

DRAFT 7

AMENDMENTS PROPOSED BY PORTFOLIO COMMITTEE PURSUANT TO DISCUSSIONS ON 23 AND 29 OCTOBER 2013

DRAFT 7 REFLECTS THE DISCUSSIONS OF 23 AND 29 OCTOBER 2013. IT REFLECTS THE PROVISIONS OF THE LEGAL PRACTICE BILL [B20 – 2012] AS INTRODUCED INTO PARLIAMENT AND THE DECISIONS AND DISCUSSIONS OF THE PORTFOLIO COMMITTEE ON 23 AND 29 OCTOBER 2013. PROPOSED INSERTIONS IN THE INTRODUCED BILL ARE REFLECTED BY UNDERLINING AND PROPOSED DELETIONS FROM THE INTRODUCED BILL ARE REFLECTED BY WORDS BETWEEN SQUARE BRACKETS IN BOLD. THE **SHADED** PORTIONS IN YELLOW INDICATE AREAS IN RESPECT OF WHICH QUESTIONS HAVE ARISEN DURING THE CLEAN-UP PROCESS AND IN RESPECT OF WHICH FURTHER GUIDANCE FROM THE PORTFOLIO COMMITTEE IS REQUESTED.

REPUBLIC OF SOUTH AFRICA

LEGAL PRACTICE BILL

(As introduced in the National Assembly (proposed section 75), explanatory summary of Bill published in Government Gazette No. of)(The English text is the official text of the Bill)

(MINISTER OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT)

[B20 - 2012]

BILL

To provide a legislative framework for the transformation and restructuring of the legal profession in line with constitutional imperatives so as to facilitate and enhance an independent legal profession that reflects the diversity and demographics of the Republic; to provide for the establishment, powers and functions of a single South African Legal Practice Council and [Regional] Provincial Councils in order to regulate the affairs of legal practitioners and to set norms and standards; to provide for the admission and enrolment [and registration] of legal practitioners; to regulate the professional conduct of legal practitioners so as to ensure accountable conduct; to provide for the establishment of an Office of a Legal Services Ombud and for the appointment, powers and functions of a Legal Services Ombud; to provide for [an Attorneys] a Legal Practitioners' Fidelity Fund and [an Attorneys Fidelity Fund] a Board of Control for the Fidelity Fund; to provide for the establishment, powers and functions of a [Transitional South African Legal Practice Council] National Forum on the Legal Profession; and to provide for matters connected therewith.

Preamble

WHEREAS section 22 of the Bill of Rights of the Constitution establishes the right to freedom of trade, occupation and profession, and provides that the practice of a trade, occupation or profession may be regulated by law;

AND BEARING IN MIND THAT—

- * the legal profession is regulated by different laws which apply in different parts of the national territory and, as a result thereof, is fragmented and divided;
- * access to **[affordable]** legal services is not a reality for most South Africans;
- * the legal profession is not representative of the demographics of South Africa;
- [* entry into the legal profession is, in some respects, dependent on compliance with outdated, unnecessary, and overly restrictive prescripts;**
- * access to legal services is limited;]**
- * opportunities for entry into the legal profession are restricted in terms of the current legislative framework;

AND IN ORDER TO—

- * provide a legislative framework for the transformation and restructuring of the legal profession into a **[unified]** profession which is representative of the Republic's demographics under a single regulatory body;
- * ensure that the values underpinning the Constitution are embraced and that the rule of law is upheld;
- * ensure that legal services are **[affordable and within the reach of the citizenry]** accessible;
- * regulate the legal profession, in the public interest, by means of a single statute;
- * remove any unnecessary or artificial barriers for entry into the legal profession;
- * strengthen the independence of the legal profession; and
- * ensure the accountability of the legal profession to the public.

[BE IT THEREFORE ENACTED by the] Parliament of the Republic of South Africa enacts as follows:—

TABLE OF CONTENTS

Sections

CHAPTER 1

DEFINITIONS, APPLICATION AND PURPOSE OF ACT

1. Definitions
2. Application of Act
3. Purpose of Act

CHAPTER 2

SOUTH AFRICAN LEGAL PRACTICE COUNCIL

Part 1

Establishment, powers and functions of South African Legal Practice Council

4. Establishment of Council
5. Objects of Council
6. Powers and functions of Council
7. Composition of Council
8. Membership of Council
9. Chairperson and deputy chairperson of Council
10. Term of office of members of Council
11. Termination of office
12. **[Vacation of]** Removal from office
13. **[Filling of vacancies]** Vacancies in Council and filling thereof
14. Dissolution of Council

