



Solicitors Act 1974

1974 CHAPTER 47

PART II

PROFESSIONAL PRACTICE, CONDUCT AND DISCIPLINE OF SOLICITORS AND CLERKS

Accounts etc.

32 Accounts rules and trust accounts rules.

- (1) The Council shall make rules, with the concurrence of the Master of the Rolls—
- (a) as to the opening and keeping by solicitors of accounts at banks [^{F1}or with building societies] for clients' money; and
 - (b) as to the keeping by solicitors of accounts containing particulars and information as to money received or held or paid by them for or on account of their clients; and
 - (c) empowering the Council to take such action as may be necessary to enable them to ascertain whether or not the rules are being complied with;
- and the rules may specify the location of the . . . ^{F2}branches at which the accounts are to be kept.
- (2) The Council shall also make rules, with the concurrence of the Master of the Rolls—
- (a) as to the opening and keeping by solicitors of accounts at banks [^{F1}or with building societies] for money comprised in controlled trusts; and
 - (b) as to the keeping by solicitors of accounts containing particulars and information as to money received or held or paid by them for or on account of any such trust; and
 - (c) empowering the Council to take such action as may be necessary to enable them to ascertain whether or not the rules are being complied with;
- and the rules may specify the location of the ^{F2}. . . branches at which the accounts are to be kept.
- (3) If any solicitor fails to comply with rules made under this section, any person may make a complaint in respect of that failure to the Tribunal.

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- (4) The Council shall be at liberty to disclose a report on or information about a solicitor's accounts obtained in the exercise of powers conferred by rules made under subsection (1) or (2) ^{F3}. . . for use in investigating the possible commission of an offence by the solicitor and ^{F3}. . . for use in connection with any prosecution of the solicitor consequent on the investigation.
- (5) Rules under this section may specify circumstances in which solicitors or any class of solicitors are exempt from the rules by virtue of their office or employment.
- [^{F4}(6) For the purposes of this section and section 33 references to clients' money and money of a kind mentioned in subsection (1)(b) of this section or (1)(a) of section 33 include references to money held by a solicitor as a stakeholder (whether or not paid by a client of his).]

Textual Amendments

- F1** Words in s. 32(1)(2) inserted by Building Societies Act 1986 (c. 53, SIF 16), ss. 53(3)(a)(5), 120(1), **Sch. 18 para. 11(2)**
- F2** Word repealed by Building Societies Act 1986 (c. 53, SIF 16), **ss. 54(3)(a)(5), 120**, Sch. 18 para. 11(2), Sch. 19 Pt. I
- F3** Words in s. 32(4) repealed (27.9.1999) by 1999 c. 22, ss. 48, 106, Sch. 7 para. 2(a), **Sch. 15 Pt. II** (with Sch. 14 paras. 7(2), 36(9)); S.I. 1999/2657, art. 2(a)(d)(ii)(a), **Sch. 2 Pt. I**
- F4** S. 32(6) inserted (1.6.1992) by Courts and Legal Services Act 1990 (c. 41, SIF 37), s. 125(3), **Sch. 18 para. 13**; S.I. 1992/1221, art. 2, **Sch.**

Modifications etc. (not altering text)

- C1** S. 32 extended (14.10.1991) by Courts and Legal Services Act 1990 (c. 41, SIF 76:1), **s. 89(3)(a)(ii) (4)**; S.I. 1991/1883, art. 3, **Sch.**
- C2** S. 32 extended (22.5.2000) by S.I. 2000/1119, regs. 1, 37(3), **Sch. 4 para. 1(3)**
- C3** S. 32(3) extended by S.I. 2000/1119, reg. 37(2), Sch. 4 para. 7(2) (as amended (16.9.2004) by The European Communities (Lawyer's Practice) (Amendment) Regulations 2004 (S.I. 2004/1628), **reg. 7(1)**)

33 Interest on clients' money.

- (1) Rules made under section 32 shall make provision for requiring a solicitor, in such cases as may be prescribed by the rules, either—
- (a) to keep on deposit in a separate account at a bank [^{F5}or with a building society] for the benefit of the client money received for or on account of a client; or
 - (b) to make good to the client out of the solicitor's own money a sum equivalent to the interest which would have accrued if the money so received had been so kept on deposit.
- (2) The cases in which a solicitor may be required by the rules to act as mentioned in subsection (1) may be defined, among other things, by reference to the amount of any sum received or the period for which it is or is likely to be retained or both; and the rules may include provision for enabling a client (without prejudice to any other remedy) to require that any question arising under the rules in relation to the client's money be referred to and determined by the Society.
- (3) Except as provided by the rules, a solicitor shall not be liable by virtue of the relation between solicitor and client to account to any client for interest received by the solicitor

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on money deposited at a bank [^{F5}or with a building society] being money received or held for or on account of his clients generally.

- (4) Nothing in this section or in the rules shall—
- (a) affect any arrangement in writing, whenever made, between a solicitor and his client as to the application of the client’s money or interest on it; ^{F6} . . .
- ^{F6}(b)

Textual Amendments

F5 Words inserted by [Building Societies Act 1986 \(c. 53, SIF 16\)](#), **ss. 54(3)(a)(5)**, 120, Sch. 18 para. 11(3)

F6 [S. 33\(4\)\(b\)](#) and the word “or” immediately preceding it repealed (1. 6. 1992) by [Courts and Legal Services Act 1990 \(c. 41, SIF 76:1\)](#), s. 125(7), **Sch. 20**; S.I. 1992/1221, art. 2, **Sch.**

Modifications etc. (not altering text)

C4 [S. 33](#) extended (22.5.2000) by [S.I. 2000/1119](#), regs. 1, 37(3), **Sch. 4 para. 7(2)** (as amended (1.7.2009) by [The Legal Services Act 2007 \(Registered European Lawyers\) Order 2009 \(S.I. 2009/1587\)](#), **art. 3(7)(a)**)

[^{F7}33A Inspection of practice bank accounts etc.

