

Transitional Framework for receiving and holding of conveyancing money

The transitional framework that is in place during the period from 1 August 2011 to 31 December 2011 is as follows:

(i) For conveyancing money received before 1 August 2011:

(i)(a) Law practices may choose to leave the conveyancing money in their client account, or transfer and deposit the money into a Conveyancing Account;

(i)(b) If **conveyancing money is left in a client account**, withdrawal of such existing conveyancing money on or after 1 August 2011 will be governed by the existing Legal Profession (Solicitors' Accounts) Rules ("Solicitors' Accounts Rules"), in particular, Rule 8. However, all conveyancing money in client accounts must be transferred to a conveyancing account before 1 January 2012, with the exception of unclaimed conveyancing money as defined in new rule 17 of the Legal Profession (Solicitors' Accounts) Rules effective 25 November 2011; and

(i)(c) If **conveyancing money is deposited in a Conveyancing Account**, any withdrawal of conveyancing money before 1 August 2011 would be governed by the terms and conditions governing the use of pilot Conveyancing Accounts, as well as by the Solicitors' Accounts Rules, in particular, Rules 8 and 11B. Law practices have the option of withdrawing conveyancing money without the need for a counter-signature from the other party to the transaction or that party's solicitors. Any withdrawal of conveyancing money from a conveyancing account on or after 1 August 2011 will be subject to the new Conveyancing and Law of Property (Conveyancing) Rules 2011.

(ii) For conveyancing money received on or after 1 August 2011:

(ii)(a) Law practices must deposit conveyancing money into a conveyancing account, even if the conveyancing transaction was entered into prior to 1 August 2011, or a prior payment of an earlier sum for the same conveyancing transaction was deposited before 1 August 2011 into a client account;

(ii)(b) The new Conveyancing and Law of Property (Conveyancing) Rules 2011 will apply, and the banks may charge a transaction fee for payments received on or after 1 August 2011; and

(ii)(c) The requirement of a second signatory under Rules 8(5) and 8(6) of the Solicitors' Accounts Rules will not apply to conveyancing money placed in a Conveyancing Account on or after 1 August 2011 as it will only apply to money placed in a client account. The requirements governing the receipt and holding of conveyancing money by a solicitor, will be governed by the new Conveyancing and Law of Property (Conveyancing Rules) 2011 effective 1 August 2011.