

FREQUENTLY ASKED QUESTIONS (FAQS) ON MEASURES TO SAFEGUARD CONVEYANCING MONEY

CONTENTS

Change Log to show updates to FAQs

A - New Measures

- Q1: What is the objective of the new measures?
- Q2: Are stamp duties covered under the measures?
- Q3: What about money that a prospective buyer gives to his lawyer before deciding to embark on a property purchase, i.e. anticipatory conveyancing money?
- Q4: What is the purpose of the \$5,000 float and why is it an extra amount that a client has to come up with?
- Q5: Will the proposed measures lead to possible delays in legal completion?

B - Impact to Clients

- Q6: What changes do clients have to be aware of?
- Q7: What if a client wishes to make cheque/cashier's order payment to a law firm's conveyancing account but forgets to put "-CVY" on his cheque/cashier's order?
- Q8: What happens if, at the pay-in stage, one or both parties have yet to appoint a lawyer?
- Q9: What is the impact on progress payment for new properties that are under development?
- Q10: With the introduction of the new measures to safeguard conveyancing money from 1 August 2011, does it mean if a seller wishes to appoint a stakeholder to hold the option deposit, he can only choose either his lawyer or the Singapore Academy of Law?
- Q11: In the Option to Purchase form, is it mandatory to insert the stake holding clauses referred to in the Council for Estate Agencies Practice Guideline 3 of 2011?
- Q12: Can a seller or buyer still appoint someone to act on his behalf under a power of attorney?

C - Impact on Lawyers

Conveyancing Money

- Q13: Why was Rule 2(1) of the Conveyancing and Law of Property (Conveyancing) Rules 2011 amended and what is the effect of the amendment?
- Q14: Do the Conveyancing and Law of Property (Conveyancing) Rules apply to agreements entered into before 1 August 2011?
- Q15: For agreements entered into before 1 August 2011 for which conveyancing money is received in the client account before 1 August 2011, do the transitional provisions in Rule 23 of the Conveyancing and Law of Property (Conveyancing Rules) 2011 and Rule 13 of Legal Profession (Solicitors' Accounts) (Amendment) Rules 2011 apply?

- Q16: For agreements entered into before 1 August 2011 for which conveyancing money is received on or after 1 August 2011, can a lawyer place such conveyancing money in the client account?
- Q17: Do the amendments contained in the Conveyancing and Law of Property (Conveyancing) (Amendments No.2) Rules 2011 apply to ongoing conveyancing transactions?
- Q18: For agreements entered into before 1 August 2011 for which a lawyer has placed conveyancing money into a conveyancing account or with the Singapore Academy of Law, is the lawyer acting for the other party required to counter-sign on Pay-Out Forms if he has been named as a counter-signatory?
- Q19: If a client erroneously paid conveyancing money into a lawyer's client account on or after 1 August 2011 as opposed to his conveyancing account, what should the lawyer do and is the lawyer in breach?
- Q20: Under the transitional framework, conveyancing money received by a law firm in its client account before 1 August 2011 can remain in the client account until 31 December 2011. Does it mean the law firm is required to close its client account by 31 December 2011?
- Q21: Can a lawyer that has opened a conveyancing account with an Appointed Bank choose to transfer all the conveyancing money in that account to another conveyancing account that the lawyer has opened with another Appointed Bank?
- Q22: Can a law firm transfer money between conveyancing accounts held by the same law firm with the same Appointed Bank?
- Q23: Can a law firm choose to transfer conveyancing money in the firm's fixed deposit client account (which was deposited before 1 August 2011) into the firm's client account for the purposes of completion after 1 August 2011 but before 1 January 2012?
- Q24: Is a lawyer breaching the prohibition against lawyers holding and receiving conveyancing money if he/she receives or holds on to a cheque/cashier's order, or bank draft issued in favour of a payee to the property transaction?
- Q25: Can a lawyer request money for disbursements from his client and hold the money in his client account instead of a conveyancing account?
- Q26: Can a lawyer hold a sum of money intended for the refund of security deposit(s) in respect of a tenancy in his client account?
- Q27: How are money intended for the payment of penalty/insurance premium/valuation fee/legal subsidy claw back to the existing/outgoing bank to be dealt with?
- Q28: If a client has paid a law firm for its legal costs and disbursements for acting for him as mortgagor, and his mortgagee bank subsequently pays legal subsidy that was agreed to between the client/mortgagor and his mortgagee bank to the law firm, is that legal subsidy considered conveyancing money?
- Q29: If the sellers are in dispute (e.g. going through a divorce or estate disputes) and have not reached an agreement on entitlement or apportionment of the sale proceeds, can they request their lawyer to hold the sale proceeds?

Q30: What is the rationale for Rule 7(8) which provides for the expenses to be borne by the lawyer personally?

Representing clients

- Q31: Do the new measures mean that there must be separate representation?
- Q32: What are the types of cases involving single lawyer representation?
- Q33: With the introduction of the new measures to safeguard conveyancing money from 1 August 2011, does it mean if a seller wishes to appoint a stakeholder to hold the option deposit, he can only choose either his lawyer or the Singapore Academy of Law?
- Q34: In the Option to Purchase form, is it mandatory to insert the stake holding clauses referred to in the Council for Estate Agencies Practice Guideline 3 of 2011?

Redemption/refinancing

- Q35: Is it possible for a law firm to act for both mortgagor and mortgagee in refinancing or redemption cases?
- Q36: In refinancing or redemption situations, will the law firm acting for all parties be able to hold conveyancing money?
- Q37: In refinancing or redemption situations where the same law firm acts for all parties how should payment be arranged?
- Q38: In refinancing or redemption situations where the same law firm acts for all parties, what happens if a law firm mistakenly deposits money into its conveyancing account?

Counter-signing

- Q39: What is the responsibility of the counter-signing lawyer?
- Q40: What if the counter-signing lawyer is not available to do counter-signing?
- Q41: What if the counter-signing lawyer refuses to counter-sign?

D - Conveyancing Accounts

Opening of conveyancing accounts

- Q42: Which banks are Appointed Banks?
- Q43: Can a law firm open more than one conveyancing account?
- Q44: How long does it take to open a conveyancing account?
- Q45: Is it compulsory for a law firm to open an operating account in conjunction with a conveyancing account?

Operation of conveyancing accounts

- Q46: If a law firm receives a cheque/cashier's order/bank draft made payable to the law firm in one of the following formats, can the law firm deposit it into its conveyancing account?
- Q47: Can a law firm use different transaction file references for the same conveyancing case?
- Q48: What transaction file reference should lawyers use on my Pay-Out forms, for payments of money from conveyancing (CPF) accounts?

- Q49: Can the float referred to in Rules 5(3) and (4) of the Conveyancing and Law of Property (Conveyancing) Rules 2011 be withdrawn from money paid into a conveyancing account?
- Q50: What happens if non-conveyancing money is erroneously deposited into a conveyancing account?
- Q51: Can the appointed entities release conveyancing money to foreign payees via telegraphic transfer?
- Q52: What should law firms do in cases where a last-minute change in redemption and completion statements has rendered the payment details in a previous Pay-Out Form incorrect?
- Q53: If a law firm needs to correct a typographical error on a Pay-Out Form, will a set of the account holders' signatures together with a counter-signature next to the amendment suffice in lieu of a replacement Pay-Out Form?
- Q54: If a law firm maintain both a conveyancing and a conveyancing (CPF) account with the same Appointed Bank, can the law firm request the Appointed Bank to release the conveyancing money from both these accounts via one cashier's order?
- Q55: Is the buyer/ buyer's lawyer obliged to pay to whomever the seller nominates, regardless of his own concerns?
- Q56: If a seller requests payment to two payees in joint names to which he is one of the payees and the other is a Category C payee, can this payment be deemed a payment to a Category B payee in the Pay-Out Form?
- Q57: The payee names of banks are long. Are payors allowed to use abbreviations?
- Q58: If a payee is a foreigner who does not have a Singapore bank account, can the foreigner payee be paid by way of a bank draft instead of a cashier's order?
- Q59: What document must a law firm's representative bring along in order to collect the cashier's orders from the Appointed Bank?
- Q60: If a buyer has exercised on an Option to Purchase to buy three properties from the same seller, and the seller's lawyer has been named as the stakeholder of the option deposit, can the seller's lawyer submit only one pay-in form to his Appointed Bank?
- Q61: If a law firm is acting for a collective sale committee, can the law firm hold conveyancing money received from the buyer in its conveyancing account?

Mandated signatories of the law firm

- Q62: For purposes of opening a conveyancing account, is it sufficient if a law firm provide the Appointed Bank with only one mandated signatory?
- Q63: When opening a conveyancing account, can a law firm specify to the Appointed Bank that it would like the conveyancing account to be operated by two mandated signatories even though the Conveyancing and Law of Property (Conveyancing) Rules 2011 only require one authorised signatory to initiate the Pay-Out Form?

- Q64: When opening a conveyancing account, can a law firm specify to the Appointed Bank that it would like different mandated signatories for different payment amounts?
- Q65: Can a law firm specify to the Appointed Bank that it requires three mandated signatories for any Pay-Out Form to be executed by the firm?
- Q66: Can a non-lawyer of a law firm, who is one of the firm's mandated signatories, be permitted to execute the Pay-Out Form?
- Q67: Can a non-lawyer in a law firm to whom the firm has specified to the Appointed Bank as one of its mandated signatories apply for a Netrust token?
- Q68: If after the Pay-Out Form has been initiated by the account holder law firm, the account holder law firm realises that it should have been digitally signed by two mandated signatories and not one signatory, will the Appointed Bank nonetheless still process the Pay-Out Form with just one mandated signature?

Transaction fees

- Q69: What is the cost of operating a conveyancing account?
- Q70: What is the transaction fee that Appointed Banks will be charging?
- Q71: Are the Appointed Bank's transaction fee based on a "per property transaction" basis, regardless of whether it is a progress payment case?
- Q72: When a lawyer selects "final payment" in a Pay-Out Form to be lodged with ePI, why is he/she required to input the name of a Category B payee for return of balance money (if any) for that property transaction?
- Q73: Why is there a need for appointed entities to charge fees when they are already holding on to large sums of conveyancing money?

E - SAL Conveyancing Money Service

- Q74: What are the differences in the roles of Appointed Banks and the Singapore Academy of Law (SAL)?
- Q75: What is the transaction fee that Singapore Academy of Law will be charging?

F - Escrow Accounts

- Q76: If a lawyer wishes to deposit conveyancing money into an escrow account that is jointly opened with the lawyer acting for the other party in the transaction, is this escrow account a conveyancing account?
- Q77: Can a lawyer open an escrow account with any bank other than an Appointed Bank?
- Q78: Are there any specific legislation dealing with how the escrow account is to be operated?
- Q79: What are some of the instances whereby the lawyers to a conveyancing transaction may wish to open an escrow account instead of a conveyancing account?
- Q80: Are there any specific requirements from Law Society on the use of escrow accounts?

G - CPF Issues

Impact on CPF Members

- Q81: Will the new measures result in additional costs for CPF members using CPF money toward the purchase of properties?
- Q82: Are there additional procedures which CPF members will have to take note of in using CPF money towards the purchase of properties?
- Q83: Will CPF members be allowed to choose their preferred Appointed Bank for holding their CPF money?
- Q84: If a CPF Board member would like to use his CPF money for payment of legal costs, would CPF Board disburse this sum to the CPF Board's lawyer's conveyancing (CPF) account or client account?

Payment through CPF panel law firms

- Q85: Can CPF Board disburse CPF money to the payees directly, instead of disbursing the money through Appointed Banks that its panel of law firms maintain conveyancing (CPF) accounts with?
- Q86: Is an Appointed Bank of a CPF Board's lawyer required to conduct any checks before releasing CPF money?
- Q87: Can CPF money be used to pay transaction costs imposed by an Appointed Bank?
- Q88: What happens when CPF money is released for servicing of monthly instalments?
- Q89: For projects that are under development, if a lawyer acts for both the buyer and the CPF Board and the buyer would like to use his CPF money to make progress payment to the seller-developer, who will counter-sign for the release of the CPF money to the seller-developer?
- Q90: If a member has paid for stamp duties from his own funds and subsequently seeks to be reimbursed from his CPF money, how does CPF Board go about releasing this CPF money to the member?
- Q91: If a law firm has paid for stamp duties on behalf of its client from the law firm's own funds and the client/member would like to then use his CPF money to reimburse the law firm, how does CPF Board go about releasing this CPF money to the client/member?

H - HDB Issues

- Q92: Will the proposed measures apply to all types of HDB transactions?
- Q93: How will the measures affect HDB buyers/sellers?
- Q94: Under what circumstances will HDB flat buyers or sellers need to appoint a private lawyer to act for them?

I - IRAS

Stamp duties that are conveyancing money

- Q95: Are all stamp duties considered conveyancing money and hence caught by the new measures?
- Q96: Are stamp duties for mortgage instruments considered conveyancing money?
- Q97: With the introduction of the new government measures to safeguard conveyancing money, IRAS will be stopping GIRO deduction of stamp duties. Does

it mean IRAS no longer allows GIRO deduction from law firm's bank account for all types of stamp duties?

Q98: Are the new government measures only applicable to law firms?