Part 2

Operation of Council

15. Meetings of Council
16. Quorum and procedure at meetings of Council
17. Decisions of Council
18. Committees of Council
19. Executive officer and employees of Council
20. Executive committee of Council
21. Delegation of powers and assignment of functions of Council
22. Finances, expenditure and accountability of Council
23. Establishment of **[Regional]** Provincial Councils

CHAPTER 3

REGULATION OF LEGAL PRACTITIONERS AND CANDIDATE LEGAL PRACTITIONERS

24. Admission and enrolment
25. Right of appearance of legal practitioners and candidate legal practitioners
26. Minimum legal qualifications and practical vocational training
27. Practical vocational training
28. Assessment of practical vocational training

- 29. **[Prescription of community]** Community service
- 30. **[Registration]** Enrolment with Council
- 31. Cancellation and suspension of **[registration]** enrolment
- 32. Conversion of **[registration]** enrolment
- 33. Authority to render legal services
- 34. Forms of legal practice
- 35. **[Fee structure of legal practitioners, juristic entities and justice centres]** Fees in respect of legal services

CHAPTER 4

PROFESSIONAL CONDUCT AND ESTABLISHMENT OF DISCIPLINARY BODIES

- 36. Code of conduct
- 37. Establishment of disciplinary bodies
- 38. Procedure for dealing with complaints of misconduct and procedure to be followed in disciplinary hearing
- 39. Disciplinary hearing
- 40. Proceedings after disciplinary hearing and **[remedial action]** sanctions
- [41.]** **Review by Legal Services Ombud]**
- [42.]** 41. Appeal against conduct or [decision] finding of disciplinary committee
- [43.]** 42. Monitoring by Legal Services Ombud
- [44.]** 43. Urgent legal proceedings
- [45.]** 44. Powers of High Court

CHAPTER 5

LEGAL SERVICES OMBUD

- [46.]** 45. Establishment of Office of Legal Services Ombud
- [47.]** 46. Objects of Ombud
- [48.]** 47. Appointment and independence of Ombud
- [49.]** 48. Powers and functions of Ombud
- [50.]** 49. **[Remuneration and other terms and conditions of employment of Ombud]** Term of office of Ombud
- [51.]** 50. **[Removal from office and filling of vacancy]** Acting Ombud and filling of vacancies
- [52.]** 51. Staff, finances and accountability of Office of **[Legal Services]** Ombud
- [53.]** 52. Annual report

CHAPTER 6

[ATTORNEYS] LEGAL PRACTITIONERS' FIDELITY FUND

Part 1

Establishment of Fund and founding provisions

- [54.]** 53. Continued existence of **[Attorneys]** Legal Practitioners' Fidelity Fund
- [55.]** 54. Revenue of Fund
- [56.]** 55. Liability of Fund
- [57.]** 56. Limitation of liability of Fund

- [58] 57. Purpose and application of Fund
- [59] 58. **[Attorneys]** Legal Practitioners' Fidelity Fund Account
- [60] 59. Financial year of Fund
- [61] 60. Fund exempt from certain tax and insurance laws

Part 2

Operation of Fund

- [62] 61. Establishment of Board
- [63] 62. Composition of Board
- [64] 63. Powers and functions of Board
- [65] 64. **[Qualification for membership]** Membership of Board
- [66] 65. **[Appointment of chairperson]** Chairperson and deputy chairperson of Board
- [67] 66. Vacancies in Board and filling thereof
- [68] 67. Term of office of members of Board
- 68. Termination of office
- 69. **[Vacation of]** Removal from office
- 70. Meetings and resolutions of Board
- 71. Committees of Board
- 72. Certificate in respect of liabilities of Fund and investment of money in Fund
- 73. Annual review by actuary
- 74. Contributions to Fund by **[attorneys]** legal practitioners
- 75. Audit
- 76. Re-insurance
- 77. Provision of insurance cover and suretyships

Part 3

Claims against Fund

- 78. Procedure for instituting claims against Fund
- 79. Actions against Fund
- 80. Subrogation
- 81. Claims against future revenue of Fund
- 82. Indemnification in respect of certain acts
- 83. Preservation and disposal of records and documents in possession of Board

CHAPTER 7

HANDLING OF TRUST MONIES

- 84. Obligations of **[attorney]** legal practitioner relating to handling of trust monies
- 85. Application for and issue of Fidelity Fund certificates
- 86. Trust accounts
- 87. Accounting
- 88. Trust money and trust property of trust account practice
- 89. Court may prohibit operation of trust account
- 90. Appointment of *curator bonis* in respect of trust account
- 91. Rights of banks in respect of trust accounts

