as a reporting accountant, and
 - (d) is in compliance with the relevant guidance issued by the relevant professional accountancy body of which the Reporting Accountant is a member; and
 - (e) is approved by the Society.
- (5) (a) The Society may wholly or partly withdraw approval of an accountant as a reporting accountant in accordance with this Regulation 26(5) and may thereafter refuse to accept reporting accountant's reports signed by such accountant either generally or in any particular case, if the Society is satisfied that a reporting accountant has not properly discharged his or her responsibilities as set out in these Regulations.
- (b) The Society may adopt procedures outlining how a decision under Regulation 26(5)(a) is to be taken and any such decision shall be taken in accordance with those procedures.
- (c) Prior to any consideration being given to a decision under Regulation 26(5)(a), the Society shall notify the reporting accountant in writing of the matter under consideration by the Society and shall afford the reporting accountant an opportunity to make written submissions in respect of the issues arising.
- (d) The Society shall, as soon as practicable, notify in writing any accountant in respect of whom his or her approval as a reporting accountant has been wholly or partly withdrawn by the Society and the Society shall, at the same time, notify any solicitor who, according to the Society's records, would be affected by such withdrawal of approval; and the Society shall provide reasons to the accountant concerned or any solicitor affected by such withdrawal of approval.
- (6) A reporting accountant shall notify the Law Society in writing of his/her resignation or his/her cessation of operation as a reporting accountant, such notification to take place within 21 days of such resignation or cessation of operation. A reporting accountant shall provide the Society with reasons for such resignation or cessation unless the reporting accountant does not consider it appropriate to do so, in which case, the reporting accountant shall notify the Society accordingly.

Form of Acknowledgement

27. (1) Where a firm is required pursuant to Regulation 26 to ensure that there is furnished to the Society a reporting accountant's report, the compliance partner as the case may be shall complete and sign the form of acknowledgement comprised in Part IV of the reporting accountants report as set out in the Schedule to the Regulations; the compliance partner concerned shall ensure that the reporting accountant's report containing the completed and signed form of acknowledgement is furnished to the Society within the time provided by these Regulations for the furnishing of the reporting accountant's report.

- (2) The compliance partner shall confirm, inter alia, that: -
 - (a) each balancing statement has been approved by the sole practitioner or compliance partner in accordance with Regulation 13(8)(b);
 - (b) the office balancing statement has been approved by the sole practitioner or compliance partner in accordance with Regulations 13(9)(b);
 - (c) the listing of client ledger balances and controlled trust balances has been reviewed for undue or unnecessary delays in dealing with client matters in particular in discharging undisbursed outlay, moneys due to clients or moneys due to be paid for or on behalf of clients and where the listing disclosed unnecessary or undue delay in dealing with client matters, immediate action has been taken to deal with those matters, where appropriate, in accordance with Regulations 13(8)(e);
 - (d) the list of client ledger balances outstanding two years or more at the accounting date as set out in Appendix 6 has been approved in accordance with Regulation 13(8)(f);
 - (e) that where accounting records are maintained on a computerised system that appropriate back-ups of computerised information are performed promptly and are securely stored other than on the practice's office premises, in accordance with Regulation 25(2).
- (3) Where the compliance partner is unable to provide confirmation in respect of the obligations under Regulation 27(2) or otherwise under the Regulations to any extent, the compliance partner shall set out in detail the rationale for same in the form of acknowledgement.

Examination by reporting accountant

28. (1) For the purpose of preparing a solicitor's reporting accountant's report, a reporting accountant shall ascertain from the solicitor particulars of each bank account (whether office account, client account, controlled trust account, non-controlled trust account or insolvency arrangement account) opened and kept by the solicitor in connection with his or her practice at any time during the accounting period to which the reporting accountant's report

will relate; and shall carry out an examination of the accounting records of the solicitor as provided for in Regulation 28(2) and (3).

(2) The reporting accountant shall, as applicable, carry out his or her examination of a solicitor's accounting records in the course of preparing the reporting accountant's report in respect of the accounting period under review by means of the following steps (not necessarily in consecutive order):

Step 1: reviewing the accounting records in each place of business of the solicitor so as to enable the reporting accountant to test that such accounting records comply with these Regulations and, in particular, to test -

- (i) that there is maintained an appropriate account in the client ledger for each client matter,
- (ii) that each client ledger account shows separately particulars of all clients' moneys received, held, controlled and paid on behalf of each client, and
- (iii) that each transaction relating to both clients' moneys and any other moneys dealt with through client account is recorded so as to distinguish such transaction from any other transactions relating to moneys received, held, controlled or paid by the solicitor;

Step 2: making test checks of postings to client ledger accounts from records of receipts and payments of clients' moneys in particular to include checks immediately before and after the accounting date and at least one other balancing date and making test checks of the totals of such accounts and records;

Step 3: comparing a sample of lodgements into and payments from each client account as shown in bank statements with records of receipts and payments of clients' moneys;

Step 4: making test checks of the system of recording professional fees and outlays and of making withdrawals of professional fees or outlays (or both) from each client account; including verifying that any transfers of moneys from the client account in respect of professional fees and outlays are supported by appropriate bills of costs and the written agreement with or notification to the client to such transfer;

Step 5: carrying out a review of such documents as the reporting accountant shall request the solicitor to produce, with a view to ascertaining and confirming -

- (i) that the transactions relating to clients' moneys (including those giving rise to transfers from client ledger account to another client ledger account or to an office ledger account, or from an office ledger account to a client ledger account) evidenced by such documents, are in accordance with these Regulations, and

- (ii) the entries in the client ledger accounts reflect those transactions in a manner that is in compliance with these Regulations;

Step 6: checking the extraction of balances on the client ledger accounts at the accounting date for the accounting period under review and, at such accounting date-

