

LEGAL PRACTITIONERS' ACCOUNTS RULES 1964

Part I – Interpretation

1. These Rules may be cited as the Legal Practitioners' Accounts Rules, 1964 and shall come into operation on the 22nd day of August 1964.

2. (1) In these Rules, unless the context otherwise requires:

“Clients” shall include any person on whose account a legal practitioner holds or receives client’s money.

“Client’s money” shall mean money held or received by a legal practitioner on account of a person for whom he is acting in relation to the holding or receipt of such money either as a legal practitioner or, in connection with his practice as a legal practitioner, as agent, bailee, stakeholder or in any other capacity; provided that the expression “client’s money” shall not include:

(a) Money held or received on account of the trustees of a trust of which the legal practitioner is a solicitor-trustee, or

(b) Money to which the only person entitled is the legal practitioner himself, or, in the case of a firm of legal practitioners, one or more of the partners in the firm;

“Trust money” shall mean money held or received by a legal practitioner which is not client’s money and which is subject to a trust of which the legal practitioner is a trustee whether or not he is solicitor-trustee of such trust.

“Client account” shall mean a current or deposit account at a bank in the name of the legal practitioner in the title of which the word “client” appears.

“Solicitor-trustee” shall mean a legal practitioner who is a sole trustee or who is co-trustee only with a partner, clerk or servant of his or with more than one of such persons.

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"Trust bank account" shall mean a current or deposit account in the title of which the word "trustee" or "executor" appears, kept at a bank in the name of the trustees of the trust and kept solely for money subject to a particular trust of which the legal practitioner is solicitor-trustee.

These Rules dated the 22nd day of August, 1964 were made by the General Council of the Bar and approved by the Attorney-General under Section 15 of the Legal Practitioners' Act 1962.

- (2) Other expressions in these Rules shall have the meanings assigned to them by the Legal Practitioners' Act 1962
- (3) The Interpretation Act shall apply to these Rules in the same manner as it applies to an Act of Parliament.

Part II – Client accounts

3. Subject to the provisions of Rule 9 hereof, every legal practitioner who holds or receives client's money, or money, which under Rule 4 hereof he is permitted and elects to pay into a client account, shall without delay pay such money into a client account. Any legal practitioner may keep one client account or as many such accounts as he think fit.
4. There may be paid into a client account --
 - (a) trust money;
 - (b) such money belonging to the legal practitioner as may be necessary for the purpose of opening or maintaining the account.
 - (c) Money to replace any sum which may by mistake or accident have been drawn from the account in contravention of sub-rule (2) of Rules 8 of these Rules; and
 - (d) a cheque or draft received by the legal practitioner, which under Rule 5 of these Rules he is entitled to split but which he does not split.

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5. Where a legal practitioner holds or receives a cheque or draft which includes client's money or trust money of one or more trusts:
 - (a) he may where practitioner split such cheque or draft and; if he does so, he shall deal with each part thereof as if he had received a separate cheque or draft in respect of that part; or
 - (b) if he does not split the cheque or draft, he shall, if any part thereof consists of client's money, and may in any other case, pay the cheque or draft into a client account.
6. No money other than money which, under the foregoing Rules a legal practitioner is required or permitted to pay into a client account shall be paid into a client account.
7. There may be drawn from a client account:
 - (a) in the case of a client's money:
 - (i) money properly required for a payment to or on behalf of the client;
 - (ii) money properly required for or towards payment of a debt due to the legal practitioner from the client which the client has acknowledged in writing or any reimbursement of money expended by the legal practitioner on behalf of the client of which notification in writing has been given to the client;
 - (iii) money drawn on the client's authority; and
 - (iv) money properly required for or towards payment of the legal practitioner's costs where a bill of costs or other written intimation of the amount of the costs incurred has been delivered to the client and the client has been notified in writing that money held for him will be applied towards or in satisfaction of such costs;
 - (b) in the case of trust money:
 - (i) money properly required for a payment in the execution of the particular trust, and
 - (ii) money to be transferred to a separate bank account kept solely for the money of the particular trust;

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(c) such money, not being money to which either paragraph (a) or paragraph (b) of this Rule applies as may have been paid into the account under paragraph (b) or paragraph (d) of Rule 4 of these Rules, and

(d) money which may by mistake or accident have been paid into the account in contravention of Rule 6 of these Rules;

Provided that in any case under paragraph (a) or paragraph (b) of this Rule the money so drawn shall not exceed the total of the money held for the time being in such account on account of such client or trust.

8. (1) No money drawn from a client account under sub-paragraph (ii) or sub-paragraph (iv) of paragraph (a), or under paragraph (c) of Rule 7 of these Rules shall be drawn except by:

- (a) a cheque drawn in favour of the legal practitioner, or
- (b) a transfer to a bank account in the name of the legal practitioner not being a client account.

(2) No money other than money permitted by Rule 7 to be drawn from a client account shall be so drawn unless the Bar Council upon an application made to them by the legal practitioner specifically authorise in writing its withdrawal.

