



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 [^{F1}Society] shall make rules ^{F2}. . . —
- [^{F3}(a) as to the opening and keeping by solicitors of accounts at banks or with building societies for money within subsection (1A);
 - (aa) as to the operation by solicitors of accounts kept by their clients or other persons at banks or with building societies or other financial institutions;
 - (b) as to the keeping by solicitors of accounts containing information as to money received, held or paid by them for or on account of their clients or other persons (including money received, held or paid under a trust); and]
 - (c) empowering the [^{F4}Society] to take such action as may be necessary to enable [^{F5}it] to ascertain whether or not the rules are being [^{F6}, or have been,] complied with;

^{F7}
. . .

[^{F8}(1A) The money referred to in subsection (1) is money (including money held on trust) which is received, held or dealt with for clients or other persons.]

(2) ^{F9}.....

(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.

(4) The [^{F10}Society] 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) ^{F11}. . . ^{F12}. . . for use in investigating the possible commission of an offence by the solicitor [^{F13}or any of his employees] and ^{F12}. . . for use in connection

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with any prosecution of the solicitor [^{F13}or any of his employees] 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 [^{F14}or a part of the rules.]

(6) ^{F15}

Textual Amendments

- F1** Word in s. 32(1) substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 32(2)(a)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F2** Words in s. 32(1) repealed (1.1.2010) by Legal Services Act 2007 (c. 29), ss. 177, 210, 211(2), Sch. 16 para. 32(2)(b), **Sch. 23** (with ss. 29, 192, 193); S.I. 2009/3250, **art. 2(f)(ii)**
- F3** S. 32(1)(a)(aa)(b) substituted (31.3.2009) for s. 32(1)(a)(b) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 32(2)(c)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F4** Word in s. 32(1)(c) substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 32(2)(d)(i)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F5** Word in s. 32(1)(c) substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 32(2)(d)(ii)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F6** Words in s. 32(1)(c) inserted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 32(2)(d)(iii)** (ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F7** Words in s. 32(1) repealed (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 210, 211, Sch. 16 para. 32(2)(e), **Sch. 23** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)(f)(ii)(aa)**
- F8** S. 32(1A) inserted (31.3.2009) by Legal Services Act 2007 (c. 29), (c. 29), ss. 177, 211, {Sch. 16 para. 32(3)} (ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F9** S. 32(2) repealed (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 210, 211, Sch. 16 para. 32(4), **Sch. 23** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)(f)(ii)**
- F10** Word in s. 32(4) substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 32(5)(a)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F11** Words in s. 32(4) repealed (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 210, 211, Sch. 16 para. 32(5)(b), **Sch. 23** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)(f)(ii)(aa)**
- F12** 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**
- F13** Words in s. 32(4) inserted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 32(5)(c)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F14** Words in s. 32(5) substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 32(6)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F15** S. 32(6) repealed (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 210, 211, Sch. 16 para. 32(7), **Sch. 23** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**

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) (as amended (1.7.2009) by The Legal Services Act 2007 (Registered European Lawyers) Order 2009 (S.I. 2009/1587), **art. 3(4)**)
- C3** S. 32(3)(4) extended (with modifications) (1.7.2009) by S.I. 2000/1119, Sch. 4 para. 7(2)Table (as amended by The Legal Services Act 2007 (Registered European Lawyers) Order 2009 (S.I. 2009/1587), **art. 3(7)(c)**)
- C4** S. 32(4) extended (with modifications) (1.7.2009) by The Registered Foreign Lawyers Order 2009 (S.I. 2009/1589), **art. 3(2)(f), Sch.**

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- C5** 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.

- [^{F16}(1) Rules under section 32 may require a solicitor to pay interest, or sums in lieu of and equivalent to interest, to a client, any other person or any trust, for whom the solicitor holds money.]
- (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; ^{F17} . . .
- [^{F18}(3) Except as provided by the rules, a solicitor is not liable to account to any client, other person or trust for interest received by the solicitor on money held at a bank or building society in an account which is for money received or held for, or on account of—
- (a) the solicitor's clients, other persons or trusts, generally, or
 - (b) that client, person or trust, separately.]
- [^{F19}(4) Rules under section 32 may—
- (a) prescribe the circumstances in which a solicitor may make arrangements to limit or exclude an obligation imposed on the solicitor by rules made by virtue of this section, and
 - (b) prescribe the requirements to be met by and in relation to those arrangements.]

Textual Amendments

- F16** S. 33(1) substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, Sch. 16 para. 33(2) (with ss. 29, 192, 193); S.I. 2009/503, art. 2(b)(i)
- F17** Words in s. 33(2) repealed (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 210, 211, Sch. 16 para. 33(3), Sch. 23 (with ss. 29, 192, 193); S.I. 2009/503, art. 2(b)(i)
- F18** S. 33(3) substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, Sch. 16 para. 33(4) (with ss. 29, 192, 193); S.I. 2009/503, art. 2(b)(i)
- F19** S. 33(4) substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, Sch. 16 para. 33(5) (with ss. 29, 192, 193); S.I. 2009/503, art. 2(b)(i)

Modifications etc. (not altering text)

- C6** 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))

[^{F20}33A Inspection of practice bank accounts etc.

- (1) The [^{F21}Society] may make rules ^{F22} . . . empowering the [^{F21}Society] 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 [^{F21}Society] pursuant to the rules.