- (i) comparing the total, as shown in such client ledger accounts, of the gross liabilities to clients, including those for whom controlled trust moneys and non-controlled trust moneys are held in client account, with the balance on client account per the accounting records,
- (ii) checking the reconciliation of the client account balances with each client account balance as confirmed directly to the reporting accountant by the bank concerned, and
- (iii) checking the arithmetical accuracy of the accounting records by ensuring that the closing balance on the client ledger control account for the accounting period under review is reconciled with the total of the individual client balances;

Step 7: making test checks of the client ledger accounts in order to ascertain whether payments from client account have been made on any individual client ledger account in excess of moneys held on behalf of a client concerned;

Step 8: making test checks on office ledger accounts, records of office receipts and payments and bank statements, with a view to ascertaining whether any clients' moneys have not been paid into client account other than as provided for in these Regulations;

Step 9: making test checks of the balances referred to in the balancing statements and office balancing statements (as provided for, respectively, in Regulation 13(8) and 13(9)(b)) which are referable to the accounting period under review, confirming that each applicable balancing statement has been completed after the balancing date or the accounting date to which each relates;

Step 10: making test checks of postings to the client ledger control account;

Step 11: making test checks of records of moneys transacted by the solicitor as referred to in Regulation 5(1);

Step 12: ascertain the total of credit balances and (if any) the total of debit balances on client account and the total of credit balances on office account and such other information as appropriate, with a view to

- (i) ascertaining whether there has been compliance with Regulation 13(3)(b) in relation to the evidencing of outlays withdrawn from the client account; and
- (ii) showing these balances separately in the reporting accountant's report (Appendix 5);

Step 13: review the list of client ledger balances outstanding two years or more as at the accounting date provided by the Compliance Partner, and report those balances to the Society (Appendix 6); and

Step 14: requesting from the solicitor such information and explanations as the reporting accountant may require arising out of Steps 1 to 13.

(3) The reporting accountant shall, where applicable, carry out his or her examination of a solicitor's accounting records, in the course of preparing the solicitor's reporting accountant's report in respect of the accounting period under review, relating to transactions with trusts of which the solicitor is a controlling trustee or a non-controlling trustee and transactions where the solicitor is appointed as a personal insolvency practitioner, by means of the following steps:

Step ct1: obtaining a listing of each controlled trust, non-controlled trust and insolvency arrangement and each controlled trust account, non-controlled trust account and insolvency arrangement account as of the applicable accounting date; and

Step ct2: Checking the extraction of balances on controlled trust ledger accounts and insolvency arrangement ledger accounts at the accounting date for the accounting period under review and, at such accounting date-

- (i) comparing the total, as shown in such controlled trust ledger accounts and insolvency arrangement ledger accounts, of the liabilities in respect of controlled trusts and insolvency arrangements, with the balance on the controlled trust accounts and insolvency arrangement accounts per the accounting records,
- (ii) checking the reconciliation of the record of payments and receipts balance with each controlled trust account balance and insolvency arrangement account balance as confirmed directly to the reporting accountant by the bank concerned, and
- (iii) checking the arithmetical accuracy of the books of accounts by ensuring that the closing balance of the control accounts in respect of controlled trust ledger accounts and insolvency arrangement ledger accounts for the accounting period under review is reconciled with the total of the individual controlled trust ledger balances and insolvency arrangement ledger balances.

Step ct3: making test checks of transactions through client account and through controlled trust account, non-controlled trust account and insolvency arrangement account with the related records and file.

(4) Nothing in Regulation 28(1), (2) or (3) shall require the reporting accountant, in the course of his or her preparation of a solicitor's reporting accountant's report in respect of an accounting period under review, to extend his or her examination -

- (a) wider than what should be ascertainable from the solicitor's accounting records (duly maintained by the solicitor in accordance with these Regulations) relating to any matter produced to the reporting accountant, supplemented by such information and explanations as the reporting accountant may obtain from the solicitor or from the solicitor's bank or banks; or
 - (b) to enquiries concerning documents of title or stock exchange or other securities held by the solicitor on behalf of his or her clients or controlled trusts or non-controlled trusts or insolvency arrangements; or
 - (c) to enquiries concerning the solicitor's compliance with the provisions of the Act of 2012, and the Personal Insolvency Act 2012 (Accounts and Related Matters) Regulations 2013 (S.I. No. 247 of 2013).
- (5) Where, after carrying out an examination, as appropriate, in accordance with Regulation 28(1), (2) and (3), it appears to the reporting accountant that there is evidence that these Regulations have not been complied with by the solicitor concerned, the reporting accountant shall carry out such further examination as he or she considers necessary in order to complete the reporting accountant's report with or without qualification.
- (6) If, in the course of carrying out his or her examination of a solicitor's accounting records, the reporting accountant forms an opinion, or has reasonable grounds to suspect: -
- (a) that there is a deficit of clients' funds in the practice which cannot be rectified within seven days; or
 - (b) that there are entries in the accounting records which have been made to conceal the existence of a deficit,
- the reporting accountant may notify the Registrar of Solicitors directly of that opinion or those reasonable grounds.
- (7) Any disclosure of such information by the reporting accountant under Regulation 28(6) shall not require the reporting accountant to disclose any information that may amount to a breach of any enactment or rule of law and shall not affect any obligation of the reporting accountant under any other enactment or rule of law.

Solicitor's duty to furnish documents to reporting accountant

29. (1) A solicitor shall produce to his or her reporting accountant any document or documents requested by the reporting accountant which the reporting accountant considers necessary to inspect for the purposes of the reporting accountant's examination in accordance with the provisions of Regulation 28.