CHAPTER 8

GENERAL PROVISIONS

- 92. Recovery of costs by attorneys rendering free legal services
- 93. Offences and penalties

CHAPTER 9

REGULATIONS AND RULES

- 94. Regulations
- 95. Rules

CHAPTER 10

NATIONAL FORUM AND TRANSITIONAL PROVISIONS

Part 1

- 96. **[Transitional South African Legal Practice Council]** National Forum on Legal Profession
- 97. Terms of reference of **[Transitional Council]** National Forum
- 98. Powers and functions of **[Transitional Council]** National Forum
- 99. Membership of **[Transitional Council]** National Forum
- 100. Chairperson and deputy chairperson of National Forum
- 101. Term of office
- [101]** 102. Termination of office
- [102]** **[103].** **[Vacation of]** Removal from office
- [103]** 104. **[Filling of vacancies]** Vacancies in National Forum and filling thereof
- [104]** 105. Meetings of **[Transitional Council]** National Forum
- [105]** 106. Quorum and procedure at meetings of **[Transitional Council]** National Forum
- [106]** 107. Decisions of **[Transitional Council]** National Forum
- 107 108. Finances, expenditure and accountability of **[Transitional Council]** National Forum

Part 2

- [108]** 109. Rules and regulations

Part 3

- [109]** 110. Abolition of Fidelity Funds of former TBVC States and transfer of assets, rights, liabilities and obligations to **[Attorneys]** Legal Practitioners' Fidelity Fund
- [110]** 111. Transitional provisions in relation to existing Attorneys Fidelity Fund Boards of Control
- [111]** 112. Transitional provisions in relation to qualifications
- [112]** 113. Transitional provisions relating to Fidelity Fund certificates
- [113]** 114. Existing advocates, attorneys, conveyancers and notaries

- [114] 115. Persons entitled to be admitted and enrolled as advocates, attorneys, conveyancers or notaries
- [115] 116. Pending proceedings
- [116] 117. Transitional provisions relating to existing law societies and voluntary associations of advocates
- [117] 118. Interpretation of certain references in laws

Part 4

- [118] 119. Repeal and amendment of laws and savings
- [119] 120. Short title and commencement

SCHEDULE

Laws repealed or amended

CHAPTER 1

DEFINITIONS, APPLICATION AND PURPOSE OF ACT

Definitions

1. In this Act, unless the context otherwise indicates—

"**Admission of Advocates Act**" means the Admission of Advocates Act, 1964 (Act No. 74 of 1964);

"**advocate**" means a legal practitioner **[practising without a Fidelity Fund certificate]** who is admitted and enrolled as such under this Act;

"**appeal tribunal**" means an appeal tribunal established in terms of section **[37(6)] 41;**

"**assessment**" means the process under which it is determined whether a candidate legal practitioner has successfully attained the level of competence referred to in section 28;

"**attorney**" means a legal practitioner **[practising with a Fidelity Fund certificate]** who is admitted and enrolled as such under this Act;

"**Attorneys Act**" means the Attorneys Act, 1979 (Act No. 53 of 1979);

"**Auditor-General**" means the person appointed as the Auditor-General in terms of section 193 of the Constitution;

"**bank**" means a bank as defined in section 1 of the Banks Act, 1990 (Act No. 94 of 1990), and registered, otherwise than provisionally, or regarded as having been registered as a bank in terms of Chapter III of that Act;

"**Board**" means the **[Attorneys] Legal Practitioners' Fidelity Fund Board** established in terms of section **[62] 61;**

"**candidate attorney**" means a person undergoing practical vocational training with a view to being admitted and enrolled as an attorney;

"**candidate legal practitioner**" means a person undergoing practical vocational training, either as a candidate attorney or as a pupil;

["Charter" means the Legal Services Sector Charter as adopted by the legal profession of the Republic and the Minister in December 2007;]¹

"**code of conduct**" means a written code setting out rules and standards relating to ethics, conduct and practice for legal practitioners and its enforcement through the Council and its structures, which may contain different provisions for advocates and attorneys and different provisions for different categories of legal practitioners;

"**Constitution**" means the Constitution of the Republic of South Africa, 1996;

"**conveyancer**" means any practising attorney who is admitted and enrolled **[registered and enrolled]** to practise as a conveyancer in terms of this Act **[or a person referred to in the definition of "conveyancer" in section 102(1) of the Deeds Registries Act, 1937 (Act No. 47 of 1937)];**

"**Council**" means the South African Legal Practice Council established in terms of section 4;

"**court**" means any court in the Republic as defined in section 166 of the Constitution;

["day" means an ordinary day;]

"**Department**" means the Department of Justice and Constitutional Development;

"**disciplinary body**" means—

- (a) an investigating committee;
- (b) a disciplinary committee; or
- (c) an appeal tribunal,

as the case may be;

¹On 23 October 2013 the PC indicated that it would revert to this and the possibility of giving the Minister/Council the power to make regulations/rules in this regard to ensure that transformation occurs in the profession particularly at senior level in the profession.

