



STATUTORY INSTRUMENTS.

**S.I. No. 463 of 2021**

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SOLICITORS ACCOUNTS (AMENDMENT) REGULATIONS 2021

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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 and 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:-

1. These Regulations may be cited as the Solicitors Accounts (Amendment) Regulations 2021.

2. These Regulations shall come into operation on 1 October 2021.

3. The Solicitors Accounts Regulations 2014 ("the Principal Regulations") and these Regulations shall be construed together as one instrument. Terms used in these Regulations and defined in the Principal Regulations shall, where the context so admits, have the respective meanings ascribed to them in those instruments.

4. The Principal Regulations are amended by the insertion of the following Regulation 8A after Regulation 8:-

*Regulation 8A*

(1) This Regulation 8A shall apply where clients' moneys and insolvency arrangement moneys are held in an account in accordance with these Regulations and an interest charge is applied or is proposed to be applied by a bank to that account.

(2) For the purposes of this Regulation 8A, "*interest charge*" means a charge levied by a bank as a result of the application of negative rates of interest in respect of moneys received by a solicitor or his or her firm for or on account of a client.

(3) 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 8A(3) must be in writing.

(4) Subject to the provisions of Regulation 8A(3), 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 Regulation 8A(1):-

- (a) 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
  - (b) In the event that the bank proceeds to apply such charge to that account notwithstanding the request of the solicitor in Regulation 8A(4)(a), the solicitor shall transfer such moneys from the office account to the client account in satisfaction of the application of any such interest charge.
- (5) Unless otherwise agreed in accordance with Regulation 8A(3), any moneys paid by the solicitor in satisfaction of any interest charge in accordance with Regulation 8A(4) 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.
- (6) An "*interest charge*" is a "*bank charge*" for the purposes of Regulation 23.
- (7) Notwithstanding any provision of Regulation 8 and subject to compliance with this Regulation 8A, 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.

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

Dated this 15th day of July 2021.

JAMES CAHILL

President of the Law Society of Ireland

The Legal Services Regulatory Authority concur, pursuant to subsection (1) of Section 66 (as substituted by Section 76 of the Solicitors (Amendment) Act 1994) of the Solicitors Act 1954, as amended by Section 182 of the Legal Services Regulation Act 2015, to the making of the within Regulations.

On behalf of the Legal Services Regulatory Authority

Dated this 15th day of September 2021.

BRIAN DOHERTY

Chief Executive Officer

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