(2) A solicitor, who is the subject of a request by his or her reporting accountant under Regulation 29(1), shall not, in complying with such request,

be required to produce to the reporting accountant an entire file for a matter where the solicitor considers (and so informs the reporting accountant) that for him or her to do so would be a breach of his or her duty of confidentiality owed to the client or a breach of his or her duty of confidentiality arising in matters relating to controlled trusts, non-controlled trusts and insolvency arrangements; provided that any document or documents relating to the receipts or payments in question shall be made available to the reporting accountant such as will be sufficient to reasonably enable the reporting accountant to appropriately vouch such receipts or payments (or both).

(3) Where a solicitor declines in whole or in part to make available such document or documents as is or are requested by his or her reporting accountant pursuant to Regulation 29(1), the reporting accountant shall -

- (a) qualify his or her reporting accountant's report to that effect;
- (b) set out the extent (if any) of the compliance by the solicitor with such request;
- (c) specify the extent to which the solicitor has declined to produce a document or documents on grounds of confidentiality in express reliance on the provisions of Regulation 29(2); and
- (d) specify the extent to which the reporting accountant considers that the document or documents (if any) produced by the solicitor falls or fall short of what the reporting accountant considers necessary and reasonable to enable him or her to appropriately vouch the one or more receipts or payments (or both) that is or are in question.

Compliance Partner

30. (1) A solicitor who is a partner in a firm shall, on making application in writing to the Society for a practising certificate in respect of the practice year, furnish to the Society the name of the partner who has been nominated by the firm as the compliance partner.

(2) A solicitor to whom Regulation 30(1) applies shall ensure that the Society is notified in writing by the firm concerned within fourteen days of any change in the compliance partner in the course of a practice year.

(3) A solicitor who becomes a partner in a firm which is a partnership and which partnership is formed in the course of a practice year shall ensure that the Society is notified in writing by the firm concerned, within fourteen days of the formation of the partnership, of the name of the partner who has been nominated by the members of the partnership as the compliance partner.

(4) In the event of there being a change in the compliance partner in the course of the accounting period for the firm concerned, the Form of Acknowledgement in respect of that accounting period shall, unless the circumstances in the opinion of the Society otherwise require, be signed by both the outgoing compliance partner and the incoming compliance partner; and in so signing each shall specify the period during that accounting period that each was the compliance partner.

(5) A sole practitioner shall be the compliance partner for the purposes of these Regulations.

Where two or more places of business or associated firms

31. (1) Where a solicitor has two or more places of business, each place of business shall have the same accounting date and the reporting accountant's report for each accounting period under review that is furnished by the solicitor to the Society shall be prepared by the same reporting accountant as if each place of business together comprised one place of business.

(2) Where a solicitor is a partner in two or more associated firms, each firm shall have the same accounting date and the reporting accountant's report for each accounting period under review that is furnished by him or her to the Society shall be prepared by the same reporting accountant as if each associated firm together comprised one firm.

(3) Where a solicitor is the holder of a practising certificate issued by the Society and a practising certificate issued by the Law Society of Northern Ireland, the solicitor is, in addition to any obligations under these Regulations, required to furnish the Society with a copy of the accountant's report furnished to the Law Society of Northern Ireland. The accounting dates for the firms in respect of the reports furnished should be the same accounting date in both jurisdictions.

When reporting accountant's report not required

32. (1) A reporting accountant's report in respect of an accounting period shall not be required to be furnished to the Society in respect of a solicitor who-

- (a) having held a practising certificate, has caused to be furnished to the Society a reporting accountant's report covering a period that is less than the accounting period in question, but which ended on a date that is the date upon which the solicitor ceased to practise as a solicitor and to receive, hold, control or pay clients', controlled trust, non-controlled trust and insolvency arrangement moneys; or
- (b) is in the full-time service of the State during the entire of the accounting period in question; or
- (c) is in the part-time service of the State in respect of moneys received, held, controlled or paid by him or her in the course of such service; or
- (d) has satisfied the Society that he or she has at no time during the accounting period in question received, held, controlled or paid clients' moneys or controlled trust moneys or non-controlled trust moneys or insolvency arrangement moneys; or
- (e) is operating in or is employed by an Independent Law Centre in respect of that Independent Law Centre.

(2) A reporting accountant's report in respect of an accounting period shall not be required to be furnished to the Society in respect of a solicitor who holds a current practising certificate -

- (a) for the first time; or
- (b) for the first time, after having, for twelve months or more, voluntarily ceased so to do; provided that at the date of such voluntary cessation, where applicable, was in due compliance with Regulation 26(1); or
- (c) has satisfied the Society that he or she was, during the entire of the accounting period in question, an employed solicitor.

(3) Where the Society deem it appropriate in any particular circumstances, the Society may require a solicitor, who represents to the Society that he or she is a solicitor to whom the requirement to furnish a reporting accountant's report does not or should not apply in respect of him or her either at all or in respect of part of a particular accounting period, to verify such representation by means of a statutory declaration or in such other formal manner as the Society may direct; provided that the Society may, in addition, conduct their own investigation in order to confirm the veracity of any such representation.

Where a solicitor ceases to practise

33. (1) Where a solicitor is required to ensure that there is furnished to the Society a reporting accountant's report for the first time or for the first time after having for twelve months or more voluntarily ceased to hold a practising certificate as provided for in Regulation 32(2)(a) or (b), his or her accounting period shall commence on the date upon which the solicitor first received, held, controlled or paid clients', controlled trust or insolvency arrangement moneys, or on the date upon which the solicitor re-commenced to receive, hold, control or pay such moneys and shall end on the accounting date nominated by the solicitor and notified by him or her to the Society, which may be a period of less than twelve months after such commencement or re-commencement date; or such accounting period shall end on the date that is twelve months after such commencement or re-commencement. A solicitor shall notify the Society of the date on which the solicitor first received held or paid client moneys and, within two weeks of that date, notify the Society of their accounting date.