"**Director-General**" means the Director-General of the Department;

"**Fidelity Fund certificate**" means the certificate referred to in section 85;

"**financial year**" means the financial year of the Fund referred to in section [60] 59;

"**Fund**" means the [Attorneys] Legal Practitioners' Fidelity Fund referred to in section [54] 53;

"**High Court**" means the High Court of South Africa established by section 6 of the Superior Courts Act, (Act No. 10 of 2013), or, if the context indicates otherwise, the Division thereof having jurisdiction;

"**justice centre**" means an office of Legal Aid South Africa and includes a satellite office;

"**law clinic**" means[—

(a) a centre for the practical legal education of students in the faculty of law at a university in the Republic; or

(b) a law centre controlled by, or which is, a non-profit making organisation, which, subject to section 34(8), provides legal services to the public free of charge] a law clinic referred to in section 34(8);

"**Legal Aid South Africa**" means the Legal Aid Board established in terms of section 2 of the Legal Aid Act, 1969 (Act No. 22 of 1969);

"**legal practitioner**" means an advocate or attorney [registered] admitted and enrolled as such in terms of sections 24 and 30, respectively;

"**LLB degree**" means a Bachelor of Laws, also referred to as a degree of *baccalaureus legum*, referred to in section 26;

"**magistrates' court**" means a regional court or a district court established in terms of the Magistrates' Courts Act, 1944 (Act No. 32 of 1944);

[**Master** means a Master of the High Court acting within the powers conferred upon him or her by law];

"**Minister**" means the Minister of Justice and Constitutional Development;

"**notary**" means any practising attorney who is admitted and enrolled [registered and enrolled] to practise as a notary in terms of this Act;

"**Ombud**" means the person appointed by the President as a Legal Services Ombud in terms of section [48] 47;

"**practical vocational training**" means training required in terms of this Act to qualify as a candidate attorney or pupil in order to be admitted and enrolled as an attorney or advocate;

"**prescribed**" means prescribed by regulation and "**prescribe**" has a corresponding meaning;

"**Provincial Council**" means a Provincial Council referred to in section 23;

"**pupil**" means a person undergoing practical vocational training with a view to being admitted and enrolled as an advocate;

[**Regional Council** means a Regional Council referred to in section 23;]

"**Roll**" means the Roll of Legal Practitioners referred to in section 30(3);

"**rules**" means the rules of the Council;

"**South African Human Rights Commission**" means the South African Human Rights Commission referred to in Chapter 9 of the Constitution;

"**this Act**" includes any regulation, rule or notice made or issued in terms of this Act; and

"**trust account practice**" means a practice conducted by =

(a) one or more attorneys who are; or

(b) an advocate referred to in section 34(2)(b) who is,

in terms of this Act, required to hold a Fidelity Fund certificate.

Application of Act

2. This Act is applicable to all legal practitioners and all candidate legal practitioners.

Purpose of Act

3. The purpose of this Act is to—
- (a) provide a legislative framework for the transformation and restructuring of the legal profession that embraces the values underpinning the Constitution and ensures that the rule of law is upheld;
 - (b) broaden access to justice by putting in place—
 - (i) a **[structure] mechanism** to determine fees chargeable by legal practitioners for legal services rendered **[that are affordable and within the reach of the citizenry]**;²
 - (ii) measures to provide for the rendering of community service by candidate legal practitioners and practising legal practitioners; and
 - (iii) measures that provide equal opportunities for all aspirant legal practitioners in order to have a legal profession that reflects the demographics of the Republic;
 - (c) create a single unified statutory body to regulate the affairs of all legal practitioners and all candidate legal practitioners in pursuit of the goal of **[a unified,] an** accountable, efficient and independent legal profession;
 - (d) protect and promote the public interest;
 - (e) provide for the establishment of an Office of Legal Services Ombud;
 - (f) provide a fair, effective, efficient and transparent procedure for the resolution of complaints against legal practitioners and candidate legal practitioners; and
 - (g) create a framework for the—
 - (i) development and maintenance of appropriate professional and ethical norms and standards for the rendering of legal services by legal practitioners and candidate legal practitioners;
 - (ii) regulation of the admission and enrolment of legal practitioners; and
 - (iii) development of adequate training programmes for legal practitioners and candidate legal practitioners.