Payment of stamp duties that are conveyancing money

- Q99: Will there be changes to how buyers/sellers of properties pay stamp duties?
- Q100: Will there be changes to how lessees and tenants of properties pay stamp duties?
- Q101: Are payment vouchers intended to be used for all types of stamp duties payable?
- Q102: How does the public make payment for their stamp duties after receiving the payment voucher from their lawyer?
- Q103: If payor is not in Singapore when stamp duties are payable for his property, can he still deposit the stamp duties payable with his lawyer who then pays on the payor's behalf?
- Q104: Will IRAS accept Fund Transfer as a mode of payment for stamp duties?
- Q105: With the introduction of these new measures, payors are still given only 14 days to make payment of stamp duties. Will IRAS allow payor to issue them a cheque/cashier's order on the last day (i.e. 14th day?) or does the 14-day deadline mean the cheque/cashier's order must be cleared by the deadline?
- Q106: Does payment have to be received by IRAS within 14 days of exercising the option, or will e-stamping within 14 days be sufficient?
- Q107: How long will it take to receive the Certificate of Stamp Duty upon payment of the stamp duties via payment vouchers?

Implementation Arrangements

- Q108: Can a law firm try to e-Stamp and pay with a Payment Voucher before 1 August 2011?
- Q109: If, prior to 1 August 2011, a client has paid money into a lawyer's client account for the payment of stamp duties that fall within the definition of conveyancing money, will IRAS still perform GIRO deduction from the lawyer's client account or other assigned bank account of the law firm on or after 1 August 2011?
- Q110: From 1 August 2011, since there is a transitional framework, does it mean law firms are still permitted to receive money in their client account for the payment of stamp duties that are defined as conveyancing money?

J - Law Society Adjudication Scheme

- Q111: How can a lawyer find out more about the adjudication scheme administered by the Law Society?
- Q112: If the counter-signing lawyer refuses to counter-sign a Pay-Out Form or Variation Form, what avenues are available?
- Q113: How much will an adjudication cost?
- Q114: How long will the adjudication process take?
- Q115: Will the adjudication process preclude court proceedings?
- Q116: What will happen if the adjudication process leads to the accrual of late completion interest charges or difficulty completing a connected sale?

K - Electronic Payment Instructions System

General queries on use of ePI

- Q117: What do law firms need to have in order to use the ePI?
- Q118: How will buyers/sellers be affected by the introduction of the ePI?
- Q119: How will the self-represented buyer/seller counter-sign via ePI since they do not have a Netrust token?
- Q120: Can the same Netrust token used for the lodgement of instruments be used for the ePI module?
- Q121: Can ePI provide for the lodgement of Pay-In Forms?
- Q122: Is there a character limitation to the length of the name of a payee in the ePI Pay-Out Form?
- Q123: The payee names of banks are long. Are payors allowed to use abbreviations?

Initiating lawyers

- Q124: Is it possible for a lawyer from a law firm to assist in digitally signing a Pay-Out Form that has been prepared by another law firm as an initiating lawyer?
- Q125: If a law firm (i.e. initiating law firm) wishes to grant access to the lawyer of another law firm to act as the second signatory for the initiating law firm before it is counter-signed by the lawyer acting for the other party, how does the initiating law firm go about doing that?
- Q126: Can a finance officer of a law firm be a signatory to use the ePI and digitally sign forms?

Signing/Counter-signing

- Q127: Can a lawyer lodge a Variation Form with ePI if he/she would like to change the particulars in a previously submitted Change of Counter-Signatory Form (CCSF Form)?
- Q128: How does a law firm (i.e. initiating law firm) grant access to the counter-signing law firm to access the form that has been lodged with ePI by the initiating law firm?
- Q129: How can a law firm (i.e. initiating law firm) check if the counter-signatory has counter-signed the form that was lodged with ePI?
- Q130: Can the counter-signatory view a form once it has been submitted to the relevant appointed entity?

Lodgement-related issues

- Q131: If the initiating law firm detects an error in a form that it has lodged with ePI and pending counter-signing, how can it rectify the error?
- Q132: Can Appointed Banks/SAL search for the submitted Pay-Out Form?
- Q133: Why is some information entered into the Pay-Out Form that is lodged with ePI not reflected in the PDF version of the form?
- Q134: How long are lodged forms stored with the ePI? Are they deleted once the Appointed Bank/SAL have processed them?

Lodgement fees

- Q135: How much will the Singapore Land Authority (SLA) be charging for lodgement of electronic forms through their Electronic Payment Instructions (ePI) Service? The cost of lodging a Pay-Out Form, Variation Form, and Change of Counter-Signatory Form is the same at \$16.05 (inclusive of GST) per form. These fees are also published at www.conveyancing.sg.
- Q136: When will a law firm be charged for the lodgement of the form?

Technical issues

- Q137: Can a lawyer request for an additional Netrust token for the sole purpose of accessing ePI?
- Q138: Can a lawyer change how his/her name is to be displayed in the digital signature?
- Q139: What happens if the ePI is not available?
- Q140: What happens if a lawyer forgets his/her Netrust password?

STARS Account Management Questions

- Q141: How does a law firm apply for a lodgement account?
- Q142: Who can create accounts for the staff of the law firm to access the STARS ELS from which the staff can prepare forms to be lodged through ePI?
- Q143: What should a person do when he/she receives an email containing his/her STARS eLodgment user account ID (and password)?
- Q144: What should a person do if he/she forgets his/her user account login password?
- Q145: Why do lawyers receive only the user account ID from STARS eLodgment when their accounts are created?
- Q146: How can a person verify his/her personal information such as name, email address?
- Q147: How can a person find out who are the registered STARS eLodgment users for his/her law firm?
- Q148: What should a law firm do when a registered STARS eLodgment user leaves the law firm?

Technical Questions

- Q149: How much hard disk space is needed in a computer to install STARS eLodgment?
- Q150: Can a Macintosh or Linux user use STARS elodgment?
- Q151: Can a Windows 7 64 bit user use STARS eLodgment?
- The executable for IE 64-bit is located here:
- Q152: What are the versions of the Internet Explorer browser supported by STARS eLodgment?
- Q153: Can any browser other than Internet Explorer be used?
- Q154: What are the applicable versions of Adobe Acrobat Reader?
- Q155: What are the applicable versions of Java?
- Q156: What can the user do if he/she cannot see the PDF document during digital signing?

Please note that this is a 'live' document that may be subject to update at any time in order to reflect recent queries and clarifications. The latest version of the document that users should refer to will always be available at <https://www.mlaw.gov.sg/about-us/what-we-do/conveyancing/>.

Q157: What should a user do if he/she is not able to log in to Netrust?

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| 13 July 2011 | Amended Section D Amended Section J |
| 20 July 2011 | Included individual questions in table of contents for ease of navigation Relocated questions on single lawyer representation to Section C from Section A Additions to Section C, D, F, H |
| 25 July 2011 | Additions to Section C Added new Section F and renumbered subsequent sections |
| 26 July 2011 | Additions to Section C, D |
| 1 August 2011 | Reorganised arrangement of FAQs within some Sections for easier reference Additions to Section C, D, F, I, K |
| 19 August 2011 | Added new FAQs to Section A, C, G, H, K |
| 23 August 2011 | Amended Section E |
| 7 September 2011 | Amended Section D |
| 25 November 2011 | Added new FAQs to Sections B, C Amended Sections A, C, D, E |

A - New Measures

Q1: What is the objective of the new measures?

There is a strong public interest in protecting clients' money in conveyancing transactions. A home is quite often the most substantial asset that anyone would purchase in his lifetime. Moreover, we should not allow public confidence in the legal profession to be eroded by rogue lawyers. Many lawyers have come to bear the burden of stake holding only because lawyers have traditionally done so as an ancillary service to their clients.

The measures therefore seek to protect conveyancing money while minimising disruption and inconvenience to conveyancing practice.

Q2: Are stamp duties covered under the measures?

Not all stamp duties are considered conveyancing money. Please refer to Rule 2 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 under the definition of "conveyancing money" for the types of stamp duties that would be considered conveyancing money. The types of stamp duties that would be considered conveyancing money are as follows:

- (a) Full stamp duty on the following
 - (i) conveyance, assignment or transfer of immovable property, i.e. buyers' and sellers' stamp duty [see Articles 3(a), (b), (ba), (bb) of First Schedule to Stamp Duties Act];
 - (ii) exchange of immovable property [see Article 6];
 - (iii) settlement involving immovable property [see Articles 3(e) and 11(a)];
 - (iv) transaction between trustees where the beneficial interest in immovable property passes [see Article 3(g)(i)];
 - (v) distribution of immovable property in specie to shareholders in company liquidation [see Article 3(h)]; and
 - (vii) gift involving immovable property [see Article 7];
- (b) stamp duty amounting to or exceeding \$5,000 on a lease, licence¹ or tenancy, or a surrender thereof [see Articles 1, 8(a), (b) or (c) or 12].

Q3: What about money that a prospective buyer gives to his lawyer before deciding to embark on a property purchase, i.e. anticipatory conveyancing money?

Lawyers are not allowed to hold anticipatory conveyancing money. In practice, we understand that buyers will generally keep such money in their own bank accounts and only issue payment to the relevant party when a property has been identified.

This prevents foreign clients from depositing large sums of money with lawyers, without the limited timeframe and discipline that is imposed once there is a concrete option signed, in respect of an identified property.

Under the transitional framework, if law firms are in receipt of anticipatory conveyancing money before 1 August 2011 and have deposited the same in their client account, this money can remain in the client account but must be returned to the client by 31 December 2011 if no purchase is made. Please see Rule 23 of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

¹ A licence agreement that amounts to a lease is liable to stamp duty.

Q4: What is the purpose of the \$5,000 float and why is it an extra amount that a client has to come up with?

The float of \$5,000 is intended for payment of any amount payable for the purposes of the completion of a conveyancing transaction, and may be also applied to other types of conveyancing transactions such as refinancing or redemption of an existing mortgage. It is up to a client whether or not he/she wishes to provide his lawyer with this money. This money is not considered "conveyancing money" for the purposes of the Conveyancing and Law of Property Rules and may be deposited into the lawyer's regular client account (and not his conveyancing account) on condition that every amount disbursed from that sum must be properly accounted for and supported by written documentation. If there is any money left over, it belongs to the client and should be refunded accordingly. In collective sale cases, money earmarked for a float may be paid directly to the seller's lawyer for deposit into his client account.

Q5: Will the proposed measures lead to possible delays in legal completion?

The Singapore Land Authority (SLA) has also set up an electronic Payment Instructions service (ePI) to provide an efficient and secure electronic environment for lawyers to initiate and counter-sign forms such as Pay-Out Forms and Variation Forms, and for the Appointed Banks and SAL to retrieve and process these duly executed forms.

The Appointed Banks/SAL have pledged a same-day turnaround time for urgent cases (subject to the instructions being received by a certain cut-off time).

With these in place, there is minimal risk of late completion unless lawyers are tardy in giving instructions or are uncooperative with each other in the counter-signing of Pay-Out Forms.

B - Impact to Clients

Q6: What changes do clients have to be aware of?

Buyers/sellers that make payments to their lawyer's conveyancing accounts should take special care to ensure that the payee in the cheque/cashier's order is addressed to "*<Name of Law Firm>-CVY*", for option deposits as well as other conveyancing money.

Q7: What if a client wishes to make cheque/cashier's order payment to a law firm's conveyancing account but forgets to put "-CVY" on his cheque/cashier's order?

If the client has indicated the law firm's conveyancing account number on the reverse of the cheque/cashier's order, the cheque/cashier's order would still be deposited into the conveyancing account.

However, if clients do neither of the above, then there is a risk that the money can be banked into a normal client account where it would not be protected by the measures.

Q8: What happens if, at the pay-in stage, one or both parties have yet to appoint a lawyer?

It is unlikely that the seller is not represented by a lawyer as the option form would specify the lawyer.

If the buyer is not represented by a lawyer, he/she may deposit money into the seller's lawyer's conveyancing account. The seller's lawyer would then name the buyer as the counter-signing party.

If the buyer subsequently appoints a lawyer, then the seller's lawyer will need to execute a Change of Counter-Signatory Form so that the buyer's lawyer's law firm is named as the succeeding counter-signatory.

Q9: What is the impact on progress payment for new properties that are under development?

The impact is minimal. However, if the buyer chooses to have his lawyer hold the progress payment in his conveyancing account, then the developer's lawyer would need to counter-sign. As this may generate a significant burden on the developer's lawyer, we expect that in practice, buyers will simply make payment directly to the developer (via the developer's project account). If the buyer is taking a loan, then the buyer's lawyer can instruct the mortgagee bank to make payment directly to the developer. However, if the buyer is using CPF money and both the buyer and CPF Board are represented by the same lawyer, the developer's lawyer will need to counter-sign on the Pay-Out Form initiated by CPF Board's lawyer to withdraw the CPF money from the latter's conveyancing (CPF) account.

Q10: With the introduction of the new measures to safeguard conveyancing money from 1 August 2011, does it mean if a seller wishes to appoint a stakeholder to hold the option deposit, he can only choose either his lawyer or the Singapore Academy of Law?