(2) Where a solicitor is retiring from practice or is otherwise ceasing to be a sole practitioner or a partner in a firm and is ceasing to receive, hold, control or pay clients', controlled trust or insolvency arrangement moneys, and where there has already been furnished to the Society in respect of the solicitor a reporting accountant's report for an accounting period which ended on an accounting date less than twelve months prior to such retirement or cessation of practice, the solicitor shall be required to ensure that there is furnished to the Society his or her final reporting accountant's report in respect of an accounting period ending on an accounting date which shall be the date upon which he or she so ceases to receive, hold, control or pay such moneys.

(3) Where a solicitor is required to file a final reporting accountant's report under Regulation 33(2), such report should be furnished to the Society within 3

months of the date the solicitor ceased in practice, or other such other time as is agreed in writing with the Society.

Service of notices on reporting accountant

34. Any notice to be given by the Society to a reporting accountant under these Regulations shall be in writing by the Registrar, or such other person as may be appointed by the Society for that purpose, and may be delivered by hand, or sent by prepaid registered post to the business address of the reporting accountant as noted in the records of the Society or as appearing in the records of the professional body of which the reporting accountant is a member; and, when so sent by prepaid registered post, shall be deemed to have been received by the reporting accountant within three working days after the date of such posting.

PART VI – PROFESSIONAL PRACTICE

Borrowing from clients

35. (1) A solicitor shall not borrow money from a client unless the client is in the business of lending money or, his or her client has been independently legally advised in regard to the making of the loan. Any such advice must be given in advance of the transaction and not by another solicitor within the same firm.

(2) Moneys held in the client account on behalf of the client shall not be used for or as part of any loan arranged in accordance with Regulation 35(1).

Loans to clients

36. (1) A solicitor shall not, either directly or indirectly, lend moneys to clients or to any person for the purpose of obtaining that person's instructions to act.

(2) The discharging of outlays by a solicitor for or on behalf of a client in the course of providing legal services until the matter is completed shall not be considered to be a loan for the purposes of these Regulations.

(3) A solicitor shall not use the client account or any moneys contained therein in respect of any loan arrangement to or between clients.

(4) No sum in respect of a private loan from one client to another client should be paid out of client funds held in the client account for the client lender either by means of a client ledger transaction between the clients or to the client borrower directly.

(5) Where a client of a solicitor agrees to provide a loan to another client of the solicitor, the solicitor must advise the lending client to take independent legal advice in respect of any such transaction.

Documentation for loan transactions

37. Where a loan transaction occurs in accordance with Regulation 35 or 36, supporting documentation shall be maintained on the client file, including evidence in writing of the loan agreement, the amount of the loan, the date of agreement of the loan, the terms of repayment and evidence of any independent legal advice provided to the client in respect of the loan.

Maintenance of a register of undertakings

38. (1) A solicitor shall maintain and keep a register of undertakings, noting all undertakings given by the solicitor from the commencement date onwards.

(2) The register of undertakings shall include the date the undertaking was given, the identity of the client in respect of which the undertaking was given, the identity of the legal entity in receipt of the undertaking and the date the undertaking was complied with.

PART VII — INVESTIGATION OF FIRMS

Investigation by an authorised person

39.(1)(a) Where it appears to the Society, whether as a result of a complaint or otherwise, that it is necessary, for the purpose of investigating whether there has been due compliance by a solicitor with these Regulations and with the provisions of section 66 of the Principal Act (as amended) or otherwise for the purpose of exercising any of the Society's functions under these Regulations, for an authorised person to attend, with or without prior notice, at the place or places of business of the solicitor, an authorised person may so attend at such place or places for that purpose.

(b) Without prejudice to the generality of Regulation 39(1), the Society may agree to a request for or require the investigation to take place at a place or places other than the place or places of business of a solicitor, if the Society is satisfied that there are reasonable grounds for such a request or requirement.

(2) An authorised person shall inform the solicitor or any partner, employee or agent of the solicitor of the purpose of the investigation.

(3) An authorised person may in pursuance of the purpose specified in Regulation 39(1), require a solicitor or any partner, employee or agent of the solicitor to do any one or more of the following things:

(a) to make available to the authorised person for inspection all or any part of the solicitor's accounting records at such time or place fixed by the Society in such manner that the Society may reasonably determine;

- (b) to furnish to the authorised person such copies of the solicitor's accounting records as the authorised person deems necessary to fulfil the purpose specified in Regulation 39(1) (whether or not such accounting records or any of them relate also to other matters) in such a manner as the Society may determine;
 - (c) to give to the authorised person such written authority addressed to such bank or banks as the authorised person requires to enable the authorised person to inspect any account or accounts opened, or caused to be opened, by the solicitor at such bank or banks (or any documents relating thereto) and to obtain from such bank or banks copies of such documents relating to such account or accounts for such period or periods as the authorised person deems necessary to fulfil the purpose specified in Regulation 39(1).
- (4) If a solicitor or the partner, employee or agent of the solicitor, who is required to make available accounting records to an authorised person for inspection under Regulation 39(3), refuses, neglects or otherwise fails without reasonable cause to duly comply with such requirement, the Society may, on notice to the solicitor, apply to the High Court under the Solicitors Acts for an order requiring the solicitor to make available for inspection at his or her place or places of business or such other place as the Society may require such accounting records as the Society (including the authorised officer) deem necessary for the purpose specified in Regulation 39(1) or as the Court thinks fit.
- (5) An authorised person who attends pursuant to Regulation 39(1) at the place or places of business of a solicitor shall be afforded by the solicitor (at the solicitor's expense) such facilities at such place or places of business to conduct his or her investigation as are reasonable and appropriate in the circumstances, including accommodation with desk or table and chair or chairs (whether or not in a room separate from other persons) and photocopying facilities.
- (6) A solicitor or the partner, employee or agent of the solicitor, shall not delay, obstruct, impede, interfere with or resist an authorised person or persons in the exercise of their functions under these Regulations, or utter or send threats to, or in, in any way, intimidate or menace an authorised person or persons or cause the publication of the name and or address of an authorised person or persons.
- (7) The Society's functions under these Regulations as referred to in Regulation 39(1) shall include the investigating by an authorised person whether there has been due compliance by a solicitor with the provisions of section 68 of the Act of 1994 and Chapter 3 of Part 10 of the Act of 2015.
- (8) Where, arising from an investigation by an authorised person pursuant to the foregoing provisions of this Regulation, it is considered by the Society:

- (a) that a report prepared by the authorised person discloses evidence of a material breach of these Regulations by the solicitor concerned or other misconduct by the solicitor as disclosed by his or her accounting records, the Society may

conduct such further investigations or make such further enquiries as the Society deems necessary in the circumstances, including communicating with such persons and seeking such further information and documentation that the Society deems necessary in the circumstances;

- (b) that the solicitor should be required to attend for interview by the Society at the Society's premises (or elsewhere within the State or by such means as to be determined by the Society), the Society may so require the solicitor to attend and the Regulation of Practice Committee Regulations shall apply in respect of any such meeting, subject to the provisions of these Regulations.
- (c) that the solicitor is to be interviewed in relation to matters contained in a report or reports of an authorised person in accordance with Regulation 39(8)(b), the solicitor shall be furnished with a copy of such report or reports in advance of such attendance;
- (d) that the solicitor is to be interviewed in relation to matters contained in a report or reports of an authorised person in accordance with Regulation 39(8)(b), the solicitor may, in addition to Regulation 14(c) of the Regulation of Practice Committee Regulations, also attend such interview accompanied by his or her reporting accountant;
- (e) that there has been a material breach of these Regulations by the solicitor concerned or that there has been other misconduct by the solicitor disclosed by his or her accounting records (or both), the Society may make application to the Legal Practitioners Disciplinary Tribunal for an inquiry into the conduct of the solicitor on the grounds of alleged misconduct pursuant to section 14A(6) or section 14A(7)(c) of the Act of 1994 or section 77 of the Act of 2015;
- (f) whether or not the Society decides to make an application to the Legal Practitioners Disciplinary Tribunal in the particular case, that there has been such a material breach of these Regulations by the solicitor concerned or such other misconduct by the solicitor as disclosed by his or her accounting records (or both), the Society may require the solicitor to pay to the Society an amount, which, in the opinion of the Society, represents the cost thereby incurred by the Society, taking into account the nature and extent of the investigation, the preparation of a report or reports thereon, the further enquiries arising therefrom and any interview or interviews conducted by the Society consequential thereon;
- (g) that a written response or further documentation is required to be filed by the solicitor in accordance with Regulation 9 of the Regulation of Practice Committee Regulations and where that documentation is subsequently not filed within the time limit (as specified by the Society), the solicitor may inter alia be required

to pay to the Society an amount as deemed appropriate by the Society as a contribution towards the costs incurred by the Society.

(9) The Society may at any time terminate the authority of an authorised person and appoint another authorised person to carry out or complete an investigation pursuant to this Regulation.

Requirement to furnish accounting statement or report

40. (1) Where so required by the Society by notice in writing, a solicitor, controlling trustee, non-controlling trustee or personal insolvency practitioner shall prepare and furnish to the Society within such time (not being less than seven days) as the Society shall specify in such notice, a statement (in these Regulations referred to as an “accounting statement”) in respect of a period of time not exceeding six months expiring on the date of such notice, showing, in summary form:

- (a) a list of all client and office ledger balances, together with appropriate reconciliations up to a specified date, in respect of all clients, controlled trusts, non-controlled trusts and insolvency arrangements, or, where so specified by the Society in such notice, details of all transactions conducted through client and office accounts, in respect of a specified client or clients or a specified controlled trust or controlled trusts or a specified non-controlled trust or non-controlled trusts or a specified insolvency arrangement or insolvency arrangements, and
- (b) the balance on each client, office, controlled trust, non-controlled trust and insolvency arrangement account, as appearing on a specified date on statements from the bank at which such accounts are maintained, as adjusted for outstanding withdrawals and lodgements;
- (c) the balancing statement prepared by the firm on a specified date in accordance with Regulation 13(8)(a);
- (d) such further or other information from the accounting records of the firm that the Society may specify.

(2) Where an amount is due by a client or controlled trust or non-controlled trust or insolvency arrangement to a solicitor or to a controlling trustee or a non-controlling trustee or a personal insolvency practitioner in respect of professional fees or outlays (or both) and where such amount has not been agreed or the subject of a final certificate of taxation or a determination of an adjudication by a Legal Cost Adjudicator under Chapter 4 of Part 10 of the Act of 2015, the figure to be included in an accounting statement shall be the gross amount claimed by the solicitor or by the controlling trustee or non-controlling trustee or personal insolvency practitioner as due by such client or controlled trust or non-controlled trust or insolvency arrangement; provided that where part of such amount so claimed is recoverable by the solicitor or controlling trustee or non-controlling trustee or personal insolvency practitioner on behalf of the client or controlled trust or non-controlled trust or insolvency

arrangement from any other party or parties or any insurers of such other party or parties (whether such part of such gross amount has been paid or agreed to be paid or can only at the time be estimated by the solicitor or controlling trustee or non-controlling trustee or personal insolvency practitioner, whether or not subject to final ascertainment by means of taxation or adjudication under Chapter 4 of Part 10 of the Act of 2015), the part of such gross amount as paid or as agreed to be paid by such party or parties or insurers or as estimated by the solicitor shall be shown in such accounting statement as a credit or an estimated credit against such gross amount.