CHAPTER 2

SOUTH AFRICAN LEGAL PRACTICE COUNCIL

Part 1

Establishment, powers and functions of South African Legal Practice Council

Establishment of Council

4. The South African Legal Practice Council is hereby established as a body corporate with full legal capacity, and exercises jurisdiction over all legal practitioners and candidate legal practitioners as contemplated in this Act.

Objects of Council

² On 29 October the PC said it would revert after considering clause 35. Refer to clause 35(4) (c) which provides for an investigation on the desirability of establishing a mechanism. There is a possible contradiction between clauses 3(b)(i) and 35(4)(c).

5. The objects of the Council are to—
- (a) facilitate the realisation of the goal of a transformed and restructured legal profession that is **[unified,]** accountable, efficient and independent;
 - (b) ensure that fees charged by legal practitioners for legal services rendered are reasonable and promote access to legal services, thereby enhancing access to justice;
 - (c) promote and protect the public interest;
 - (d) regulate all legal practitioners and all candidate legal practitioners;
 - (e) preserve and uphold the independence of the legal profession;
 - (f) enhance and maintain the integrity and status of the legal profession;
 - (g) determine, enhance and maintain appropriate standards of professional practice and ethical conduct of all legal practitioners and all candidate legal practitioners;
 - (h) promote high standards of legal education and training, and compulsory post-qualification professional development;
 - (i) promote access to the legal profession, in pursuit of a legal profession that reflects the demographics of the Republic;
 - (j) ensure accessible and sustainable training of law graduates aspiring to be admitted and enrolled as legal practitioners;
 - (k) uphold and advance the rule of law, the administration of justice, and the Constitution of the Republic;
- [(l) implement the Charter;]** ³ and
[(m)](l) give effect to the provisions of this Act in order to achieve the purpose of this Act, as set out in section 3.

Powers and functions of Council

6. (1) **[(a)]** **[The Council must do all that is necessary or expedient]** In order to achieve its objects referred to in section 5, and [may], having due regard to the Constitution, applicable legislation and the inputs of the Ombud and Parliament, the Council may—
- [(a)](i)** acquire or hire movable or immovable property;
 - [(b)](ii)** develop, hypothecate, let, sell or otherwise dispose of its movable or immovable property;
 - [(c)](iii)** make donations and grants in support of projects related to its objects;
 - [(d)](iv)** perform any act **[in respect of negotiable instruments or the electronic transfer of monies]** relating to its financial affairs as may be necessary;
 - [(e)](v)** institute or defend legal proceedings on behalf of the Council;
 - [(f)](vi)** impose monetary penalties;
 - [(g)](vii)** invest Council funds;
 - [(h)](viii)** borrow or raise money;
 - [(i)](ix)** insure against any risk;
 - [(j)](x)** delegate any of its powers and functions to its committees or **[Regional Provincial]** Councils, subject to any conditions it may impose, which delegation does not—
 - [(i)](aa)** divest the Council of the power or function so delegated; and
 - [(ii)](bb)** preclude the Council from varying or setting aside any decision made under a delegation;
 - [(k)]** **develop norms and standards to guide the conduct of legal practitioners and the legal profession;**

³ On 23 and 29 October 2013 the PC indicated that it would revert to this and the possibility of giving the Minister/Council the power to make regulations/rules in this regard to ensure that transformation occurs in the profession particularly at senior level in the profession.

- (l) **advise the Minister with regard to matters concerning the legal profession and legal practice;**
- ~~(m)~~(xi) provide financial support to organisations or institutions providing legal education and training, including legal education and training for purposes of compulsory post-qualification professional development, with the object of enhancing the standards of legal services and increasing access to justice;
- ~~(n)~~(xii) provide financial support to legal practitioners, organisations or institutions for the purposes of providing work-place training opportunities for candidate legal practitioners **[in deserving cases]**;
- ~~(o)~~(xiii) provide financial support to non-profit organisations and institutions promoting access to justice for poor people; and
- ~~(p)~~ **consider and grant bursaries and loans [to students, candidate legal practitioners and legal practitioners for the purposes of legal education and research;**
- ~~(q)~~(xiv) pay for services rendered at the request of the Council with the object of enhancing the professional standards of legal practitioners[;].
- ~~(r)~~ **do all things necessary for the proper and effective performance of its functions or the exercise of its powers;**
- ~~(s)~~ **pay out of pocket expenses to Council members; and**
- ~~(t)~~ **do all things necessary for, or conducive to the attainment of, the objects of the Council and the Charter, as may be prescribed.]**