9. (1) Notwithstanding the provisions of these Rules, a legal practitioner shall not be under obligation to pay into a client account client's money held or received by him:

- (a) which is received by him in the form of cash and is without delay paid in cash in the ordinary course of business to the client or a third party; or
- (b) which is received by him in the form of a cheque or draft which is endorsed over in the ordinary course of business to the client or a third party and is not passed by the legal practitioner through a bank account; or
- (c) which he pays into a separate banking account opened or to be opened in the name of the client or of some person named by the client.

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- (2) Notwithstanding the provisions of these Rules, a legal practitioner shall not pay into a client account client's money held or received by him:
- (a) which the client for his own convenience by notification in writing requests the legal practitioner to withhold from such account; or
 - (b) which is received by him for or towards payment of a debt due to the legal practitioner from the client which debt the client has acknowledged in writing or in reimbursement of money expended by the legal practitioner on behalf of the client particulars of which have been notified in writing to the client; or
 - (c) which is paid to him expressly on account of costs incurred, in respect of which a bill of costs or other written intimation of the amount of the costs has been delivered, or as an agreed fee, or an account of an agreed fee, for business undertaken or to be undertaken.
- (3) Where a cheque or draft includes other client's money as well as client's money of the nature described in sub-rule (2) of this Rule such cheque or draft shall be dealt with in accordance with Rule 5 of these Rules.
- (4) Notwithstanding the provisions of these Rules the Bar Council may upon an application made to them by a legal practitioner specifically authorise him in writing to withhold any client's money from a client account.
10. (1) Every legal practitioner shall at all time keep properly written up such books and accounts as may be necessary:
- (a) To show all his dealings with:
 - (i) Client's money held, received or paid by him, and
 - (ii) Any other money dealt with by him through a client account, and
 - (b) To distinguish such money held, received or paid by him on account of such separate client and to distinguish such money from other money held, received or paid by him on any other account.

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- (2) (a) All dealings referred to in paragraph (1) of this Rule shall be recorded in:
- (i) a clients' cash book, or a clients' column on the credit or debit side (as may be appropriate) of a cash book, and
 - (ii) a clients' ledger, or a clients' column on the credit side or debit side (as may be appropriate) of a ledger, and no other dealings shall be recorded in such clients' cash book and ledger. or, as the case may be, in such clients' columns, and
- (b) all dealings of the legal practitioner relating to his practice as a solicitor other than those referred to in paragraph (1) (a) of this Rule shall (subject to compliance with the provisions of Part III of these Rules) be recorded (as may be appropriate) in such (if any) other columns of a cash book and ledger as the legal practitioner may choose to maintain.
- (3) In addition to the books and accounts referred to in paragraph (2) of this Rule, every legal practitioner shall keep a record of all bills of costs (distinguishing between profit costs and disbursements) and of all written intimations under Rule 7 (a) (iv) of these Rules delivered by the legal practitioner to his clients, which record shall be contained in a bills delivered book or a file of copies of such bills and intimations.
- (4) In this Rule each of the expressions 'book', 'ledger' and 'record' shall be deemed to include a loose-leaf book and such cards or other permanent documents as are necessary for the operation of a mechanical system of book-keeping.
- (5) Every legal practitioner shall preserve for at least six years from the date of the last entry therein all books, accounts and records kept by him under this Rule.
11. A written intimation of the amount of a legal practitioner's costs incurred and a notification to a client that money held for him will be applied as mentioned in sub-paragraph (iv) of paragraph (a) of Rule 7 of these Rules may be delivered to a client in the same manner as a bill of costs is required to be delivered under subsection (2) of section 11 of the Legal Practitioners Decree, 1975.

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12. Nothing in these Rules shall deprive a legal practitioner of any recourse or right, whether by way of lien, set-off, counter-claim, charge or otherwise, against moneys standing to the credit of a client account.

Part III – Trust accounts

13. Subject to the provisions of Rule 19 of these Rules. every solicitor-trustee who holds or receives money subject to a trust of which he is solicitor- trustee, other than money which is paid into a client account as permitted by these Rules. shall without delay pay such money into the trust bank account of the particular trust.

14. There may be paid into a trust bank account:

- (a) money subject to the particular trust;
- (b) such money belonging to solicitor trustee or to a co-trustee of his as may be necessary for the purpose of opening or maintaining the account; or
- (c) money to replace any sum which may by mistake or accident have been drawn from the account in contravention of Rule 8 of these Rules.

15. Where a legal practitioner holds or receives a cheque or draft which includes money subject to a trust or trusts of which the solicitor is solicitor-trustee:

- (a) he shall where practicable split such cheque or draft and, if he does so, shall deal with each part thereof as if he has received a separate cheque or draft in respect of that part; or
- (b) if he does not split the cheque or draft, he may pay it into a client account as permitted by these Rules.

16. No money, other than money which under the foregoing Rules a legal practitioner is required or permitted to pay into a trust bank account, shall be paid into a trust bank account.