(3) Where so required by the Society by notice in writing, a solicitor or controlling trustee or non-controlling trustee or personal insolvency practitioner shall furnish to the Society either in addition to or in lieu of an accounting statement, a report by the solicitor's reporting accountant stating:

- (a) whether, in the opinion of the reporting accountant, the accounting records of the solicitor or the controlling trustee or the non-controlling trustee or personal insolvency practitioner towards each insolvency arrangement have been properly maintained and kept in accordance with these Regulations and whether the accounting records duly record the financial position of the solicitor towards each client concerned or the controlling trustee or the non-controlling trustee towards each controlled trust or non-controlled trust concerned or personal insolvency practitioner towards each insolvency arrangement concerned as the case may be, as at the date of such report; and
- (b) (where the reporting accountant cannot provide such opinion as provided for in Regulation 40(3) (a)) the matters (if any) in respect of which the reporting accountant is prevented from providing such opinion.

(4) A report by a solicitor's reporting accountant to be furnished to the Society pursuant to Regulation 40(3) may, where the Society so direct, be limited only to one or more specified clients or controlled trusts or non-controlled trusts or insolvency arrangements.

PART VIII — GENERAL

Responsibility of partner

41. Each partner in a firm of solicitors and the sole practitioner in any firm shall be responsible for securing compliance by the firm with these Regulations.

Accounts

42. Any bank account required or permitted to be opened or maintained by any provision of these Regulations shall be situate in a bank or a branch thereof in the State, as defined under the Solicitors Acts and these Regulations.

Service of notices on solicitor

43. Any notice or other notification required to be given by the Society to a solicitor under these Regulations shall be given in writing by the Registrar or the Director General of the Society, or such other person as may be appointed by the Society for that purpose, and may, without prejudice to any other methods of service provided for by the Solicitors Acts, be delivered by hand or sent by prepaid registered post to the up-to-date address of the place of business, or (if more than one) the principal place of business of the solicitor, as noted in the records of the Society; and, when so sent by prepaid registered post, shall be deemed to have been received by the solicitor within three working days after the date of such posting.

Solicitor's lien

44. Nothing in these Regulations shall deprive a solicitor of any legal recourse or right, whether by way of lien, set-off, charge or otherwise, against moneys standing to the credit of a client account or a controlled trust account or a non-controlled trust account or an insolvency arrangement account.

Signed on behalf of the Law Society of Ireland pursuant to Section 79 of the Solicitors Act 1954.

10 March 2023

MAURA DERIVAN,
President of the Law Society of Ireland

I consent to the making of the within Regulations pursuant to subsection (1) of Section 66 of the Solicitors Act 1954 (as amended) to the making of the within Regulations.

15 March 2023

Dr Brian Doherty,
Chief Executive Officer
Legal Services Regulatory Authority
On behalf of the Legal Services Regulatory Authority

The Legal Services Regulatory Authority concur, pursuant to subsection (1) of Section 66 of the Solicitors Act 1954 (as amended), to the making of the within Regulations.

SCHEDULE

SOLICITORS ACCOUNTS REGULATIONS 2023

REPORTING ACCOUNTANT'S REPORT

Page 1

To: Date: 20
The Registrar of Solicitors
Law Society of Ireland
Blackhall Place
Dublin 7

PART 1*

Name of Firm:

Name of Sole
Practitioner: or Names
of Partners:

Address of Principal
Place of Business:

Address(es) of other
Places(s) of Business (where
applicable):

REPORTING ACCOUNTANT'S REPORT

Page 2

Accounting Period covered by this Report:

Commencing on:	20
Ending on:	20

PART II

[IMPORTANT NOTE: Respective Responsibilities of Solicitor(s) and Reporting Accountant Concerned]

The solicitor(s) concerned is (are) responsible for complying with the Solicitors Accounts Regulations 2023. It is the responsibility of the Reporting Accountant concerned to form an independent opinion, based on his/her examination conducted in accordance with Regulation 28 of the Solicitors Accounts Regulations 2023 as to the solicitor(s) compliance with Part II, Part III (A), Part III (B), Part III(C), and Part IV of the Solicitors Accounts Regulations 2023 and to report his/her opinion to the Registrar of Solicitors.

In order to form that opinion, the Reporting Accountant shall carry out such tests, on a sample basis, as he/she considers necessary in accordance with Regulation 28 of the Solicitors Accounts Regulations 2023 and (where applicable) in accordance with the relevant guidance issued by the relevant professional accountancy body of which the Reporting Accountant is a member, based upon accounting records, information and explanations supplied to the Reporting Accountant by the solicitor(s) concerned.

I, (Reporting Accountant),
of the firm of

and in compliance with the Solicitors Accounts Regulations 2023 HEREBY CONFIRM to the Law Society of Ireland ("the Society"), in respect of the above-named Solicitor(s), that I have examined, to the extent and in the manner required by Regulation 28 of the Solicitors Accounts Regulations 2023 the accounting records (as more particularly described in the Solicitors Accounts Regulations 2023 and, in particular, in Regulation 25 thereof) produced to me in respect of the above-named Solicitor(s) AND, insofar as an opinion can be based on this examination, I am of the OPINION that:

- (1) during the above-mentioned Accounting Period, the provisions of Part II and Part III(A) and Part III(B) and Part III(C), and Part IV of the Solicitors Accounts Regulations 2023 have been complied with by the above-named Solicitor(s), other than in respect of:
 - (i)** certain trivial breaches due to minor clerical errors or mistakes in accounts – keeping, each of which was rectified by the above-named Solicitor(s) on being discovered and none of which, in my opinion, resulted in any loss to any client;
 - (ii)** the matters set out in *Appendix 1* hereto, in respect of which I have not been able to satisfy myself for the reasons stated therein;
 - (iii)** the matters set out in *Appendix 2* hereto, in respect of which it appears to me that the provisions of the Solicitors Accounts Regulations 2023 have not been complied with;

[** Delete if inapplicable]