No. The new measures do not deal with who can be the stakeholder. The new measures only specify that conveyancing money can be held by a lawyer in his conveyancing account or a joint escrow account opened with the lawyer acting for the other party. Alternatively the client can choose to deposit his conveyancing money with the Singapore Academy of Law under its Conveyancing Money Service.

Q11: In the Option to Purchase form, is it mandatory to insert the stake holding clauses referred to in the Council for Estate Agencies Practice Guideline 3 of 2011?

No. As explained in the Council for Estate Agencies Guideline 3 of 2011, these are recommended clauses that can be used if the seller would like to specify his lawyer or the Singapore Academy of Law as the stakeholder to receive the option deposit. If the seller would like to have some other form of stake holding arrangement, he should seek professional legal advice on the drafting of the appropriate clause.

Q12: Can a seller or buyer still appoint someone to act on his behalf under a power of attorney?

Yes, the respective definitions of "vendor" and "purchaser" have been amended to include a person authorised by them to act on their behalf in the sale and purchase of land pursuant to a power of attorney. However, in the case of a lawyer who is appointed (in his professional capacity) as an attorney, the question as to whether the conveyancing money received by him should be paid into his conveyancing account or client account would depend on whether the lawyer is also acting for the donor² in the conveyancing transaction and whether the money is received in the course of the conveyancing transaction or after the completion of the same.

If the money was received **in the course of the conveyancing transaction**, then the money should be paid into a conveyancing account regardless of whether the lawyer is also acting for the donor in the conveyancing transaction.

However, if the payment is made **post-completion**, it must be paid into the lawyer's conveyancing account if the lawyer had also acted for the donor in the conveyancing transaction; but if the lawyer did not act for the donor in the conveyancing transaction, the money can be paid into his client account.

² the person who has authorised the lawyer to act on his behalf as an attorney

C - Impact on Lawyers

Conveyancing Money

Q13: Why was Rule 2(1) of the Conveyancing and Law of Property (Conveyancing) Rules 2011 amended and what is the effect of the amendment?

We received queries about the interaction of Rule 1 of the Conveyancing and Law of Property (Conveyancing) Rules 2011, which brings the Rules into operation on 1 August, and Rule 2(1), which could be interpreted to mean that the Conveyancing and Law of Property (Conveyancing) Rules 2011 only apply to agreements entered into on or after 1 August 2011, and thus, the receipt and holding of conveyancing money from those agreements.

From 1 August 2011, Rule 3(1A) and (3) to (6) of the Legal Profession (Solicitors' Accounts) Rules applies to every receipt or holding, on or after 1 August 2011, by a lawyer of conveyancing money (without any qualification as to whether the agreement in respect of the conveyancing transaction pursuant to which the conveyancing money is held is entered into before, on or after 1 August 2011). From 1 August 2011, conveyancing money can no longer be deposited in client account unless it falls within the exception in Rule 4 of the Legal Profession (Solicitors' Accounts) Rules.

The amendment to Rule 2(1) of the Conveyancing and Law of Property (Conveyancing) Rules 2011 serves to clarify that the Rules also apply to conveyancing money that is received or held on or after 1 August 2011 regardless of whether the agreement in respect of the conveyancing transaction pursuant to which the money is held is entered into before, on or after 1 August 2011.

Q14: Do the Conveyancing and Law of Property (Conveyancing) Rules apply to agreements entered into before 1 August 2011?

The Conveyancing and Law of Property (Conveyancing) Rules 2011 apply to both agreements entered into before 1 August and conveyancing money received on or after 1 August 2011 (without any qualification as to whether the agreement in respect of the conveyancing transaction pursuant to which the conveyancing money is held is entered into before, on or after 1 August 2011). The Conveyancing and Law of Property (Conveyancing) Rules 2011 must be read together with the Legal Profession (Solicitors' Accounts) (Amendment) Rules 2011. Rule 3(1A) and (3) to (6) of the Legal Profession (Solicitors' Accounts) Rules applies to every receipt or holding, on or after 1 August 2011, by a lawyer of conveyancing money (without any qualification as to whether the agreement in respect of the conveyancing transaction pursuant to which the conveyancing money is held is entered into before, on or after 1 August 2011).

Q15: For agreements entered into before 1 August 2011 for which conveyancing money is received in the client account before 1 August 2011, do the transitional provisions in Rule 23 of the Conveyancing and Law of Property (Conveyancing Rules) 2011 and Rule 13 of Legal Profession (Solicitors' Accounts) (Amendment) Rules 2011 apply?

Yes. For details, please refer to the transitional framework document at <https://www.mlaw.gov.sg/about-us/what-we-do/conveyancing/>

Q16: For agreements entered into before 1 August 2011 for which conveyancing money is received on or after 1 August 2011, can a lawyer place such conveyancing money in the client account?

No. The Legal Profession (Solicitors' Accounts) (Amendment) Rules 2011 prohibit the use of the client account for receipt of conveyancing money in client account from 1 August 2011. Lawyers who wish to hold such conveyancing money ought to place them in a conveyancing account, open a joint escrow account with the lawyer acting for the other party, or deposit the money with the Singapore Academy of Law under its Conveyancing Money Service. The only exceptions are if such conveyancing money fall within the exceptions in the Legal Profession (Solicitors' Accounts) Rules read with the Conveyancing and Law of Property (Conveyancing) Rules 2011 e.g. Rules 5(3) and 5(4) of the latter Rules whereby the lawyer is permitted to place such money in a client account.

Q17: Do the amendments contained in the Conveyancing and Law of Property (Conveyancing) (Amendments No.2) Rules 2011 apply to ongoing conveyancing transactions?

The Conveyancing and Law of Property (Conveyancing) (Amendments No.2) Rules 2011 came into effect on 25 November 2011 and applies prospectively to all conveyancing transactions. Hence, a lawyer who is in the midst of completing a conveyancing can for example, take advantage of the broader application of float money in the amended Rule 5(3) and 5(4).

Q18: For agreements entered into before 1 August 2011 for which a lawyer has placed conveyancing money into a conveyancing account or with the Singapore Academy of Law, is the lawyer acting for the other party required to counter-sign on Pay-Out Forms if he has been named as a counter-signatory?

Yes. As long as a lawyer has deposited the conveyancing money into a conveyancing account or with the Singapore Academy of Law as provided in the Conveyancing and Law of Property (Conveyancing) Rules 2011 and the Singapore Academy of Law (Conveyancing Money) Rules 2011, the provisions in either set of Rules will apply, as the case may be.

Q19: If a client erroneously paid conveyancing money into a lawyer's client account on or after 1 August 2011 as opposed to his conveyancing account, what should the lawyer do and is the lawyer in breach?

The lawyer should immediately take steps to reverse the payment or effect the withdrawal of such conveyancing money and transfer it into his conveyancing account or place it with the Singapore Academy of Law or in an escrow account. The Legal Profession (Solicitors' Accounts) (Amendment) Rules 2011 prohibit the use of the client account for receipt of conveyancing money from 1 August 2011. If the lawyer is in technical breach of both the Legal Profession (Solicitors' Accounts) Rules and the Conveyancing and Law of Property (Conveyancing) Rules 2011, the latter may attract both a criminal and a disciplinary sanction.

In this regard, the Minister for Law has explained in Parliament that the Public Prosecutor will take into consideration the facts and the circumstances of each case in deciding whether to charge a person. That a breach occurred through inadvertence or was de minimis, would be relevant to the exercise of that discretion. The Public Prosecutor is also empowered to compound the offence for minor and technical breaches of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q20: Under the transitional framework, conveyancing money received by a law firm in its client account before 1 August 2011 can remain in the client account until 31 December 2011. Does it mean the law firm is required to close its client account by 31 December 2011?

No. There is no requirement for a law firm to close its client account. Rule 23 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 only stipulates that conveyancing money received by a law firm in its client account before 1 August 2011 can only remain in the client account until 31 December 2011. As such, by 1 January 2012, such conveyancing money will have to be held in a conveyancing account unless the law firm's clients request that the conveyancing money be placed with the Singapore Academy of Law or the lawyers to the transaction decide to jointly open an escrow account. Please note however that following the amendments made by the Conveyancing and Law of Property (Conveyancing) (Amendment No. 2) Rules, a law firm has the option to continue holding in its client account, any unclaimed conveyancing money³ deposited in its client account before 1 August 2011.

Law firms can continue to use their client account for receipt for other forms of client money other than conveyancing money. These would include:

- (i) float money provided under Rules 5(3) and 5(4) of the Conveyancing Law and Property (Conveyancing) Rules 2011; and
- (ii) stamp duties that do not fall within the definition of conveyancing money and for which law firms may continue with their existing arrangement with IRAS for GIRO deductions.

The types of stamp duties that fall within the definition of conveyancing money are enumerated in Rule 2 of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q21: Can a lawyer that has opened a conveyancing account with an Appointed Bank choose to transfer all the conveyancing money in that account to another conveyancing account that the lawyer has opened with another Appointed Bank?

Yes. We have specifically provided for this situation. Please refer to paragraph (c) of the definition of Category A payee in Rule 2 and Rule 11(4) of the Conveyancing and Law of Property (Conveyancing) Rules 2011. However, this situation does not apply where payment of conveyancing money is to be made from the buyer or the buyer's lawyer's conveyancing account to the seller's lawyer's conveyancing account. In that scenario, the seller's lawyer's conveyancing account is a Category C payee and not a Category A payee.

Q22: Can a law firm transfer money between conveyancing accounts held by the same law firm with the same Appointed Bank?

Yes, a transfer of conveyancing monies between conveyancing accounts held by the same law firm within the same appointed bank may be effected administratively by giving written notice to the appointed bank. Please refer to new Rule 11(5) of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q23: Can a law firm choose to transfer conveyancing money in the firm's fixed deposit client account (which was deposited before 1 August 2011) into the firm's client account for the purposes of completion after 1 August 2011 but before 1 January 2012?

³ Unclaimed conveyancing money is defined in new rule 17 of the Legal Profession (Solicitors' Accounts) Rules.

Yes. The transfer can be effected provided that any conveyancing money in the law firm's client account or fixed deposit client account must be transferred to the firm's conveyancing account before 1 January 2012. Rule 23 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 provides that for conveyancing money deposited into a law firm's client account before 1 August 2011, these Rules will not apply, and the withdrawal of conveyancing money from a client account between 1 August 2011 and 31 December 2011 (both dates inclusive) will be governed by the Legal Profession (Solicitors' Accounts) Rules in force before 1 August 2011, in particular, Rules 8 and 11B.

Q24: Is a lawyer breaching the prohibition against lawyers holding and receiving conveyancing money if he/she receives or holds on to a cheque/cashier's order, or bank draft issued in favour of a payee to the property transaction?

No. Rule 2(3) of the Conveyancing and Law of Property (Conveyancing) Rules 2011 provides that "a person does not receive or hold any conveyancing money by reason only that he receives or holds any cheque, cashier's order or bank draft issued in favour of the intended recipient of the conveyancing money."

Q25: Can a lawyer request money for disbursements from his client and hold the money in his client account instead of a conveyancing account?

Yes. The lawyers may deposit money intended for professional fees for services rendered or to be rendered, and disbursements incurred or to be incurred, into his client account instead of a conveyancing account. Please see Rule 5(5) of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

In addition to the above, a lawyer may deposit into the law firm's office account any money which is expressly paid on account of costs incurred, as an agreed fee for business undertaken or to be undertaken, or towards reimbursement of actual expenses incurred by him where there is proof that it has been incurred and paid for. Please see Rule 5(6) of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q26: Can a lawyer hold a sum of money intended for the refund of security deposit(s) in respect of a tenancy in his client account?

The definition of conveyancing money in Rule 2 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 includes any money (including deposits) payable on grant of a tenancy, or on surrender of a tenancy. As such, the refund of the deposit out of client's funds held by the law firm would have to be made out of the conveyancing account, and this would mean the money would first have to be deposited into the conveyancing account, and paid out therefrom with the client as the counter-signatory. In such cases, it may be more convenient, practical and cost-effective for the client to make refund of the deposit directly to the tenant instead of depositing into the lawyer's conveyancing account.

Q27: How are money intended for the payment of penalty/insurance premium/valuation fee/legal subsidy claw back to the existing/outgoing bank to be dealt with?

Such items (e.g. penalty, legal subsidy claw back, etc.) come within the definition of "conveyancing money" if they form part of the money to be provided for the repayment of a loan granted. If a mortgagor wishes to deposit money with his lawyer to pay for them, this money should be

deposited in the mortgagor's lawyer's conveyancing account if this is a case where the mortgagor and the mortgagee are separately represented. If the mortgagor and mortgagee are jointly represented, the mortgagor should be advised to procure his own cashier's order for the purposes of the redemption.

Q28: If a client has paid a law firm for its legal costs and disbursements for acting for him as mortgagor, and his mortgagee bank subsequently pays legal subsidy that was agreed to between the client/mortgagor and his mortgagee bank to the law firm, is that legal subsidy considered conveyancing money?

If the client/mortgagor had already paid the law firm for its legal costs and the mortgagee bank subsequently makes payment of the legal subsidy to the law firm, that latter payment is not conveyancing money and can still be paid into the law firm's client account as it is intended for payment of professional fees and disbursements [please see Rule 5(5) of the Conveyancing and Law of Property (Conveyancing) Rules 2011]. Upon receipt of this legal subsidy, the law firm can then refund it to its client accordingly. The law firm can also consider requesting the mortgagee bank to make payment of the legal subsidy directly to the client either by issuing a cheque/cashier's order in favour of the client, or crediting the amount in the client's bank account.