(b) In order to achieve its objects referred to in section 5, and having due regard to the Constitution, applicable legislation and the inputs of the Ombud and Parliament, the Council must—

- (i) develop norms and standards to guide the conduct of legal practitioners, candidate legal practitioners and the legal profession;
- (ii) advise the Minister with regard to matters concerning the legal profession and legal practice;
- (iii) do all things necessary for the proper and effective performance of its functions or the exercise of its powers;
- (iv) pay out of pocket expenses to Council members; and
- (v) develop programmes in order to empower/advance historically disadvantaged legal practitioners, as well as candidate legal practitioners.⁴**

(2) The Council, in order to perform its functions properly—

- (a) must employ an executive officer and such officials or staff as may be necessary to enable it to carry out its functions and determine the remuneration and other conditions of service of its officials and staff;
- (b) may establish, promote, arrange, administer or assist in the establishment, promotion, arrangement or administration of insurance, medical-aid, pension, provident or benevolent schemes for the benefit of its officials and staff and the dependants of such officials and staff;
- (c) may conclude agreements with any person or organisation for the performance of any particular act or particular work or the rendering of particular services for the purposes of furthering the objects of the Council;
- (d) may enter into contracts in connection with the performance of its functions or the exercise of its powers;
- (e) may pay an honorarium or an allowance to any person to cover expenses reasonably incurred by him or her in connection with any act performed at the

⁴ For consideration by the PC in order to give effect to discussions on 23 and 29 October, which have a bearing on the Legal Services Charter.

request of the Council or in terms of its directions on behalf of or for the benefit of the Council and the furtherance of its objects;

[(f) may enter into deeds of suretyship to the satisfaction of the Master in order to provide security on behalf of a legal practitioner in respect of work done by such legal practitioner—

- (i) as an executor in the estate of a deceased person;**
- (ii) as a trustee or liquidator in an insolvent estate;**
- (iii) as a curator to the person or property in the case of a person who is unable to manage his or her own affairs; or**
- (iv) in any other similar capacity or by any other person in such capacity where a legal practitioner acts on behalf of the person concerned;]** and

[(g)](f) may publish or cause to be published periodicals, pamphlets and other printed material for the benefit of legal practitioners or the public.

(3) The Council must, subject to this Act—

(a) **[register and]** enrol a duly admitted legal practitioner as such; and

(b) keep a Roll of **[registered]** legal practitioners and decide on—

- (i) the form of the certificates and the Roll to be kept;
- (ii) the maintenance of the Roll or issuing of certificates; and
- (iii) the reviewing of the Roll and the manner in which alterations may be made to the Roll.

(4) The Council must, in the rules, with regard to fees and charges which are payable to the Council, determine—

(a) application fees as provided for in this Act;

(b) annual fees, or portion thereof, in respect of a part of a year, payable to the Council by **[attorneys] legal practitioners** for Fidelity Fund certificates: Provided that any determination made in terms of this paragraph must be made in consultation with the Board;

(c) annual fees payable by all legal practitioners who are admitted and enrolled in terms of section 24(1) as practising legal practitioners;

(d) the date on which any fee is payable;

(e) the fees, or portion thereof, payable in respect of any examination conducted by the Council or on behalf of the Council; and

(f) any other fee or charge it considers necessary, as contemplated in this Act.

(5) The Council, with regard to education in law and legal practice generally —

(a) may, subject to sections 5 and 7 of the Higher Education Act, 1997 (Act No. 101 of 1997), conduct visits to any educational institution which has a department, school or faculty of law;

(b) may advise the Council on Higher Education established in terms of the Higher Education Act, 1997, regarding matters relevant to education in law, including the desirability of including in the LLB curriculum a form of community service to be undertaken by all law students;

(c) may consult with the South African Qualifications Authority established by the National Qualifications Framework Act, 2008 (Act No. 67 of 2008), or any structure established by it, to determine competency standards for the purposes of registration;

(d) may conduct any examination for the purposes of practical vocational training;

(e) may determine, after consultation with relevant role-players and legal practitioners in general, conditions relating to the nature and extent of continuing education and training, including compulsory post-qualification professional development;