REPORTING ACCOUNTANT'S REPORT

Page 3

- (2) the quarterly balancing statements, as provided for in Regulations 13(8) of the Solicitors Accounts Regulations 2023 have been carried out by the above-named Solicitor(s) in respect of the above-mentioned Accounting Period AND I have set out in *Appendix 3* hereto particulars of the balancing statement for the accounting date and the balancing statement for the date six months before the accounting date; and
- (3) the results of the comparisons under Regulation 28(2), Step 6 and Regulation 28(3), Step ct 2 of the Solicitors Accounts Regulations 2023 as at
20 were as follows:
- | | |
|--|---------|
| (i) gross liabilities as shown by ledger account balances in respect of clients, controlled trusts and insolvency arrangements (i.e. the total of the gross credit balances in respect of clients and controlled trusts and insolvency arrangements, without deduction of any non-offsettable debit balances): | € _____ |
| (ii) balance on the control accounts in respect of clients, controlled trusts and insolvency arrangements: | € _____ |
| (iii) total moneys held in client accounts, controlled trust accounts, insolvency arrangement accounts, as verified by the relevant bank statements, after adjustment for outstanding cheques/withdrawals and lodgements: | € _____ |

[**Note: Where the figures set out in paragraph (3)(i), (ii) or (iii), above, do not reconcile]

**I have set out in *Appendix 4* hereto an explanation of the difference(s) arising, insofar as could be established from the examination carried out by me, as provided for in Regulations 28 and 29 of the Solicitors Accounts Regulations 2023 and I confirm that an amount of
 € _____ has been paid into/withdrawn from **client account or controlled trust bank account or insolvency arrangement bank account by the above-named Solicitor(s) following discovery of the said difference(s).

- (4) the office balancing statement as at the accounting date in respect of the above-mentioned Accounting Period, as provided for in Regulation 13(9)(b) of the Solicitors Accounts Regulations 2023 have been prepared by the above-named Solicitor(s) AND I have set out in *Appendix 5* hereto particulars of this office balancing statement.

**I SO CONFIRM AS SET OUT IN THIS
PART II
AND IN PART III OF THIS REPORT:**

.....
Signature of Reporting Accountant

Date:.....20.....

[** Delete if inapplicable]

REPORTING ACCOUNTANT'S REPORT

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PART III

I , (reporting accountant) HEREBY

CONFIRM:

- (a) that I am qualified, as provided for in Regulation 26(4) of the Solicitors Accounts Regulations 2023 to give the foregoing Report AND that I hold professional indemnity insurance cover at least to the minimum level directed from time to time by the Society, as provided for in Regulation 26(4)(c) of the Solicitors Accounts Regulations 2023 and
- (b) that I will furnish a copy of this Report to the above-named Firm.

Name of Reporting
Accountant:

Qualification(s):

Firm Name:

Address:

REPORTING ACCOUNTANT'S REPORT

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PART IV

Form of Acknowledgement

I, solicitor, as sole practitioner/compliance partner for and on behalf of my/our firm HEREBY CONFIRM:

- (a) that I recognise my/our obligations under the Solicitors Accounts Regulations 2023 to secure compliance by my/our firm with the said Regulations and I confirm that I have complied with my/our obligations under the said Regulations, including; -
 - (i) that each balancing statement has been approved by the sole practitioner/compliance partner in accordance with Regulation 13(8)(b);
 - (ii) that the office balancing statement has been approved by the sole practitioner/compliance partner in accordance with Regulations 13(9)(b);
 - (iii) that the listing of client ledger balances and controlled trust balances has been reviewed for undue or unnecessary delays in dealing with client matters in particular in discharging undisbursed outlay, moneys due to clients or moneys due to be paid for or on behalf of clients and where the listing disclosed unnecessary or undue delay in dealing with client matters, immediate action has been taken, where appropriate, to deal with those matters in accordance with Regulations 13(8)(e);
 - (iv) that the list of client ledger balances outstanding two years or more at the accounting date as set out in *Appendix 6* has been approved by the sole practitioner/compliance partner in accordance with Regulation 13(8)(f).
 - (v) that where accounting records are maintained on a computerised system that appropriate back-ups of computerised information are performed promptly and are securely stored other than on the practice's office premises, in accordance with Regulation 25(2); and

- (b) that I am aware of the format and contents of the within Reporting Accountant's Report which I have discussed with the Reporting Accountant to the extent necessary to understand its effect upon my/our discharge of my/our obligations under the said Regulations; and
 - (c) that where I am unable to provide confirmation in respect of my/our obligations under the Solicitors Accounts Regulations 2023 to any extent I have set out in detail the rationale for same below.
-
.....

Dated thisday of 20.....

*Signature of sole practitioner/compliance partner:

Name of firm:

Address:

.....

[*required signature above is that of solicitor]

REPORT OF REPORTING ACCOUNTANT

Page 7

APPENDIX 1

**Matters in respect of which I have not been able to satisfy myself, and the
reasons therefor:**

REPORTING ACCOUNTANT'S REPORT

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APPENDIX 2

Matters (other than trivial breaches due to minor clerical errors or mistakes in accounts-keeping) in respect of which, in my opinion, the provisions of the Solicitors Accounts Regulations 2023 have not been complied with by the Solicitor(s) concerned:

REPORTING ACCOUNTANT'S REPORT

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APPENDIX 3

CLIENT ACCOUNT & CONTROLLED TRUST ACCOUNT & INSOLVENCY ARRANGEMENT ACCOUNT BALANCING STATEMENT

(information extracted from the solicitor(s) accounting records)