Q29: If the sellers are in dispute (e.g. going through a divorce or estate disputes) and have not reached an agreement on entitlement or apportionment of the sale proceeds, can they request their lawyer to hold the sale proceeds?

Yes. However, the lawyer needs to mindful as to how he receives the money. If the lawyer is unconnected to the conveyancing transaction (e.g. he is appointed solely to act in the divorce), he can receive the money into his client account. Please see the definition of "conveyancing money" read with Rule 5(9) of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

However, if the lawyer is also acting for the parties in the conveyance, the money must be paid into his conveyancing account. In this case, the lawyer must ensure that he has the seller's express authorisation to receive such sale proceeds on their behalf pending the resolution on entitlement or apportionment of sale proceeds. These sale proceeds may come from (a) buyer, (b) buyer's lawyer's conveyancing account or (c) seller's lawyer's conveyancing account (if it is stake holding money that the sellers' lawyer has been holding).

If the money is from the buyer, the sellers' lawyer will have to deposit the money into his conveyancing account.

If the money is from the buyer's lawyer's conveyancing account, the sellers' lawyer can arrange for his law firm to be paid this sum of money as a Category C payee.

If the money is stake holding money, the sellers' lawyer can continue to hold on to the money if it does not affect completion.

When the apportionment issue is resolved between the sellers, the sellers' lawyer can then perform a pay-out from his conveyancing account and arrange for either the buyer's lawyer to counter-sign or obtain a court order. The latter order could be part of a court order that the court has issued in an existing court proceeding (e.g. matrimonial or estate proceedings).

Q30: What is the rationale for Rule 7(8) which provides for the expenses to be borne by the lawyer personally?

In the situations described in Rules 7(6), (7) and (7)(A) of the Conveyancing and Law of Property (Conveyancing) Rules 2011, no conveyancing money should be deposited in the law firm's conveyancing account. This is because no counter-signatory will be available in these situations to authorise the release of that conveyancing money from the conveyancing account via the relevant Pay-Out Forms. Rule 7(8) allows for any such conveyancing money that is mistakenly deposited into the conveyancing account to be refunded to the person who provided it. However, the lawyer will in these instances have to bear any expenses so incurred.

Representing clients

Q31: Do the new measures mean that there must be separate representation?

Our objective is to ensure that the majority of conveyancing money in a conveyancing account can only be withdrawn under a two-party signatory system. If a law firm acts for both parties and holds the conveyancing money of one of the parties or for both of them, it will not be able to withdraw these money due to the lack of a counter-signatory. As such, it should decline to act for one of the parties so that the two-party signatory system can function. The other party will have to obtain separate representation unless it is suitable for HDB or CPF Board to be a counter-signatory in that transaction. Please see Rules 5(7), (8), (10) and (11) of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q32: What are the types of cases involving single lawyer representation?

An example could be a pure gift situation. In such a situation, the only payment which needs to be made via the conveyancing account is for stamp duty. As the Commissioner of Stamp Duties is a Category A payee, no counter-signing is required for payments from the conveyancing account to IRAS. Please also see Rule 5(8) of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q33: With the introduction of the new measures to safeguard conveyancing money from 1 August 2011, does it mean if a seller wishes to appoint a stakeholder to hold the option deposit, he can only choose either his lawyer or the Singapore Academy of Law?

No. The new measures do not deal with who can be the stakeholder. The new measures only specify that conveyancing money can be held by a lawyer in his conveyancing account or a joint escrow account opened with the lawyer acting for the other party. Alternatively the client can choose to deposit his conveyancing money with the Singapore Academy of Law under its Conveyancing Money Service.

Q34: In the Option to Purchase form, is it mandatory to insert the stake holding clauses referred to in the Council for Estate Agencies Practice Guideline 3 of 2011?

No. As explained in the Council for Estate Agencies Guideline 3 of 2011, these are recommended clauses that can be used if the seller would like to specify his lawyer or the Singapore Academy of Law as the stakeholder to receive the option deposit. If the seller would like to have some other form of stake holding arrangement, he should seek professional legal advice on the drafting of the appropriate clause.

Redemption/refinancing

Q35: Is it possible for a law firm to act for both mortgagor and mortgagee in refinancing or redemption cases?

Yes this is possible. Please see Rule 5(8) of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q36: In refinancing or redemption situations, will the law firm acting for all parties be able to hold conveyancing money?

Money disbursed by the mortgagee and/or the cash component payable by mortgagor/chargor is conveyancing money. However, the money cannot be paid into the conveyancing account of the law firm acting for all parties as there will be no counter-signatory available to counter-sign Pay-Out Forms.

Q37: In refinancing or redemption situations where the same law firm acts for all parties how should payment be arranged?

The lawyer should arrange for any conveyancing money to be transferred directly between the parties. New mortgagee bank should arrange for a transfer of funds directly to the existing mortgagee bank. Any cash difference payable by the mortgagor should be given directly to the existing mortgagee bank by way of a cashier's order.

Q38: In refinancing or redemption situations where the same law firm acts for all parties, what happens if a law firm mistakenly deposits money into its conveyancing account?

Rules 7(6) and (7) of the Conveyancing and Law of Property (Conveyancing) Rules 2011 allow for the Appointed Bank to reverse that payment transaction and refund that conveyancing money to the person who provided it.

Counter-signing

Q39: What is the responsibility of the counter-signing lawyer?

The counter-signing lawyer's responsibility is to check the correctness of the payment details on Pay-Out Forms.

It would suffice for the counter-signing lawyer to ascertain that the inclusion of a payee, and the amount to be paid to that payee, accords with the wishes of the lawyer's client. If the payee is a Category C payee, the counter-signing lawyer can request that the initiating law firm obtain a Statutory Declaration from his client.

If the counter-signing lawyer suspects fraud or forgery in the production of any information or document, he may ask for other supporting documents. Please refer to Rules 7(9), 7(10), 17(1) and 17(2) of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q40: What if the counter-signing lawyer is not available to do counter-signing?

Please note that this is a 'live' document that may be subject to update at any time in order to reflect recent queries and clarifications. The latest version of the document that users should refer to will always be available at <https://www.mlaw.gov.sg/about-us/what-we-do/conveyancing/>.

As only the name of the counter-signing law firm is stated in the Pay-In Form, any lawyer from the counter-signing law firm can perform the counter-signing. But the lawyer has to be in practice as a lawyer in Singapore for 3 years or more in aggregate. Please see Rule 8 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 for the details of the criteria.

Q41: What if the counter-signing lawyer refuses to counter-sign?

In instances where a dispute arises from a refusal by the counter-signing lawyer to counter-sign a Pay-Out Form for either a conveyancing account or a withdrawal from SAL's Conveyancing Money Service, either party can refer the matter for adjudication. The adjudication scheme is administered by the Law Society.

The appointed adjudicator under the scheme will be empowered to decide whether the counter-signing lawyer should or should not counter-sign the Pay-Out Form. Please see Rule 20 and the Fourth Schedule of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

D - Conveyancing Accounts

Opening of conveyancing accounts

Q42: Which banks are Appointed Banks?

Please refer to <https://www.mlaw.gov.sg/about-us/what-we-do/conveyancing/> for a listing of the Appointed Banks, their locations, indicative charges and contact details.

Q43: Can a law firm open more than one conveyancing account?

Yes. A law firm can open more than one conveyancing account with the same Appointed Bank or with different Appointed Banks.

Q44: How long does it take to open a conveyancing account?

Lawyers should consult their preferred Appointed Bank to understand the procedures and timelines for opening a conveyancing account with the bank.

Q45: Is it compulsory for a law firm to open an operating account in conjunction with a conveyancing account?

This will depend on which Appointed Bank the law firm decides to open a conveyancing account with. Some Appointed Banks do require their law firm customers to open an operating account in conjunction with the conveyancing account so that transaction fee and costs of preparing cashier's orders etc can be deducted from the operating account. Please refer to <https://www.mlaw.gov.sg/about-us/what-we-do/conveyancing/> for a list of the Appointed Banks, their indicative charges and whether they require a law firm to open an operating account.

Operation of conveyancing accounts

Q46: If a law firm receives a cheque/cashier's order/bank draft made payable to the law firm in the one of the following formats, can the law firm deposit it into its conveyancing account?

- a) "Name of Law Firm"
- b) "Name of Law Firm – Client"
- c) "Name of Law Firm – CVY"
- d) "Name of Law Firm – CVY Client"

If the law firm states the account number of the conveyancing account on the reverse of the cheque/cashier's order/bank draft, the Appointed Bank may consider allowing the deposit to be made in the conveyancing account. Law firms are advised to check with their Appointed Bank before making the deposit.

Please note that in addition to accepting deposits made in the above ways, it is also possible for overseas clients to do a telegraphic transfer of funds from an overseas bank account into a law firm's conveyancing account. Local clients may also do a local electronic funds transfer via MEPS+ to directly transfer funds from a local bank account to the law firm's conveyancing account.

Q47: Can a law firm use different transaction file references for the same conveyancing case?

The transaction file reference has to be unique and remain the same throughout, as all parties (including the Appointed Banks/SAL) involved will rely on it.

Q48: What transaction file reference should lawyers use on my Pay-Out forms, for payments of money from conveyancing (CPF) accounts?

For conveyancing (CPF) accounts, lawyers should make sure that the CPF property reference is entered on all forms, e.g. Pay-In and Pay-Out Forms, submitted to the Appointed Entities. Law firms should not use their firms' internal file reference for withdrawal of CPF money from conveyancing (CPF) accounts as this will lead to delay in the processing of payments.

Q49: Can the float referred to in Rules 5(3) and (4) of the Conveyancing and Law of Property (Conveyancing) Rules 2011 be withdrawn from money paid into a conveyancing account?

No. The purpose of the conveyancing account is to safeguard clients' conveyancing money. While Rule 5(3) of the Conveyancing and Law of Property (Conveyancing) Rules 2011 makes provision for a float of up to \$5,000 that lawyers can ask their clients for is meant to increase the flexibility lawyers have to pursue legal completion, it should not prejudice the security of the money held within the conveyancing account. The exception pertains to a float of \$2,000 per property (capped at \$200,000 for all the properties within the collective sale) in a collective sale which can be withdrawn from a conveyancing account - please see Rule 5(4) of the Conveyancing and Law of Property (Conveyancing) Rules 2011

Q50: What happens if non-conveyancing money is erroneously deposited into a conveyancing account?

If money has been erroneously deposited into the conveyancing account, the Appointed Bank will accept a written instruction from the account holder law firm to refund the money paid in. However, such refund can only be made to an account payee matching the original source of the funds. Please see Rule 13 of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q51: Can the appointed entities release conveyancing money to foreign payees via telegraphic transfer?

Restricting the modes of payment from the conveyancing accounts is an integral aspect of the security of the proposed measures. When making a telegraphic transfer, the identity of the beneficiary cannot be conclusively verified. Therefore, Appointed Banks will not be able to make payment to a foreign payee via telegraphic transfer.

Q52: What should law firms do in cases where a last-minute change in redemption and completion statements has rendered the payment details in a previous Pay-Out Form incorrect?

For conveyancing and conveyancing (CPF) accounts, if a change in payment schedule as the result of a change in completion statements occurs, law firms will have to submit a Variation Form to supersede the earlier Pay-Out Form before a cut-off time set by the Appointed Bank.

Cancellation fees and fees for replacement of cashier's orders may apply if cashier's orders were previously issued, for both conveyancing accounts and for SAL's Conveyancing Money Service.

Q53: If a law firm needs to correct a typographical error on a Pay-Out Form, will a set of the account holders' signatures together with a counter-signature next to the amendment suffice in lieu of a replacement Pay-Out Form?

No. For conveyancing and conveyancing (CPF) accounts, as well as SAL's Conveyancing Money Service, if a change in payment schedule as the result of a change in completion statements occurs, law firms will have to submit a Variation Form.

If the typographical error occurs on an electronic Pay-Out Form (or Variation Form), an ePI Variation Form will likewise have to be submitted via the ePI.

Q54: If a law firm maintain both a conveyancing and a conveyancing (CPF) account with the same Appointed Bank, can the law firm request the Appointed Bank to release the conveyancing money from both these accounts via one cashier's order?

As the two accounts are distinct, the Appointed Bank will prepare two separate cashier's orders as the funds are taken out from separate accounts.

Q55: Is the buyer/ buyer's lawyer obliged to pay to whomever the seller nominates, regardless of his own concerns?

Rule 18 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 places an obligation on the buyer's lawyer to verify the instructions from the seller's lawyer, whether or not the money passes through a conveyancing account. Where the buyer makes payment directly to the seller, the buyer's lawyer (or the buyer himself if he is acting in person) has a corresponding right, where necessary, to request for documents. If the buyer/ buyer's lawyer is not satisfied with payees named by the seller, he may opt to make payment of the balance sale proceeds only to the seller. It is then for the seller to decide to distribute the money to whomever he wants. Please see Rules 18(1), (1A), (2) and (2A) of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q56: If a seller requests payment to two payees in joint names to which he is one of the payees and the other is a Category C payee, can this payment be deemed a payment to a Category B payee in the Pay-Out Form?