(f) must, in the prescribed manner, create a mechanism to—

- (i) provide **[proper,]** appropriate **[and transformational]** legal education and training, having due regard to our inherited legacy and new constitutional dispensation; and
- (ii) offer legal education and training to aspiring and newly appointed legal practitioners, as well as continued training for experienced legal practitioners;
- (g) may accredit training institutions that offer—
 - (i) practical vocational training courses which contribute towards the qualification of legal practitioners and candidate legal practitioners; and
 - (ii) and compulsory post-qualification professional development;
- (h) must report annually to the Minister on—
 - (i) the number of new law graduates **[registered]** enrolled with the Council;
 - (ii) the effectiveness of the training requirements for entry into the profession; and
 - (iii) measures adopted to enhance entry into the profession, including the remuneration of candidate legal practitioners and continuing legal education to develop skills of legal practitioners,
 to make recommendations to the Minister regarding legislative and other interventions to improve access to the profession and access to justice broadly; and
- (i) must, at the request of the Minister, advise the Minister on multi-disciplinary legal practices which the Minister may consider for the purposes of developing policies and legislative and other interventions in respect of multi-disciplinary legal practices.

Composition of Council

7. (1) The Council consists of the following members:
- (a) 16 legal practitioners, comprising of 10 practising attorneys and six practising advocates, elected in accordance with **[a] the procedure [determined by the Council in terms of the rules] prescribed by the Minister –**
 - (i) in terms of section 97(1)(a)(i); or
 - (ii) in terms of this section, in consultation with the Council, if the procedure referred to in subparagraph (i) requires revision after the commencement of Chapter 2;
 - (b) **[one] two** teachers of law **[or legal academic nominated] designated by [law teachers, legal academics or organisations representing law teachers or legal academics] the South African Law Deans Association;**⁵
 - (c) subject to subsection (3), three fit and proper persons [appointed] designated by the Minister, who, in the opinion of the Minister and by virtue of their knowledge and experience, are able to assist the Council in achieving its objects; [and]
 - (d) one person **[nominated] designated** by Legal Aid South Africa; and
 - (e) one person designated by the Board, who need not necessarily be a legal practitioner.

[(2) In constituting the Council as provided for in subsection (1), consideration must be given to —

- (a) the objects of the Council;**
- (b) achieving representivity with regard to—**
 - (i) race;**
 - (ii) gender; and**
 - (iii) disability;**

⁵ Still to be decided on

- (c) ensuring adequate regional representation when making a nomination in respect of subsection (1)(a); and
- (d) ensuring that the members of the Council, amongst them, have experience in and knowledge of—
 - (i) the provision of legal services;
 - (ii) the principles promoting access to justice;
 - (iii) legal education and training;
 - (iv) consumer affairs;
 - (v) civil and criminal proceedings and the functioning of the courts and tribunals in general;
 - (vi) the maintenance of professional standards of persons who provide legal services; and
 - (vii) the handling of complaints.]

(2) When constituting the Council the following factors must, as far as is practicable, be taken into account:

- (a) the racial and gender composition of South Africa;
- (b) the objects of the Council;
- (c) representation of persons with disabilities;
- (d) provincial representation; and
- (e) experience and knowledge of –
 - (i) the provision of legal services;
 - (ii) the principles of promoting access to justice;
 - (iii) legal education and training;
 - (iv) consumer affairs;
 - (v) civil and criminal proceedings and the functioning of the courts and tribunals in general;
 - (vi) the maintenance of professional standards of persons who provide legal services;
 - (vii) the handling of complaints; and
 - (viii) competition law.

(3) A person referred to subsection (1)(c) may not be designated as a member of the Council if he or she —

- (a) is a public servant;
- (b) is a member of Parliament, any provincial legislature or any municipal council; or
- (c) is an office-bearer or employee of any party, movement or organisation of a party-political nature.

Membership of Council

8. (1) A member of the Council must—

- (a) be a South African citizen;
- (b) be a fit and proper person; and
- (c) subscribe to the objects of the Council.

(2) The following persons are disqualified from becoming or remaining members of the Council:

- (a) An unrehabilitated insolvent;
- (b) a person declared to be of unsound mind by a court of the Republic;
- (c) a person who has been convicted in a court of first instance of an offence and sentenced to more than 12 months' imprisonment without the option of a fine, either in the Republic, or outside the Republic if the conduct constituting the offence would have been an offence in the Republic, other than a conviction for an offence committed prior to 27 April 1994 associated with political objectives: Provided that if

the person in question lodges an appeal against the conviction or sentence, he or she must be suspended from office by the Council as contemplated in section 12, pending the outcome of the appeal: Provided further that he or she may be replaced by the designating body, or in the case of a member referred to in section 7(1)(a), elected in terms of the procedure referred to in that section;

- (d) a person[s] who [vacated] has been removed from office in terms of section 12; or
- (e) a member of the Board or any of its committees.