Name of Firm:		
Accounting Period:		
From.....20.....To.....20.....		
	1	2
Balancing statement date:	€	€
(a) Liabilities as shown by the balances on:		
(i) client ledger accounts,		
(ii) controlled trust ledger accounts,		
(iii) insolvency arrangement ledger accounts.		
Total (i) + (ii) + (iii)		
(b) Debit balances include in (a), which are not offsettable by credit balances as shown by:		
(i) client ledger accounts,		
(ii) controlled trust ledger accounts,		
(iii) insolvency arrangement ledger accounts.		
Total (i) + (ii) + (iii)		
(c) Gross liabilities (i.e. addition of (a) <i>plus</i> (b)) in respect of:		
(i) clients,		
(ii) controlled trusts,		
(iii) insolvency arrangements.		
Total (i) + (ii) + (iii)		
(d) Balance on control accounts in respect of:		
(i) clients,		
(ii) controlled trusts,		
(iii) insolvency arrangements.		
Total (i) + (ii) + (iii)		
(e) Moneys held as per bank statements in:		
(i) client accounts,		
(ii) controlled trust accounts,		
(iii) insolvency arrangement accounts.		
Total (i) + (ii) + (iii)		

REPORTING ACCOUNTANT'S REPORTPage 10**APPENDIX 3 *continued***

		1	2
		€	€
(f)	Outstanding bank lodgements cleared <u>within</u> three banking days in respect of:		
	(i) client accounts,		
	(ii) controlled trust accounts,		
	(iii) insolvency arrangement accounts.		
	Total (i) + (ii) + (iii)		
	Outstanding bank lodgements cleared <u>later than</u> within three banking days in respect of:		
	(i) client accounts,		
	(ii) controlled trust accounts,		
	(iii) insolvency arrangement accounts.		
	Total (i) + (ii) + (iii)		
(g)	Cheques / withdrawals outstanding <u>less than</u> six months in respect of:		
	(i) client accounts,		
	(ii) controlled trust accounts,		
	(iii) insolvency arrangement accounts.		
	Total (i) + (ii) + (iii)		
	Cheques / withdrawals outstanding <u>more than</u> six months in respect of:		
	(i) client accounts,		
	(ii) controlled trust accounts,		
	(iii) insolvency arrangement accounts.		
	Total (i) + (ii) + (iii)		
(h)	Adjusted moneys held (i.e. (e) <i>plus</i> (f) <i>minus</i> (g)) in:		
	(i) client accounts,		
	(ii) controlled trust accounts,		
	(iii) insolvency arrangement accounts.		
	Total (i) + (ii) + (iii)		
(i)	Surplus / deficit (i.e. (h) <i>minus</i> (c)) in respect of:		
	(i) client accounts,		
	(ii) controlled trust accounts,		
	(iii) insolvency arrangement accounts.		
	Total (i) + (ii) + (iii)		

REPORTING ACCOUNTANT'S REPORT

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APPENDIX 4**Explanation(s) of differences arising as between:**

- (i) **gross liabilities as shown by ledger accounts in respect of clients, controlled trusts and insolvency arrangements; and,**
- (ii) **balance on the control accounts in respect of clients, controlled trusts and insolvency arrangements; and,**
- (iii) **total moneys held in client accounts, controlled trust accounts and insolvency arrangement accounts, as verified by the relevant bank statements, after adjustment for outstanding cheques/withdrawals and lodgements, is/are set out and explained hereunder:**

REPORTING ACCOUNTANT'S REPORT*Page 12***APPENDIX 5**

OFFICE BALANCING STATEMENT
(information extracted from the solicitor(s) accounting records)

Name of Firm:	
Accounting Period:	
From.....20..... To.....20.....	
	€
(a)	Balance on office ledger control account:
(b)	Net total of debit and credit balances on office ledger:
(c)	Credit balances included in the list of office ledger balances (relating to all matters) not offsettable by debit balances:
(d)	Reasons for the above credit balances: (i) Professional fees not debited: (ii) Outlays inappropriately lodged to office account: (iii) Other reason(s) as per details set out below:**

[** Delete if inapplicable]

REPORTING ACCOUNTANT'S REPORT

Page 13

APPENDIX 6

Client ledger balances outstanding for two years or more at the accounting date

REPORTING ACCOUNTANT'S REPORT

Page 14

APPENDIX 7

Instructions relating to completion of Reporting Accountant's Report

1. Where the space provided is inadequate to list all of the partners in a firm of solicitors, a separate schedule may be appended to the Report.
2. Each place of business of a firm and any associated firm must be the subject of the Reporting Accountant's examination and be covered by the Report. If a particular place of business is not so covered, the reason must be stated by the Reporting Accountant in the Report.
3. Where the space provided in respect of any of the appendices to the Report is inadequate, any explanations and elaborations may be set out on the headed notepaper of the Reporting Accountant and appended to the Report. Where this occurs, reference should be made to the existence of the appended document in the relevant appendix.
4. Completion of the Form of Acknowledgement is required pursuant to Regulation 27 of the Solicitors Accounts Regulations 2023.
5. The Report, when completed, either in hard copy or electronic format, should be furnished directly by the Reporting Accountant to the Registrar of Solicitors, Law Society of Ireland, Blackhall Place, Dublin 7, accompanied by a covering letter on the headed notepaper of the Reporting Accountant; and a copy thereof should be furnished at the same time to the firm concerned.
6. Blank copies of this Report may be obtained from the Law Society of Ireland on request. The format of the Report may be reproduced on the Reporting Accountant's headed notepaper. Where so reproduced, it must be reproduced without abbreviation, in the format set out in the Schedule to the Solicitors Accounts Regulations 2023.

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DUBLIN
PUBLISHED BY THE STATIONERY OFFICE
To be purchased from
GOVERNMENT PUBLICATIONS,
MOUNTSHANNON ROAD,
KILMAINHAM, DUBLIN 8,
D08 XAO6

Tel: 046 942 3100
E-mail: publications@opw.ie

ISBN 978-1-3993-2269-0



€ 13.00