No. In this instance, if only one cashier's order is to be issued to the joint names of a Category B payee and a Category C payee, the names of these two payees will both have to be inserted as Category C payees in the Pay-Out Form.

Q57: The payee names of banks are long. Are payors allowed to use abbreviations?

The following mortgagee banks have agreed to the use of their abbreviated names:

| No | Full Names | Abbreviated Names |
|-----------|---|--------------------------|
| a) | Australia and New Zealand Banking Group | ANZ Bank |
| b) | Bank of China Ltd | BOC |
| c) | CIMB Bank Bhd | CIMB |
| d) | Citibank Singapore Ltd | CSL |
| e) | DBS Bank Ltd | DBS |
| f) | Malayan Banking Bhd | Maybank |
| g) | Oversea-Chinese Banking Corporation Ltd | OCBC |

| | | |
|----|---|------|
| h) | RHB Bank Bhd | RHB |
| i) | State Bank of India | SBI |
| j) | Standard Chartered Bank | SCB |
| k) | The Bank of East Asia Ltd | BEA |
| l) | The Hongkong and Shanghai Banking Corporation Ltd | HSBC |
| m) | United Overseas Bank Ltd | UOB |

Example 1 – Cashier’s Order payable to mortgagee banks for mortgage redemption:

Payee field details: “OCBC for a/c of James Tan & Susan Lim”

Remarks:

- (a) The above Cashier’s Order is typically paid to mortgagee banks for credit of mortgagors’/borrowers’ loan account.
- (b) The bank’s name is shortened by using the abbreviated name “OCBC” instead of the full name, “Oversea-Chinese Banking Corporation Ltd”.

Example 2 – Cashier’s Order payable to account-holding banks for credit of property developer’s project account:

Payee field details: “OCBC for project account 123-4567-890 of ABC Property Developer”

Remarks:

- (a) The above Cashier’s Order is typically paid to property developer’s project account maintained with the account-holding banks.
- (b) Similar to Example 1, the bank’s name is shortened by using the abbreviated name “OCBC” instead of the full name. The project account number and name of the property developer are also included in the payee field after the account-holding bank’s name.

Q58: If a payee is a foreigner who does not have a Singapore bank account, can the foreigner payee be paid by way of a bank draft instead of a cashier’s order?

When preparing a Pay-Out Form, the initiating lawyer should put in a request under the “Additional Information for Appointed Entity” that he would like the payment to a certain payee be by way of bank draft in a certain foreign currency. Please note that law firms that wish to request for such bank drafts are advised to make prior checks with their Appointed Banks on whether a bank draft to the foreigner payee in the payee’s country and the currency sought is possible.

Q59: What document must a law firm’s representative bring along in order to collect the cashier’s orders from the Appointed Bank?

The representative should bring along (a) a print out of the relevant form that has been signed by all the parties together which will contain a Netrust logo and (b) document to identify himself e.g. his identity card.

Q60: If a buyer has exercised on an Option to Purchase to buy three properties from the same seller, and the seller’s lawyer has been named as the stakeholder of the option deposit, can the seller’s lawyer submit only one pay-in form to his Appointed Bank?

If the buyer and the seller is the same for the three properties, and there is only one Option to Purchase signed, and the parties are represented by the same sets of lawyers, the seller’s lawyer can

submit one Pay-In Form naming the buyer's lawyer as the counter-signing party. However, the seller's lawyer can only use one file reference number in its communication with the Appointed Bank.

Q61: If a law firm is acting for a collective sale committee, can the law firm hold conveyancing money received from the buyer in its conveyancing account?

The Conveyancing and Law of Property (Conveyancing) Rules 2011 do not prohibit a conveyancing account from being used to hold conveyancing money for a collective sale. The law firm should contact its Appointed Bank in advance to discuss whether to use the conveyancing account or to set up an escrow account to deal with the collective sale transaction as the complexity of the collective sale may vary from development to development. The law firm should also be aware that the turnaround time for collective sale is tight and there could be resource contention if the Appointed Bank is not made aware in advance. As the indicative transaction fee of the Appointed Banks for use of the conveyancing account is based on per individual unit, if the decision is made to use the conveyancing account for the collective sale transaction, the law firm should also discuss the transaction fee with the Appointed Bank.

Mandated signatories of the law firm

Q62: For purposes of opening a conveyancing account, is it sufficient if a law firm provide the Appointed Bank with only one mandated signatory?

If the law firm wishes to use the conveyancing account from 1 August 2011 when the new Conveyancing and Law of Property (Conveyancing) Rules 2011 take effect, the Rules only requires the Pay-Out Form to be signed by one authorised signatory. Hence, there is no requirement for the law firm to provide more than one mandated signatory to the Appointed Bank but the law firm should inform the Appointed Bank that it wishes to operate the conveyancing account from 1 August 2011.

If the law firm wishes to make use of the conveyancing account prior to 1 August 2011 (for example to try out some cases before 1 August), this conveyancing account is treated as a client account for which the Legal Profession (Solicitors' Accounts) Rules ("SAR") are applicable. Rule 11B of the SAR requires that a law firm must maintain at least two signatories to the client account with which conveyancing money will be deposited. In such an instance, the Appointed Bank will require the law firm to provide at least two mandated signatories.

The ePI service allows for up to two lawyers from the account holder law firm to digitally sign on Pay-Out Forms and Variation Forms.

Q63: When opening a conveyancing account, can a law firm specify to the Appointed Bank that it would like the conveyancing account to be operated by two mandated signatories even though the Conveyancing and Law of Property (Conveyancing) Rules 2011 only require one authorised signatory to initiate the Pay-Out Form?

Yes the law firm can so specify. If because of internal governance, the law firm would like any pay-out firm to be jointly executed by two mandated signatories from the law firm, it can provide the two mandated signatories to its Appointed Bank.

Q64: When opening a conveyancing account, can a law firm specify to the Appointed Bank that it would like different mandated signatories for different payment amounts?

Yes, the law firm can so specify. If the law firm wishes to adopt a tiered approval system, where different lawyers in the law firm have different mandate, it can provide this tiered mandate to its Appointed Bank.

Q65: Can a law firm specify to the Appointed Bank that it requires three mandated signatories for any Pay-Out Form to be executed by the firm?

Yes, the law firm can so specify. But do note that the electronic Pay-Out Form using the ePI will only provide for up to two mandated signatories from the initiating law firm (i.e. the firm that initiates the Pay-Out Form) to digitally sign the Pay-Out Form. If there is a third mandated signatory that is required, the endorsement of the Pay-Out Form in addition to the two mandated signatories that appeared in the Pay-Out Form, will have to be separately and directly provided by the law firm to its Appointed Bank.

Q66: Can a non-lawyer of a law firm, who is one of the firm's mandated signatories, be permitted to execute the Pay-Out Form?

The Pay-Out Form can only be executed by a lawyer with at least 3 years' experience. The non-lawyer's endorsement of the Pay-Out Form may operate in addition to the mandated signatory that appears in the Pay-Out Form, but this will have to be separately communicated to the Appointed Bank.

Q67: Can a non-lawyer in a law firm to whom the firm has specified to the Appointed Bank as one of its mandated signatories apply for a Netrust token?

No. Only lawyers can apply for and use a Netrust token to digitally sign ePI forms. Exceptions are only made for officers from HDB, CPF Board and the Law Society who may be called upon to counter-sign.

Q68: If after the Pay-Out Form has been initiated by the account holder law firm, the account holder law firm realises that it should have been digitally signed by two mandated signatories and not one signatory, will the Appointed Bank nonetheless still process the Pay-Out Form with just one mandated signature?

The Appointed Bank has a duty to check the digital signatory in the duly executed Pay-Out Form to ensure that the signatory has the appropriate mandate to initiate and digitally sign the Pay-Out Form on behalf of the account holder law firm. If the account holder law firm had previously already specified to the Appointed Bank that all its Pay-Out Forms require at least two mandated signatories, the appointed bank will not process the Pay-Out Form and will alert the account holder law firm of the discrepancy.

The law firm can seek the Appointed Bank's concurrence to rectify by faxing a copy of that Pay-Out Form with the additional non-digital signature to the Appointed Bank.

Transaction fees

Q69: What is the cost of operating a conveyancing account?

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Lawyers should check with their preferred Appointed Bank on whether there is a fee for opening a conveyancing account and operating it, and whether the Appointed Bank requires the law firm to also open or maintain a separate operating account from which transaction fees may be debited.

Q70: What is the transaction fee that Appointed Banks will be charging?

The charges of the appointed entities (i.e. Appointed Banks and SAL) vary from entity to entity and range from free for 1 year from 1 August 2011 to \$150 (before GST) per property transaction. For more information on the fees that would be charged by the respective appointed entities, please refer to <https://www.mlaw.gov.sg/about-us/what-we-do/conveyancing/>. Please note that the fees of the Appointed Banks are indicative figures only and law firms that have opened conveyancing accounts with Appointed Banks would also have been informed of the actual transaction fee that their Appointed Bank would impose for their law firm.

Q71: Are the Appointed Bank's transaction fee based on a "per property transaction" basis, regardless of whether it is a progress payment case?

Yes. The Appointed Banks impose transaction fees based on per property transaction. If the transaction involves progress payments being paid in/out of a conveyancing account, the law firm has to indicate in the Pay-Out Form and tick the appropriate box as to whether the request for payout is for an interim or a final payment. If the law firm selects "interim payment", the Appointed Bank will then know that it is a progress payment case and will not close that transaction, and hence will not impose further transaction fee even if there are further conveyancing money paid into and out of the conveyancing account.

Please note that if a law firm is on CPF Board's panel and acting for CPF Board in a property transaction, it is also required to indicate to CPF Board on the HBL/1 application form (for HDB Flat - financed with bank loan) or payment request online form (for private properties) whether the payment request is "interim" or "final". In turn, CPF Board will transmit this information to the Appointed Bank to facilitate the billing of the transaction fee. Please note that this does not remove the law firm's obligation to inform the Appointed Bank in its Pay-Out Form by indicating that it is an "interim payment". The law firm can indicate "final payment" when the eventual pay-out sought is in fact the final payment in the progress payment transaction.

Q72: When a lawyer selects "final payment" in a Pay-Out Form to be lodged with ePI, why is he/she required to input the name of a Category B payee for return of balance money (if any) for that property transaction?

This is to enable the Appointed Bank to zero the account balance in the transaction. Otherwise, there may be remnant money in relation to the property transaction, which will result in the account holder law firm being inconvenienced (in needing to prepare a Pay-Out Form that has to be counter-signed). Lawyers will typically insert their client as the Category B payee to receive the balance remnant money.

Q73: Why is there a need for appointed entities to charge fees when they are already holding on to large sums of conveyancing money?

There are costs associated with the enhanced protection. The new measures require Appointed Banks, and SAL to help protect the Conveyancing money of the public. The enhanced infrastructure

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will come at a cost, for example, the Appointed Banks and the SAL have to develop or enhance its IT systems. As such, Appointed Banks and SAL may charge a fee for their service. This fee will, however, be very small compared to the size of the transaction and the value of the protection. With at least five banks having been appointed to provide the service, together with SAL, we expect competitive forces to keep the costs in check. Once the system is functioning smoothly, Appointed Banks may well choose to provide this service as part of a package of services. The parties who wish to use the service are likely to be the one who, in the first place, have to pay for that service.

E - SAL Conveyancing Money Service

Q74: What are the differences in the roles of Appointed Banks and the Singapore Academy of Law (SAL)?

The role of Appointed Banks is to permit law firms to open conveyancing and conveyancing (CPF) accounts with them to hold all conveyancing money, with stringent safeguards against unauthorized withdrawals in place. Law firms with such accounts will not have cheque books or be allowed to make ATM withdrawals or telegraphic transfer out of the account. The only way conveyancing money can be withdrawn is via authorisation to the Appointed Bank using prescribed forms, for which safeguards are put in place to require two-party signatory in most cases. This money will be withdrawn via cashier's orders.

The role of SAL is to serve as an independent depository to both buyer and seller in place of a law firm's conveyancing account. SAL will generally issue payment via cheques and optionally via cashier's orders – for e.g. for mortgage redemption purposes. Please see http://www.sal.org.sg/content/STK_convoy_money_table.aspx for an overview of the differences between SAL's service and that of conveyancing accounts.

Q75: What is the transaction fee that Singapore Academy of Law will be charging?

The charges of the appointed entities (i.e. Appointed Banks and SAL) vary from entity to entity and range from free for 1 year from 1 August 2011 to \$150 (before GST) per property transaction. For more information on the fees that would be charged by the respective appointed entities, please refer to <http://app2.mlaw.gov.sg/LinkClick.aspx?fileticket=huFbJQInlk%3d&tabid=565>. Please note

that the fees of the Appointed Banks are indicative figures only and law firms that have opened conveyancing accounts with Appointed Banks would also have been informed of the actual transaction fee that their Appointed Bank would impose for their law firm.

**Please also refer to the Singapore Academy of Law (SAL) Instructions on SAL's Conveyancing Money Service at http://www.sal.org.sg/content/STK_convoy_money_table.aspx.*

F - Escrow Accounts

Q76: If a lawyer wishes to deposit conveyancing money into an escrow account that is jointly opened with the lawyer acting for the other party in the transaction, is this escrow account a conveyancing account?