- (1) The Council may make rules, with the concurrence of the Master of the Rolls, empowering the Council to require a solicitor to produce documents relating to any account kept by him at a bank or with a building society—
- (a) in connection with his practice; or
- (b) in connection with any trust of which he is or formerly was a trustee, for inspection by a person appointed by the Council pursuant to the rules.
- (2) The Council shall be at liberty to disclose information obtained in exercise of the powers conferred by rules made under subsection (1) for use in investigating the possible commission of an offence by the solicitor and for use in connection with any prosecution of the solicitor consequent on the investigation.]

Textual Amendments

F7 [S. 33A](#) inserted (27.9.1999) by [1999 c. 22](#), s. 48, **Sch. 7 para. 3** (with [Sch. 14 para. 7\(2\)](#)); S.I. 1999/2657, **art. 2(a)**

Modifications etc. (not altering text)

C5 [S. 33A](#) extended (22.5.2000) by [S.I. 2000/1119](#), regs. 1, 37(3), **Sch. 4 para. 1(3)**

C6 [S. 33A\(2\)](#) extended (22.5.2000) by [S.I. 2000/1119](#), **regs. 1,37(3)**, Sch. 4 para. 7(2)

34 Accountants’ reports.

- (1) Every solicitor shall once in each period of twelve months ending with 31st October, unless the Council are satisfied that it is unnecessary for him to do so, deliver to the Society, whether by post or otherwise, a report signed by an accountant (in this section referred to as an “accountant’s report”) and containing such information as may be prescribed by rules made by the Council under this section.

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- (2) An accountant's report shall be delivered to the Society not more than six months (or such other period as may be prescribed by rules made under this section) after the end of the accounting period [^{F8}for the purposes of] that report.
- (3) Subject to any rules made under this section, the accounting period for the purposes of an accountant's report—
- (a) shall begin at the expiry of the last preceding accounting period for which an accountant's report has been delivered;
 - (b) shall cover not less than twelve months; and
 - (c) where possible, consistently with the preceding provisions of this section, shall correspond to a period or consecutive periods for which the accounts of the solicitor or his firm are ordinarily made up.
- (4) The Council shall make rules to give effect to the provisions of this section, and those rules shall prescribe—
- (a) the qualification to be held by an accountant by whom an accountant's report is given;
 - (b) the information to be contained in an accountant's report;
 - (c) the nature and extent of the examination to be made by an accountant of the books and accounts of a solicitor or his firm and of any other relevant documents with a view to the signing of an accountant's report;
 - (d) the form of an accountant's report; and
 - (e) the evidence, if any, which shall satisfy the Council that the delivery of an accountant's report is unnecessary and the cases in which such evidence is or is not required.
- (5) Rules under this section may include provision—
- (a) permitting in such special circumstances as may be defined by the rules a different accounting period from that specified in subsection (3); and
 - (b) regulating any matters of procedure or matters incidental, ancillary or supplemental to the provisions of this section.
- [^{F9}(5A) Without prejudice to the generality of subsection (5)(b), rules under this section may make provision requiring a solicitor in advance of delivering an accountant's report to notify the Society of the period which is to be the accounting period for the purposes of that report in accordance with the preceding provisions of this section.]
- (6) If any solicitor fails to comply with the provisions of this section or of any rules made under it, a complaint in respect of that failure may be made to the Tribunal by or on behalf of the Society.
- (7) A certificate under the hand of the Secretary of the Society shall, until the contrary is proved, be evidence that a solicitor has or, as the case may be, has not delivered to the Society an accountant's report or supplied any evidence required under this section or any rules made under it.
- (8) Where a solicitor is exempt from rules under section 32—
- (a) nothing in this section shall apply to him unless he takes out a practising certificate;
 - (b) an accountant's report shall in no case deal with books, accounts or documents kept by him in the course of employment by virtue of which he is exempt from those rules; and

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- (c) no examination shall be made of any such books, accounts and documents under any rules made under this section.

Textual Amendments

- F8** Words substituted by [Administration of Justice Act 1985 \(c. 61, SIF 34\)](#), s. 8, **Sch. 1 para. 9**
F9 [S. 34\(5A\)](#) added by [Administration of Justice Act 1985 \(c. 61, SIF 34\)](#), s. 8, **Sch. 1 para. 9(b)**

Modifications etc. (not altering text)

- C7** [S. 34](#) extended (14.10.1991) by [Courts and Legal Services Act 1990 \(c. 41, SIF 76:1\)](#), s. **89(3)(a)(iii)** (**4**); [S.I. 1991/1883](#), art. 3, **Sch.**
[S. 34](#) extended (22.5.2000) by [S.I. 2000/1119](#), regs. 1, 37(3), **Sch. 4 para. 1(3)**
C8 [S. 34\(1\)\(2\)](#) extended (1.1.1992) by [Administration of Justice Act 1985 \(c. 61, SIF 34\)](#), s. 9, **Sch. 2 para. 5(1)(a)**; [S.I. 1991/2683](#), art. 2

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