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**Regulations: Legal  
Practitioners Ordinance,  
Practice Directions and Rules**

CIRCULAR 09-733 (SD)

21 September 2009

**UNCLAIMED BALANCES IN CLIENT ACCOUNTS**

1. The Solicitors Accounts Rules (“Rules”) prohibit money to be drawn out from a client account other than in accordance with rule 7, the effect of which is to restrict withdrawals to money paid out on the client’s authority.
2. However there are occasions when a balance remains in a client account for various reasons, for instance, when the client cannot be traced, which fall outside rule 7. Such a balance remaining in the account can create problems in the audit of the solicitors’ accounts or closure of the practice.
3. Rule 8(2) of the Rules empowers the Council of the Law Society to specifically authorise in writing the withdrawal of money from a client account in circumstances other than those permitted by rule 7.
4. The Council has resolved that in future,
  - (a) it will authorise withdrawal of money from client accounts in appropriate circumstances pursuant to rule 8(2) of the Rules; and
  - (b) direct that the money be paid into a special account opened by the Law Society designated for receipt of such unclaimed money subject to an undertaking by the Law Society to repay any bona fide claimant on demand.
5. Those who wish to apply to the Council for authorisation of withdrawal of money from a client account must do so in writing and provide an explanation of the grounds of application including the steps that the firm has taken to locate the client in whose favour the balance remains on the account.
6. The Solicitors’ Accounting Manual has been updated and posted on the Law Society website. Please click [here](#) for a copy.

7. The Council has, pursuant to rule 8(2) of the Rules, previously authorized law firms to withdraw unclaimed money from client accounts and to pay it to the Law Society of Hong Kong Educational Trust (“Trust”).
8. The Council has decided to wind down the Trust. The unclaimed money that has been paid to the Trust will be transferred to the Law Society special account designated for receipt of unclaimed client money subject to an undertaking by the Law Society to the Trustees of the Trust to repay any bona fide claimant on demand.