No. An escrow account is not a conveyancing account. An escrow account has been defined in Rule 2 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 as an account with a bank, or with a finance company registered under the Finance Companies Act, maintained pursuant to an escrow agreement (which has been defined under the Rules to mean an agreement between the parties to a conveyancing transaction, or between those parties and any other person or persons containing the terms and conditions relating to the operation of, the deposit of conveyancing money into, and the withdrawal of conveyancing money from, an escrow account).

Q77: Can a lawyer open an escrow account with any bank other than an Appointed Bank?

Yes. A lawyer can open an escrow account with any bank. For a listing of the Appointed Banks that provide escrow account services and their contact details, please visit <http://app2.mlaw.gov.sg/Conveyancing/EscrowServices/tabid/596/Default.aspx>.

Q78: Are there any specific legislation dealing with how the escrow account is to be operated?

No. Lawyers who wish to jointly operate the escrow account will have to enter into an escrow agreement containing the terms and conditions relating to the operation of, the deposit of conveyancing money into, and the withdrawal of conveyancing money from the escrow account.

Q79: What are some of the instances whereby the lawyers to a conveyancing transaction may wish to open an escrow account instead of a conveyancing account?

Lawyers may wish to jointly operate an escrow account when dealing with complex conveyancing transactions such as collective sales or sale of a large commercial property with many tenants or owners.

Q80: Are there any specific requirements from Law Society on the use of escrow accounts?

The Law Society currently has no rules or guidelines governing the operation of an escrow account. However, parties should be mindful that as the escrow account is not regulated under the Legal Profession (Solicitors' Accounts) Rules, the safeguards under these Rules would not apply to an escrow account. Lawyers should also be mindful of the general prohibition under section 77(2) of the Legal Profession Act against a lawyer allowing an unauthorised person to operate any bank account in the name of the lawyer or the Singapore law practice in which he practices in connection with his practice as a solicitor.

G - CPF Issues

Impact on CPF Members

Q81: Will the new measures result in additional costs for CPF members using CPF money toward the purchase of properties?

Yes, there will be charges levied by the Appointed Banks for the holding and release of CPF money. These charges will be separate from those applicable to the holding and release of other conveyancing money.

The charges of the Appointed Banks vary from bank to bank and range from free for one year from 1 August 2011 to \$150 (before GST) per property transaction. For more information on the fees that would be charged by the Appointed Banks, please refer to <https://www.mlaw.gov.sg/about-us/what-we-do/conveyancing/>. Please note that the fees of the Appointed Banks are indicative figures only and law firms that have opened conveyancing (CPF) accounts with Appointed Banks would also have been informed of the actual transaction fee that their Appointed Bank would impose for their law firm.

Q82: Are there additional procedures which CPF members will have to take note of in using CPF money towards the purchase of properties?

No. There will not be any additional procedures as far as the CPF member is concerned.

Q83: Will CPF members be allowed to choose their preferred Appointed Bank for holding their CPF money?

Yes. All the law firms on CPF Board's conveyancing panel will need to open a conveyancing (CPF) account with at least one Appointed Bank. For their CPF money, CPF members can choose or request CPF Board to appoint a law firm on CPF Board's conveyancing panel which has an account with the member's preferred Appointed Bank.

Q84: If a CPF Board member would like to use his CPF money for payment of legal costs, would CPF Board disburse this sum to the CPF Board's lawyer's conveyancing (CPF) account or client account?

If the member is seeking the release of CPF money solely for payment of legal costs/disbursements (i.e. no CPF money is used for payment of purchase price, stamp fees etc) for the conveyancing transaction, CPF Board will disburse the CPF money to the CPF Board's lawyer's client account. Please refer to the RPS Payment Submission Guidebook for CPF Board's lawyers (updated as at 26 July 2011) for the procedures. However, if the member is calling on CPF money for use in the conveyancing transaction towards purchase price, stamp fees and legal fees etc, then CPF Board will release the money including the payment of stamp and legal fees into the CPF Board's lawyer's conveyancing (CPF) account. In order for the CPF Board lawyer to withdraw this money from his conveyancing (CPF) account, his Pay-Out Form will have to be counter-signed in accordance with the First Schedule of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Payment through CPF panel law firms

Q85: Can CPF Board disburse CPF money to the payees directly, instead of disbursing the money through Appointed Banks that its panel of law firms maintain conveyancing (CPF) accounts with?
CPF Board does not have the necessary infrastructure and resources to undertake direct payment to payees. Currently, CPF money are held and disbursed to payees by the law firms on its panel. With the introduction of the new measures, CPF Board will release the CPF money to its panel of law firms' conveyancing (CPF) accounts and these law firms will issue payment instructions to its Appointed Banks to prepare payments to payees.

Q86: Is an Appointed Bank of a CPF Board's lawyer required to conduct any checks before releasing CPF money?

Yes. As with other conveyancing money, the Appointed Bank will have to ensure that the form requesting the release of CPF money has been signed by an authorised lawyer from the initiating CPF Board law firm and counter-signed by another lawyer acting for the other party.

Q87: Can CPF money be used to pay transaction costs imposed by an Appointed Bank?

Yes.

Q88: What happens when CPF money is released for servicing of monthly instalments?

With effect from 1 August 2011, where CPF money is used for monthly instalments only, CPF Board will release money directly to the mortgagee bank upon instructions from the law firm. CPF Board has sent out a circular to law firms on its panel to explain the workflow for disbursement of CPF money for the payment of monthly instalments.

Q89: For projects that are under development, if a lawyer acts for both the buyer and the CPF Board and the buyer would like to use his CPF money to make progress payment to the seller-developer, who will counter-sign for the release of the CPF money to the seller-developer?

In such cases, CPF Board will disburse the CPF money to the CPF Board's lawyer's conveyancing (CPF) account. In order for the CPF Board's lawyer to withdraw this money from his conveyancing (CPF) account, his Pay-Out Form will have to be counter-signed by the developer's lawyer. This is provided for in the First Schedule of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q90: If a member has paid for stamp duties from his own funds and subsequently seeks to be reimbursed from his CPF money, how does CPF Board go about releasing this CPF money to the member?

If the stamp duties fall within the definition of conveyancing money in Rule 2 of the Conveyancing and Law of Property (Conveyancing) Rules 2011, CPF Board will release this sum of CPF money to the conveyancing (CPF) account of the law firm that is acting for the CPF Board in this matter. The law firm will then make payment to the client/member from the conveyancing (CPF) account.

Q91: If a law firm has paid for stamp duties on behalf of its client from the law firm's own funds and the client/member would like to then use his CPF money to reimburse the law firm, how does CPF Board go about releasing this CPF money to the client/member?

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If the stamp duties were paid for purchase of a property by the law firm that is also the same law firm acting for CPF Board in this matter (e.g. the law firm acts for both the buyer/member and CPF Board), CPF Board may release this sum of CPF money to the law firm's client account as this is reimbursement for an item it has paid for by the law firm.

If the law firm that paid for these stamp duties is a different law firm from the law firm acting for CPF Board (e.g. buyer and CPF Board are separately represented), CPF Board will release this sum of CPF money to its CPF Board's law firm's conveyancing (CPF) account. The CPF Board's lawyer will then release the money to the law firm that paid for the stamp duties. The latter law firm can receive these payments in its office account as this is reimbursement for an item it has paid for.

H - HDB Issues

Q92: Will the proposed measures apply to all types of HDB transactions?

Yes. Lawyers will be prohibited from receiving conveyancing money into their regular client accounts for all property transactions, including HDB residential, commercial and industrial property transactions. Any conveyancing money received and held by lawyers must be placed in conveyancing accounts, escrow account or with the Singapore Academy of Law.

Q93: How will the measures affect HDB buyers/sellers?

For HDB resale flat transactions, the buyer typically pays the seller an option fee of not more than \$1,000 for the “Option to Purchase” form. He has to exercise the option within 14 days by paying an additional option exercise fee to the seller. The option fee and exercise fee will form the deposit, the total amount of which cannot exceed \$5,000, paid directly from buyer to seller. The measures do not affect this procedure.

However, there could be instances where the sellers and buyers engage private lawyers to act for them. Any conveyancing money, if held by the seller's or buyer's private lawyers, will be subject to the measures and must be placed in a conveyancing account or with the Singapore Academy of Law instead.

Q94: Under what circumstances will HDB flat buyers or sellers need to appoint a private lawyer to act for them?

Buyers and sellers are free to decide if they wish to appoint HDB or private lawyers to act for them. In most cases, buyers would appoint private lawyers to act for them when they take a bank loan for the purchase.

I - IRAS

Stamp duties that are conveyancing money

Q95: Are all stamp duties considered conveyancing money and hence caught by the new measures?

No, not all stamp duties are considered conveyancing money. Please refer to Rule 2 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 under the definition of "conveyancing money" on the types of stamp duties that would be considered conveyancing money. The types of stamp duties that would be considered conveyancing money are as follows:

- (a) Full stamp duty on the following
 - (i) conveyance, assignment or transfer of immovable property, i.e. buyers' and sellers' stamp duty [see Articles 3(a), (b), (ba), (bb) of First Schedule to Stamp Duties Act];
 - (ii) exchange of immovable property [see Article 6];
 - (iii) settlement involving immovable property [see Articles 3(e) and 11(a)];
 - (iv) transaction between trustees where the beneficial interest in immovable property passes [see Article 3(g)(i)];
 - (v) distribution of immovable property in specie to shareholders in company liquidation [see Article 3(h)]; and
 - (vii) gift involving immovable property [see Article 7];
- (b) stamp duty amounting to or exceeding \$5,000 on a lease, licence⁴ or tenancy, or a surrender thereof [see Articles 1, 8(a), (b) or (c) or 12].

Q96: Are stamp duties for mortgage instruments considered conveyancing money?

No. The definition of conveyancing money in Rule 2 of the Conveyancing and Law of Property (Conveyancing) Rules 2011 does not include Article 9 of the First Schedule to the Stamp Duties Act sets which deals with stamp duties for mortgage instrument.

Q97: With the introduction of the new government measures to safeguard conveyancing money, IRAS will be stopping GIRO deduction of stamp duties. Does it mean IRAS no longer allows GIRO deduction from law firm's bank account for all types of stamp duties?

No. IRAS will still allow GIRO deduction from law firms' bank accounts (as well as bank accounts of other registered users of the e-Stamping system) for those types of stamp duties that are not defined as conveyancing money. For the types of stamp duties that are considered conveyancing money, please see the definition of "conveyancing money" in Rule 2 of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q98: Are the new government measures only applicable to law firms?

No. This measure applies to all of IRAS' registered users in the e-Stamping system.

⁴ A licence agreement that amounts to a lease is liable to stamp duty.

Payment of stamp duties that are conveyancing money

Q99: Will there be changes to how buyers/sellers of properties pay stamp duties?

As per current practice, lawyers will still be able to e-stamp the document using the e-Stamping system. However, instead of GIRO payment from the law firm's client account, a payment voucher will be generated after e-stamping. With the payment voucher, the lawyer can make payment to IRAS using the stamp duty money deposited in the conveyancing account. Alternatively, the buyer/seller can pay the stamp duty directly to IRAS via a cheque/cashier's order accompanied by the payment voucher or pay at one of IRAS' Service Bureaus.

Q100: Will there be changes to how lessees and tenants of properties pay stamp duties?

If the stamp duty payable is less than \$5,000, current practice of paying stamp duties will be retained. The lawyer or estate agent will e-stamp the document using the e-Stamping system, and the stamp duties will be deducted via GIRO from the law firm's or estate agent's account.

If the stamp duty payable is \$5,000 or more, the lawyer or estate agent will still be able to e-stamp the document using the e-Stamping system. However, a payment voucher will be generated for payment to IRAS. With the payment voucher, the lawyer or estate agent can make payment to IRAS using the stamp duty money deposited in the conveyancing account. Alternatively, the buyer/seller can pay the stamp duty directly to IRAS via a cheque/cashier's order, accompanied with the payment voucher.

Q101: Are payment vouchers intended to be used for all types of stamp duties payable?

Payment vouchers are only applicable for 3 types of documents:

- (i) Sale and Purchase of immovable properties
- (ii) Transfer of immovable properties by way of Gift
- (iii) Leases, licences⁵ and tenancies for which stamp duties payable is \$5,000 or more

Current payment modes for all other documents liable for stamp duties will be retained.

Q102: How does the public make payment for their stamp duties after receiving the payment voucher from their lawyer?

There are 3 ways of payment: -

- 1) Members of the public can issue a cheque/cashier's order payable to the "Commissioner of Stamp Duties". The Document Reference Number on the payment voucher should be written on the back of the cheque/cashier's order, and the payment together with the payment voucher should be sent to:

*Inland Revenue Authority of Singapore
Singapore Post Centre
P.O. Box 394
Singapore 914014.*

- 2) Members of the public can deposit the amount for stamp duties into the law firm's conveyancing account (the cheque/cashier's order is to be made out to the lawyer in the format, "<Name of Law Firm> - CVY"). Once the lawyer receives this amount in his firm's

⁵ A licence agreement that amounts to a lease is liable to stamp duty.

conveyancing account, he can give instructions to his Appointed Bank to make payment of the stamp duties to IRAS. Please note that the lawyer's Appointed Bank that services his firm's conveyancing account may impose a fee for providing this service. Please enquire from the lawyer about this fee.