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- (2) The [^{F23}Society] 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

- F20** 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)**
- F21** Words in s. 33A(1) substituted (7.3.2008) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 34(2)(a)** (with ss. 29, 192, 193); S.I. 2008/222, **art. 2(j)(i)**
- F22** Words in s. 33A(1) repealed (1.1.2010) by Legal Services Act 2007 (c. 29), ss. 177, 210, 211, Sch. 16 para. 33(2)(b), **Sch. 23** (with ss. 29, 192, 193); S.I. 2009/3250, **art. 2(i)(ii)(hh)** (with art. 9)
- F23** Word in s. 33A(2) substituted (7.3.2008) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 34(3)** (with ss. 29, 192, 193); S.I. 2008/222, **art. 2(j)(i)**

Modifications etc. (not altering text)

- C7** S. 33A extended (with modifications) (1.7.2009) by The Registered Foreign Lawyers Order 2009 (S.I. 2009/1589), **art. 3(2)(g)**, Sch.
- C8** S. 33A extended (with modifications) (1.7.2009) by S.I. 2000/1119, Sch. 4 para. 7(2)Table (as amended by The Legal Services Act 2007 (Registered European Lawyers) Order 2009 (S.I. 2009/1587), **art. 3(7)(c)**)
- C9** S. 33A extended (22.5.2000) by S.I. 2000/1119, regs. 1, 37(3), Sch. 4 para. 1(3) (as amended (1.7.2009) by The Legal Services Act 2007 (Registered European Lawyers) Order 2009 (S.I. 2009/1587), **art. 3(4)**)

34 Accountants' reports.

[^{F24}(1) The Society may make rules requiring solicitors to provide the Society with reports signed by an accountant (in this section referred to as an “accountant's report”) at such times or in such circumstances as may be prescribed by the rules.

(2) The rules may specify requirements to be met by, or in relation to, an accountant's report (including requirements relating to the accountant who signs the report).]

(6) If any solicitor fails to comply with the provisions of [^{F25}any rules made under this section], a complaint in respect of that failure may be made to the Tribunal by or on behalf of the Society.

(7) ^{F26}

(8) ^{F26}

[^{F27}(9) Where an accountant, during the course of preparing an accountant's report—

- (a) discovers evidence of fraud or theft in relation to money held by a solicitor for a client or any other person (including money held on trust) or money held in an account of a client of a solicitor, or an account of another person, which is operated by the solicitor, or
- (b) obtains information which the accountant has reasonable cause to believe is likely to be of material significance in determining whether a solicitor is a fit and proper person to hold money for clients or other persons (including

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money held on trust) or to operate an account of a client of the solicitor or an account of another person,

the accountant must immediately give a report of the matter to the Society.

(10) No duty to which an accountant is subject is to be regarded as contravened merely because of any information or opinion contained in a report under subsection (9).]

Textual Amendments

- F24** S. 34(1)(2) substituted (31.3.2009) for s. 34(1)-(5A) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 35(2)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F25** Words in s. 34(6) substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 35(3)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**
- F26** S. 34(7)(8) repealed (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 210, 211, Sch. 16 para. 35(4), **Sch. 23** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)(f)(ii)(aa)**
- F27** S. 34(9)(10) inserted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 35(5)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(i)**

Modifications etc. (not altering text)

- C10** 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) (as amended (1.7.2009) by The Legal Services Act 2007 (Registered European Lawyers) Order 2009 (S.I. 2009/1587), **art. 3(4)**)
- C11** S. 34 applied by Courts and Legal Services Act 1990 (c. 41), Sch. 14 para. 8 (as substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 134** (with ss. 29, 192, 193)); S.I. 2009/503, **art. 2(b)(iii)**
- C12** S. 34(6) extended (with modifications) (1.7.2009) by S.I. 2000/1119, Sch. 4 para. 7(2)Table (as amended by The Legal Services Act 2007 (Registered European Lawyers) Order 2009 (S.I. 2009/1587), **art. 3(7)(c)**)
- C13** S. 34(9) extended (with modifications) (1.7.2009) by The Registered Foreign Lawyers Order 2009 (S.I. 2009/1589), **art. 3(2)(h)**, Sch.
- C14** S. 34(9) extended (with modifications) (1.7.2009) by S.I. 2000/1119, Sch. 4 para. 7(2)Table (as amended by The Legal Services Act 2007 (Registered European Lawyers) Order 2009 (S.I. 2009/1587), **art. 3(7)(c)(i)**)
- C15** S. 34(9) applied by Administration of Justice Act 1985 (c. 61), Sch. 2 paras. 5, 5A (as substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 paras. 92, 93** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(ii)**)
- C16** S. 34(10) modified (1.7.2009) by S.I. 2000/1119, Sch. 4 para. 7(2A) (as inserted by The Legal Services Act 2007 (Registered European Lawyers) Order 2009 (S.I. 2009/1587), **art. 3(7)(d)**)
- C17** S. 34(10) extended (with modifications) (1.7.2009) by The Registered Foreign Lawyers Order 2009 (S.I. 2009/1589), **art. 5(a)**
- C18** S. 34(10) applied by Administration of Justice Act 1985 (c. 61), Sch. 2 paras. 5, 5A (as substituted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 paras. 92, 93** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(ii)**)

Changes to legislation:

There are currently no known outstanding effects for the Solicitors Act 1974, Cross Heading: Accounts etc..