17. There may be drawn from a trust bank account:

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- (a) money properly required for a payment in the execution of the particular trust;
- (b) money to be transferred to a client account;
- (c) such money, not being money subject to the particular trust, as may have been paid into the account under paragraph (b) of Rule 14 of these Rules; or
- (d) money which may by mistake or accident have been paid into the account in contravention of Rule 16 of these Rules

18. No money other than money permitted by Rule 17 of these Rules to be drawn from a trust bank account shall be so drawn unless the Bar Council upon an application made to them by the legal practitioner expressly authorise in writing its withdrawal.

19. Notwithstanding the provisions of these Rules a legal practitioner shall not be under obligation to pay into a trust bank account money held or received by him which is received by him either in the form of cash which is without delay paid in cash in the execution of the trust to a third party or in the form of a cheque or draft which is without delay endorsed over in the execution of the trust to a party and is not passed by the legal practitioner through a bank account.

20. (1) Every solicitor-trustee shall at all times keep properly written up such books and accounts as may be necessary:

- (a) to show separately all his dealings with money held, received or paid by him on account of each trust of which he is solicitor-trustee, or
- (b) to distinguish the same from money held, received or paid by him on any other account.

(2) Every solicitor-trustee shall preserve for at least six years from the date of the last entry therein all books and accounts kept by him under sub-rule (1) of this Rule

Part IV – Inspection and Enforcement

21. (1) In order to ascertain whether these Rules have been complied with, the Bar Council, acting either;

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- (a) on their own motion; or
 - (b) on a written statement on request transmitted to them by or on behalf of any Branch of the Nigerian Bar Association; or
 - (c) on a written complaint lodged with them by a third party, may require any legal practitioner to produce at a time and place to be fixed by the Bar Council, his books of account, bank pass books, loose leaf bank statements of account, vouchers and any other necessary documents for the inspection of an accountant appointed by the Bar Council and report on the result of such inspection. Such report may, be used as a basis for proceedings under the Legal Practitioners Decree, 1975.
- (2) Upon being required so to do a legal practitioner shall produce such books of account, bank pass books, loose leaf bank statements, statements of accounts, vouchers and documents at the time and place fixed.
- (3) In any case in which a Branch of the Nigerian Bar Association is of opinion that an inspection should be made under this Rule of the books of account, bank pass books, loose leaf bank statements, statement of account, vouchers and any other necessary documents of a legal practitioner, it shall be the duty of such Branch to transmit to the Bar Council a statement containing all relevant information in their possession and a request that such an inspection be made.
- (4) Before instituting an inspection on a written complaint lodged with them by a third party, the Bar Council shall require prima facie evidence that a ground for complaint exists, and may require the payment by such party to the Bar Council of a reasonable sum to be fixed by them to cover the costs of the inspection and the cost of the legal practitioner against whom the complaint is made. The Bar Council may deal with any sum so paid in such manner as they think fit.

21A. In a case where the Bar Council exercises its powers under Rule 21 hereof either on their own motion or on the request of a Branch of the Nigerian Bar Association they may, in their discretion as an alternative to Rule 21 hereof, require a legal practitioner to deliver to the Council within such time as the Council may fix a Certificate by an
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Accountant in the form of the Schedule hereto. In such case the examination of the books of the legal practitioner shall be carried out in accordance with written instructions given by the Council to the Accountant nominated by the legal practitioner, or failing such nomination within a time limited by the Council. by an Accountant appointed by the Council.

22. Every requirement to be made by the Bar Council to a legal practitioner under these Rules shall be made in writing under the hand of the Secretary and sent by registered post to the last address of the legal practitioner appearing in the Roll or in the list kept by the Registrar under subsection (4) of section 7 of the Legal Practitioners Decree, 1975 and, when so made and sent, shall be deemed to have been received by the legal practitioner on the tenth day after posting.

Part V – (I) Exemption

23. (1) These Rules shall not apply to:

- (a) a legal practitioner in respect of moneys received, held or paid by him as a member of the public service of the Federation or a State; or
- (b) a legal practitioner in whole-time employment as an officer of a statutory corporation or local authority.

(2) The Schedule

Form of Accountants' Certificate

- 1. Full Name of Legal Practitioner.
- 2. Firm Name (if any) and address(es).
- 3. State whether practising alone or in partnership.

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4. Accounting period (Note - the Certificate must cover a period of not less than twelve months terminating not more than twelve months prior to the date of the Certificate).

In compliance with Rule 21A of the Legal Practitioners' Accounts Rules 1964 and in accordance with instructions received from the Bar Council I,..... have examined the books of accounts and documents of the above-named Legal Practitioner relating to the above practice produced to me and I hereby certify that from my examination and from the explanation and information given to me, I am satisfied that during the above-mentioned period:

- (1) He maintained the books required by Rules 10 and 20 of the Rules: and
- (2) He has complied with the provision of the Rule except so far as concerns:
 - (a) certain trivial breaches due to clerical errors or mistakes in book-keeping, all of which were rectified on discovery; I am satisfied that none of such breaches resulted in loss to any client or any trust;
 - (b) the matters set out in the Report appended hereto OR
- (3) having retired from active practice as a legal practitioner he ceased to hold clients' money or to act as Solicitor-trustee on the (date); OR
- (4) not being engaged in practice as a legal practitioner on his own account he neither held clients' money nor acted as a solicitor-trustee

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