The lawyer will be able to print the stamp certificate once payment has been cleared. The payment in most cases will be cleared within 5 business days.

- 3) Members of the public can pay at Service Bureaus via NETS, cheque, cashier's order or cash at Service Bureaus operated by SingPost. If the payor is paying by cheque or cashier's order, payment must be made to "**Commissioner of Stamp Duties**". Service Bureau charges a fee of \$25 for full fledged service which includes processing requisition form, data entry, receipting payment, printing of the stamp certificate and arranging for collection of stamp certificate. For a partial service which includes receipting payment, printing of the stamp certificate and arranging for collection of stamp certificate, the fee is \$5.

Q103: If payor is not in Singapore when stamp duties are payable for his property, can he still deposit the stamp duties payable with his lawyer who then pays on the payor's behalf?

Payor can deposit the amount for stamp duties into his lawyer's conveyancing account (the cheque or cashier's order to make out to his lawyer should be to "<Name of Law Firm> - CVY"). Once his lawyer receives this amount in his firm's conveyancing account, he can give instructions to his bank to make payment of the stamp duties to IRAS. Please note that the lawyer's Appointed Bank that services his firm's conveyancing account may impose a fee for providing this service. Please enquire from the lawyer about this fee.

Q104: Will IRAS accept Fund Transfer as a mode of payment for stamp duties?

IRAS does not encourage fund transfer as this mode of payment though electronic via the bank requires manual receipting effort by IRAS and the turnaround time to receipt the Fund Transfer payment is about 7 business days provided all the necessary information required to receipt the payment are provided. Due to the long processing time required, this mode would potentially delay the issuance of the Stamp Duty Certificates.

Property buyers from overseas should purchase a demand draft in Singapore dollar drawn on a bank in Singapore to settle the payment.

Alternatively, the overseas buyer can do a telegraphic transfer ("TT") to his lawyer's conveyancing account. Before carrying out any TT, the buyer should verify the bank account number of the law firm's conveyancing account by calling the Appointed Bank servicing the law firm's conveyancing account. Once the lawyer receives this amount in his firm's conveyancing account, he will give instructions to his Appointed Bank to make payment of the stamp duties to IRAS. Please note that the lawyer's Appointed Bank that services his firm's conveyancing account may impose a fee for providing this service. Please enquire from the lawyer about this fee. The lawyer will be able to print the stamp certificate once payment has been cleared.

Q105: With the introduction of these new measures, payors are still given only 14 days to make payment of stamp duties. Will IRAS allow payor to issue them a cheque/cashier's order on the last

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day (i.e. 14th day?) or does the 14-day deadline mean the cheque/cashier's order must be cleared by the deadline?

The requirement is for IRAS to receive the cheque/cashier's order by the 14th day deadline. The cheque/cashier's order need not be cleared by the 14th day deadline. The stamp certificate will only be available for printing after the cheque/cashier's order is cleared. Please allow up to 5 working days for the stamp certificate to be ready for printing.

Q106: Does payment have to be received by IRAS within 14 days of exercising the option, or will e-stamping within 14 days be sufficient?

Yes, both stamping and full payment of stamp duty has to be made to IRAS within 14 days from the date the document is executed (signed) in Singapore. If the document is signed overseas, payment & stamping has to be made within 30 days of its receipt in Singapore.

Q107: How long will it take to receive the Certificate of Stamp Duty upon payment of the stamp duties via payment vouchers?

The lawyer will be able to print the stamp certificate once payment has been cleared. Cheques received by IRAS will be cleared within 5 business days.

Implementation Arrangements

Q108: Can a law firm try to e-Stamp and pay with a Payment Voucher before 1 August 2011?

Yes, the law firm can do so by logging in as a non-registered user at IRAS's e-stamping homepage. However, please note that the stamping done using this payment mode will not be reflected in the law firm's e-Stamping Statement of Account and the stamp certificate will only be available for printing after the cheque/cashier's order is cleared. Please allow up to 5 working days for the stamp certificate to be ready for printing. For more details on how stamp duty payment will be affected, please refer to IRAS' website at www.iras.gov.sg > Stamp Duty > Stamp Duty Payment Modes.

Q109: If, prior to 1 August 2011, a client has paid money into a lawyer's client account for the payment of stamp duties that fall within the definition of conveyancing money, will IRAS still perform GIRO deduction from the lawyer's client account or other assigned bank account of the law firm on or after 1 August 2011?

No. From 1 August 2011, IRAS will automatically cease GIRO deduction of stamp duties that are caught by the definition of conveyancing money. Law firms that are making payment of such stamp duties on behalf of their client will have to arrange for cheque/cashier's order payment.

Q110: From 1 August 2011, since there is a transitional framework, does it mean law firms are still permitted to receive money in their client account for the payment of stamp duties that are defined as conveyancing money?

No. Conveyancing money received on or after 1 August 2011 must be paid into a conveyancing account, with the Singapore Academy of Law or into an escrow account (if the lawyers acting for the respective parties decide to operate one).

J - Law Society Adjudication Scheme

Q111: How can a lawyer find out more about the adjudication scheme administered by the Law Society?

Please see Rule 20 and the Fourth Schedule of the Conveyancing and Law of Property (Conveyancing) Rules 2011, which sets out the scheme.

Q112: If the counter-signing lawyer refuses to counter-sign a Pay-Out Form or Variation Form, what avenues are available?

Either party can refer the matter for adjudication. The adjudication scheme is administered by the Law Society.

The appointed adjudicator under the scheme will be empowered to decide whether the counter-signing lawyer should or should not counter-sign the Pay-out Form/Variation Form.

Q113: How much will an adjudication cost?

In order to submit a dispute for adjudication, a deposit of \$3,000 will have to be provided. The fee for adjudication will be \$300 payable to the Law Society, plus \$800 per hour spent by the adjudicator on the adjudication. The maximum cost of an adjudication is capped at \$5,000. Please see paragraphs 3 and 10 of the Fourth Schedule of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q114: How long will the adjudication process take?

In most cases, an adjudication should be resolved within 5 days, but the time taken may be extended if the adjudicator determines that an extension is appropriate. Please see paragraphs 4(4) and (5) of the Fourth Schedule of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q115: Will the adjudication process preclude court proceedings?

The Law Society's adjudication process is not meant to replace court proceedings for substantial disputes not related to the counter-signing process. Buyers and sellers will continue to have recourse to the court for such disputes. Please see paragraph 4(6) of the Fourth Schedule of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

Q116: What will happen if the adjudication process leads to the accrual of late completion interest charges or difficulty completing a connected sale?

The adjudicator will have powers to order late completion interest in the case where disputes lead to a delay in completion, in addition to costs. Please see paragraph 5(4) of the Fourth Schedule of the Conveyancing and Law of Property (Conveyancing) Rules 2011.

K - Electronic Payment Instructions System

General queries on use of ePI

Q117: What do law firms need to have in order to use the ePI?

Each law firm will first need to have a STARS eLodgment account opened with SLA. The appointed administrator in the law firm will then have to create user accounts for the lawyers who wish to use the ePI Pay-Out Forms and Variation Forms etc can then be lodged and accessed by the lawyers through their individual user accounts.

In addition to the STARS account, each lawyer will also need to own a digital token issued by Netrust. This token will be used by the lawyer to digitally sign or counter-sign Pay-Out Forms and Variation Forms. There is a one-time administrative fee for Netrust to issue a token, and an annual maintenance fee for the use of the Netrust token.

Q118: How will buyers/sellers be affected by the introduction of the ePI?

There is minimal impact to buyers/sellers with the introduction of the ePI since buyers/sellers do not have to access this system. Buyers/sellers can be assured that there is enhanced security in the withdrawal of money from their lawyer's conveyancing account as the digital signatures cannot be forged and are more secure than physical signatures. In addition, there is an option for lawyers to inform the buyers/sellers that the payment instruction has been sent to the appointed entities, keeping buyers/sellers in the loop on the status of the transaction.

Q119: How will the self-represented buyer/seller counter-sign via ePI since they do not have a Netrust token?

SLA will offer the service of digitally signing on behalf of the self-represented buyer/seller. The self-represented buyer/seller should be informed by the lawyer acting for the other party (via the system generated email or otherwise) to appear at SLA with all the required documentation.

SLA will verify the identity of the self-represented buyer/seller listed on the Pay-Out Form. Once the identity of the self-represented buyer/seller has been verified, SLA will retrieve the Pay-Out Form from ePI and the self-represented buyer/seller will have to verify that all the information listed on the Pay-Out Form is accurate before SLA digitally signs on the buyer/seller's behalf. SLA will charge a fee of \$70 (inclusive of GST) for providing this service, and the self-represented buyer/seller will also have to pay \$16 (inclusive of GST) for a title search to be done on the subject property and bear the costs of any incidental searches required to verify his/her identity.

Q120: Can the same Netrust token used for the lodgement of instruments be used for the ePI module?

Yes. The lawyer has to use the same Netrust token for both the lodgement of instruments and to access the ePI to digitally sign or counter-sign forms.

Q121: Can ePI provide for the lodgement of Pay-In Forms?

Yes, we intend to provide for electronic Pay-In Forms to be lodged with ePI in the future. We will notify lawyers when this is ready.

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Q122: Is there a character limitation to the length of the name of a payee in the ePI Pay-Out Form?

The length used to be confined to 70 characters. We have expanded it to 100 characters. Please note that mortgagee banks have agreed to use of abbreviated names.

Q123: The payee names of banks are long. Are payors allowed to use abbreviations?

The following mortgagee banks have agreed to the use of their abbreviated names:

| No | Full Names | Abbreviated Names |
|-----------|---|--------------------------|
| a) | Australia and New Zealand Banking Group | ANZ Bank |
| b) | Bank of China Ltd | BOC |
| c) | CIMB Bank Bhd | CIMB |
| d) | Citibank Singapore Ltd | CSL |
| e) | DBS Bank Ltd | DBS |
| f) | Malayan Banking Bhd | Maybank |
| g) | Oversea-Chinese Banking Corporation Ltd | OCBC |
| h) | RHB Bank Bhd | RHB |
| i) | State Bank of India | SBI |
| j) | Standard Chartered Bank | SCB |
| k) | The Bank of East Asia Ltd | BEA |
| l) | The Hongkong and Shanghai Banking Corporation Ltd | HSBC |
| m) | United Overseas Bank Ltd | UOB |

Example 1 – Cashier’s Order payable to mortgagee banks for mortgage redemption:

Payee field details: “OCBC for a/c of James Tan & Susan Lim”

Remarks:

- (a) The above Cashier’s Order is typically paid to mortgagee banks for credit of mortgagors’/borrowers’ loan account.
- (b) The bank’s name is shortened by using the abbreviated name “OCBC” instead of the full name, “Oversea-Chinese Banking Corporation Ltd”.

Example 2 – Cashier’s Order payable to account-holding banks for credit of property developer’s project account:

Payee field details: “OCBC for project account 123-4567-890 of ABC Property Developer”

Remarks:

- (a) The above Cashier’s Order is typically paid to property developer’s project account maintained with the account-holding banks.
- (b) Similar to Example 1, the bank’s name is shortened by using the abbreviated name “OCBC” instead of the full name. The project account number and name of the property developer are also included in the payee field after the account-holding bank’s name.

Initiating lawyers

Q124: Is it possible for a lawyer from a law firm to assist in digitally signing a Pay-Out Form that has been prepared by another law firm as an initiating lawyer?

Yes. The lawyer will be able to use his/ her own existing token to perform the signing on behalf of another law firm. When using the ePI, the latter law firm that prepares the Pay-Out Form will have to select that lawyer as the second initiating lawyer from a menu in the ePI. The lawyer must be a mandatory signatory that is made known to the Appointed Bank.

Q125: If a law firm (i.e. initiating law firm) wishes to grant access to the lawyer of another law firm to act as the second signatory for the initiating law firm before it is counter-signed by the lawyer acting for the other party, how does the initiating law firm go about doing that?

If the initiating law firm wishes to ask a lawyer from another law firm to act as a second signatory, at the time of preparation of a Pay-Out Form in the ePI, the initiating law firm will have to select through ePI the name of the law firm and, from there, the name of the lawyer that will have the right to access the Pay-Out Form and to sign it. Please note that if the second signatory is not available to sign the Pay-Out Form, any other lawyer that shares the same lodger account as him/her can also view and sign the form. However initiating law firm's Appointed Bank will not process the Pay-Out Form if any of the signatories from the initiating law firm do not match the mandate the initiating law firm had previously specified to its Appointed Bank.

Q126: Can a finance officer of a law firm be a signatory to use the ePI and digitally sign forms?

No. Only lawyers holding Netrust tokens who are also registered STARS eLodgment users can digitally sign on ePI Pay-Out Forms. Pay-Out Forms can be digitally signed by either one or two initiating lawyers (only one is required by law).

However, if law firms wish to impose additional safeguards by having additional lawyers or other personnel within the law firm (such as finance officers) to also sign on Pay-Out Forms before payment can be authorised, these endorsements would have to be made on hardcopy duplicates of the completed Pay-Out Form, and submitted to the Appointed Bank separately, or at the point of collection of the cashier's orders. Law firms will have to discuss such arrangements with their Appointed Banks.

