

# RPA Alert

## Regulation. Prosecution. Action.

*Alert to all practitioners from the Legal Services Commissioner and the Legal Services Board*

RPA Alert 2, 2012

\*This email has been delivered to you because at the time of renewing your current practising certificate or submitting an application/variation form you consented to receiving intermittent email messages from the Board or the Commissioner about matters of importance to lawyers.

### Charging clients at the wrong interest rate?

**50%** of solicitors claim interest at the **wrong rate** and **50%** disclose the **wrong time frame** for applications for review at the Costs Court. All solicitors and firms are urged to check their disclosure documents, costs agreements and bills.

More information at [RPA News](#)

### When can law practices and approved clerks hold trust money?

The Legal Services Commissioner has become aware of considerable uncertainty in relation to this issue. For approved clerks, trust money means money received by the approved clerk on account of the legal costs of a barrister in advance of the provision of legal services. Therefore, trust money does not include money:

- For past barrister fees
- On loan from or 'parked' by a solicitor
- Mixed with funds used to run a clerking business
- Money directed to a third person such as a party in proceedings

For law practices, trust money means money entrusted to the law practice in the course of or in connection with the provision of legal services by the practice, and includes transit money, controlled money and money subject to a power. Law practices without a trust account cannot use the trust account of an approved clerk or another law practice as their surrogate trust account.

More information on the [LSB website](#)

#### **Contact Us**

Phone: (03) 9679 8001

Email: [RPAAlerts@lsb.vic.gov.au](mailto:RPAAlerts@lsb.vic.gov.au)