Signing/Counter-signing

Q127: Can a lawyer lodge a Variation Form with ePI if he/she would like to change the particulars in a previously submitted Change of Counter-Signatory Form (CCSF Form)?

No. A Variation Form cannot be used for this purpose. A new CCSF Form will have to be lodged to supersede the earlier one. Lawyers can use the 'Copy' module to copy over some of the information from the previous CCSF Form to the new CCSF Form.

Q128: How does a law firm (i.e. initiating law firm) grant access to the counter-signing law firm to access the form that has been lodged with ePI by the initiating law firm?

Access will be granted to the counter-signing lawyer listed in the 'Counter-Signatory' section at the time of preparation. Please note that if the counter-signing lawyer is not available (e.g. on

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leave), any of the lawyers within the same lodger account as the listed counter-signing lawyer can also view and sign the form.

Q129: How can a law firm (i.e. initiating law firm) check if the counter-signatory has counter-signed the form that was lodged with ePI?

The initiating law firm may search for the form using the 14-character access key or any of the other available search criteria to check on the status of the form. Please refer to the Guidebook on Conveyancing Measures (which can be found at <https://www.mlaw.gov.sg/about-us/what-we-do/conveyancing/>) for a detailed explanation on the various statuses.

Initiating law firms will also be copied in the email notification to the counter-signatory requesting the counter-signing lawyer to counter-sign the form, and in the email notification to the appointed entity when the form has been counter-signed.

Q130: Can the counter-signatory view a form once it has been submitted to the relevant appointed entity?

Yes, the counter-signatory can view the submitted form. However, the softcopy form viewed by the counter-signatory will have a 'DUPLICATE' watermark on the PDF document that will also appear on printed hardcopies, and will not have the digital signatures displayed in the document.

Lodgement-related issues

Q131: If the initiating law firm detects an error in a form that it has lodged with ePI and pending counter-signing, how can it rectify the error?

The law firm should notify the counter-signatory that the form is incorrect. Once a form has been signed by one party and lodged, no further amendments can be made to the form. As such, the initiating law firm will have to delete the original form and re-lodge a new form with the accurate details. Note: once the form has been counter-signed and submitted to the Appointed Bank/SAL, instead of deleting and re-lodging the form, it will be necessary to complete and lodge a Variation Form (or Change of Counter-signatory Form) instead.

Q132: Can Appointed Banks/SAL search for the submitted Pay-Out Form?

Upon submission of the form, an email notification will be sent to the relevant Appointed Bank or SAL (as applicable). Persons with valid email addresses entered into the 'My Email' field at the time of preparation of the form will also be copied in the same email that is sent to the Appointed Bank/SAL. Please note that there will be no reminder emails and there will be no prompts for any errors encountered during the sending of the emails.

Alternatively, the Appointed Bank/SAL may search for the form using the 14-character access key or any of the other available search criteria to check on the status of the form. Forms with status indicated as 'Submitted' will be available for retrieval by the Appointed Bank/SAL.

Q133: Why is some information entered into the Pay-Out Form that is lodged with ePI not reflected in the PDF version of the form?

The PDF form is intended to be viewed by the Appointed Banks or SAL, and closely replicates the information that would have been made available through the hardcopy forms. As such, it contains the necessary instructions for the bank/SAL to process payment. Certain information, such as email

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addresses and lodger account number, are not reflected in the PDF form as these information are only required to facilitate the routing of forms through the system. Thus, such information are not reflected in the PDF form.

Q134: How long are lodged forms stored with the ePI? Are they deleted once the Appointed Bank/SAL have processed them?

The forms are kept with ePI for one year and archived thereafter. In the event that the form is required after it has been archived, a fee will be levied for the retrieval of the forms from the archive. SLA will require the 14-character access key for the form in order to retrieve it. The forms will be deleted from the archive after seven years.

Lodgement fees

Q135: How much will the Singapore Land Authority (SLA) be charging for lodgement of electronic forms through their Electronic Payment Instructions (ePI) Service?

The cost of lodging a Pay-Out Form, Variation Form, and Change of Counter-Signatory Form is the same at \$16.05 (inclusive of GST) per form. These fees are also published at <https://www.mlaw.gov.sg/about-us/what-we-do/conveyancing/>.

Q136: When will a law firm be charged for the lodgement of the form?

Once all initiating lawyers sign on the form, the lodgement fee will be deducted from the lodger account specified in the form in the next Inter-Bank GIRO run. A receipt will also be generated, at the point of deduction, for the law firm's retention. This applies to all forms except for the Change of Counter-Signatory Form (CCSF Form). The receipt for CCSF Form will only be generated after the form invalidation screen is closed.

Please ensure that all the information is accurate before signing on any form.

Technical issues

Q137: Can a lawyer request for an additional Netrust token for the sole purpose of accessing ePI? No. Each lawyer will only be allowed to own one Netrust token. The Netrust token represents the individual and identifies the individual just as the NRIC/FIN number, or SINGPASS does.

Q138: Can a lawyer change how his/her name is to be displayed in the digital signature? No. The lawyer will not be able to change the way his/her name is displayed on the digital signature as the names are retrieved from the lawyer's Netrust token and is controlled by Netrust.

Q139: What happens if the ePI is not available?

There are three possible scenarios:

1. Disruptions to ELS only. In the event that the ELS is down for more than an hour, an email will be sent to law firms to inform them of the downtime. In addition, notices will be placed on INLIS and the ELS notification page (if available), with an estimation of the time service should resume.
If forms have been successfully lodged (and counter-signed where necessary) and transferred to INLIS prior to the ELS disruption, the appointed Bank/SAL should process

these forms as usual. However, in the event that forms have been lodged but not successfully transferred to INLIS, Appointed Bank/SAL officers may be approached by account holder law firms to retrieve the lodged forms from ELS. For non-urgent pay-outs, no action is taken until service resumes.

Should ELS fail to resume after the estimated time period, account holder law firms may also trigger the manual payment instruction workflow for urgent pay-outs.

2. **Disruptions to INLIS only.** In the event INLIS is down, an email will be sent to the Appointed Banks/SAL to inform them of the downtime. In addition, a notice will be placed on ELS. Both notifications will contain an estimation of the time service should resume. In the event the INLIS service is not resumed after the estimated resumption time, the bank representatives should assess each case and contact and retrieve the payment instructions from SLA directly for urgent pay-outs.
3. **Disruptions to both INLIS and ELS.** Should the entire ePI Service be unavailable for an extended period of time, Appointed Banks/SAL should have in place manual processes to allow law firms to effect payment out of their conveyancing accounts in the interim. The initiating lawyer will have to fax in signed hardcopy forms to the Appointed Bank/SAL. Thereafter, the initiating lawyer will have to arrange for the counter-signer to counter-sign the faxed form at the Appointed Bank/SAL in person. For cases where HDB/CPF Board are counter-signatories, the hardcopy form should be despatched to HDB/CPF Board where it will be counter-signed and a copy faxed to the Appointed Bank/SAL, while the original is returned to the initiating law firm.

Q140: What happens if a lawyer forgets his/her Netrust password?

The lawyer will have to call personally at Netrust Pte Ltd to reset his/her password with Netrust, which will re-issue a Netrust Digital Certificate. An administrative cost will be levied for the reissuance of certificates. Please visit the Netrust website (www.netrust.net) for more details.

STARS Account Management Questions

Q141: How does a law firm apply for a lodgement account?

The law firm will need to complete the following forms:-

- IBG application form
- Administrator's account application form

Please send the completed forms together with a letter stating the law firm's particulars and name and contact number of the contact person to Singapore Land Authority at the following address:-

Singapore Land Authority
55 Newton Road #12-01
Revenue House
Singapore 307987
Attn: Mr Lim Boon Thye.

The law firm can download the IBG application form and Administrator's account application form from the STARS eLodgment website at www.stars.gov.sg

Q142: Who can create accounts for the staff of the law firm to access the STARS ELS from which the staff can prepare forms to be lodged through ePI?

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The STARS eLodgment administrator assigned by the law firm will create and manage the user accounts. The law firm can appoint up to 4 administrators.

Q143: What should a person do when he/she receives an email containing his/her STARS eLodgment user account ID (and password)?

This refers to the login ID and password for access to STARS. The person should log in to STARS eLodgment using the account ID and password and change his/her password IMMEDIATELY. The person can then proceed to use the system to prepare Pay-Out Forms (but not sign)

Please note that for a Netrust account, the lawyer will receive a separate email with only the login ID. The login password is the Netrust token password given or set during collection of the Netrust token.

Q144: What should a person do if he/she forgets his/her user account login password?

If the person is not the administrator he/she may request the law firm's administrator to reset his/her password.

Once the password has been reset, the person will receive an email from STARS eLodgment system informing him/her of the new password.

If the person is the administrator, he/she may call the STARS eLodgment helpdesk at telephone number: 6778 3606 to request for his/her password to be reset.

Q145: Why do lawyers receive only the user account ID from STARS eLodgment when their accounts are created?

As lawyers will be logging in to STARS eLodgment via Netrust Login using their digital certificate, they will be using the password issued for their digital certificate. As such, there is no need to issue another password to them.

Q146: How can a person verify his/her personal information such as name, email address?

The person can ask his/her administrator for assistance.

Q147: How can a person find out who are the registered STARS eLodgment users for his/her law firm?

The person can ask his/her administrator to print a list of the registered STARS eLodgment users according to their roles such as lawyer, conveyancing staff, finance officer, etc.

Q148: What should a law firm do when a registered STARS eLodgment user leaves the law firm?

The administrator of the law firm should take immediate steps to remove the user from the list of registered STARS eLodgment users, so as to avoid the risk of unauthorised activity on the law firm's account.

Technical Questions

Q149: How much hard disk space is needed in a computer to install STARS eLodgment?

For installing STARS eLodgment only, the C drive will need to have at least 300MB of available hard-disk space. The user will be given a choice whether to install/upgrade his/her Internet Explorer and Acrobat Reader. If the user wishes to install all the components provided, he/she will need at least 400MB of available hard disk space in the C drive.

Q150: Can a Macintosh or Linux user use STARS eLodgment?

No. Macintosh and Linux are not supported. Netrust programs can only work on a Windows 32 bit environment.

Q151: Can a Windows 7 64 bit user use STARS eLodgment?

The user can use Windows 7 64 bit with Internet Explorer (IE) 32-bit.

The executable for IE 32-bit is located here:

C:\Program Files (x86)\Internet Explorer\iexplore.exe

The executable for IE 64-bit is located here:

C:\Program Files\Internet Explorer\iexplore.exe

Q152: What are the versions of the Internet Explorer browser supported by STARS eLodgment?

Internet Explorer 6 and 7 are fully supported. For Internet Explorer 8, the user will have to turn on the compatibility mode. If the user encounter any problem with IE8, please call STARS helpdesk at 6778 3606 immediately. All other versions including older and beta versions of Internet Explorer are not supported.

Q153: Can any browser other than Internet Explorer be used?

No. All other browsers are not supported.

Q154: What are the applicable versions of Adobe Acrobat Reader?

Adobe Acrobat Reader 5.5 and above, except for Adobe Acrobat X, are fully supported. Compatibility issues between Adobe Acrobat Reader 7 and the Netrust programs have been encountered. Users using Adobe Acrobat Reader 7 are advised to upgrade to Adobe Acrobat Reader 8 or Adobe Acrobat Reader 9.

Users may download other versions of Adobe Acrobat Reader from <https://get.adobe.com/reader/otherversions/>.

Q155: What are the applicable versions of Java?

We recommend Java version 6 update 18 for ePI. Enhancement are in progress to resolve the issues encountered during PDF viewing/signing with Java version 6 update 20 and above.

Users who require updated versions of Java for other programmes may install multiple versions of Java on the same machine.

Java Runtime Environment Update 18 can be downloaded from <http://java.sun.com/products/archive/j2se/6u18/index.html>. Installation instructions can be found at the above-mentioned site.

To enable a particular Java update, open the Java Control Panel from the Windows Control Panel and click on the Java tab. Click on the "View" button to enable the required Java version(s).

Q156: What can the user do if he/she cannot see the PDF document during digital signing?

The user should ensure that he/she has one of the recommended Internet Explorer, Acrobat Reader and Java versions installed.

The user should also check that he/she has added STARS ELS in the Trusted Site. To do so, click on the Internet Explorer tools->security settings to see if "<https://www.stars.gov.sg>" has been added as a trusted domain and enable all ActiveX download/operations within this domain.

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Q157: What should a user do if he/she is not able to log in to Netrust?

The user needs to ensure that his/her token is with the EESP V2 certificate and his/her computer is installed with SafeNet Borderless Security & ikey Driver. If it has not been installed, the user can install it from the CD given to him/her by Netrust when he/she previously applied for his/her digital certificate.

If the user had a firewall installed, he/she should check if the following IPs/ports are opened and available for STARS eLodgment:

- a. ldap1.netrust.net (203.116.162.168) Port 389
- b. authority1.netrust.net (203.116.162.138) Port 829

For all other questions or problems encountered with the ePI system, please contact the STARS helpdesk at 6778 3606 or at starshelp@ncs.com.sg.