Chairperson and deputy chairperson of Council

9. (1) At the first meeting of the Council, the members of the Council must elect and appoint a chairperson and deputy chairperson from among themselves.

(2) The chairperson and the deputy chairperson hold office for a period of three years from the date of their election and may be re-elected and re-appointed for one further term, unless such chairperson or deputy chairperson resigns or ceases to be a member of the Council.

(3) The deputy chairperson must, if the chairperson is absent or is for any reason unable to act as chairperson, perform all the functions and exercise all the powers of the chairperson.

(4) If both the chairperson and deputy chairperson are absent from any meeting, the members present must elect a person from among themselves to preside at that meeting and the person so presiding must, during that meeting and until the chairperson or deputy chairperson resumes duty, perform all the functions and exercise all the powers of the chairperson.

(5) If both the chairperson and deputy chairperson have been given leave of absence, the members of the Council must elect a person from among themselves to act as chairperson until the chairperson or deputy chairperson resumes duty or **[vacates]** is removed from office in terms of section 12.

(6) If the office of chairperson or deputy chairperson becomes vacant, the members of the Council must, at the first meeting thereafter or as soon as **[may be convenient]** possible thereafter, elect from among themselves a new chairperson or deputy chairperson, as the case may be.

(7) A chairperson and deputy chairperson may vacate office as such, without relinquishing his or her membership of the Council, unless his or her membership has been terminated in accordance with section 11.

Term of office of members of Council

10. A member of the Council holds office for a term of three years, but may **[be re-appointed at the end of that term]** serve as a member for one further term if he or she is again so elected or designated, as the case may be.

Termination of office

11. (1) A person ceases to be a member of the Council when that person—
- (a) is no longer eligible in terms of section 8 to be a member;
 - (b) resigns; **[or]**
 - (c) **[vacates his or her]** is removed from office in terms of section 12;
 - (d) in the case of a legal practitioner referred to in section 7(1)(a), ceases to be a practising legal practitioner, for whatever reason; or
 - (e) is appointed as a judicial officer.

(2) A member may resign after giving at least three months' written notice to the Council, but the Council may, on good cause shown, accept a shorter period.

[Vacation of] Removal from office

12. (1) **[A member of the]** The Council [must vacate] may remove a member of the Council from [his or her] office on account of—

- (a) a **[conviction for]** finding by a disciplinary committee in terms of section 40 of any serious misconduct as set out in the code of conduct contemplated in section 36 on the part of a legal practitioner [under this Act or a conviction for any offence which, in the opinion of the Council, debars him or her from serving as a member of the Council];
- (b) incapacity or incompetency which, in the opinion of the Council, debars him or her from serving as a member of the Council;
- (c) absence from three consecutive meetings of the Council without the permission of the chairperson, except on good cause shown;
- (d) a request by the body which or person who [nominated,] elected or [appointed] designated that member in terms of section 7, on good cause shown by the body or person in question; or
- [(e) engaging in any activity that, in the opinion of the Council, undermines the integrity of the Council; or**
- (f) the sequestration of his or her estate.]**
- (e) his or her becoming disqualified to remain as a member of the Council as contemplated in section 8(2).**

(2) If the Council has commenced proceedings for the removal of a member, it may suspend that member from office.

(3) A member who is suspended from office may not perform or exercise any of the powers or functions of that office or receive any allowances.

(4) The Council must follow due process of law if it intends to remove or suspend a member from office, as determined by the Council in the rules.

[Filling of vacancies] Vacancies in Council and filling thereof

13. (1) A vacancy in the Council occurs when—

- (a) the term of office of a member expires or terminates as contemplated in section 11;
- (b) a member dies;
- (c) a member **[vacates his or her]** is removed from office as contemplated in section 12; or
- (d) the resignation of a member takes effect.

(2) A vacancy must be filled as soon as practicably possible in accordance with the **[procedure referred to in]** provisions of section 7.

(3) Any person appointed to fill a vacancy holds office for the unexpired portion of the term of the vacating member.

Dissolution of Council

14. **[(1) The Minister may dissolve the Council if the Minister, on good cause shown, loses confidence in the ability of the Council to perform its functions effectively and efficiently or on any reasonable grounds.**

- (2) The Minister may dissolve the Council only after having—**
- (a) provided the Council with reasons for losing confidence in its abilities;**

- (b) given the Council a reasonable opportunity to respond to those reasons; and
 (c) afforded the Council a hearing on any submissions received.

(3) The Minister must, before dissolving the Council in terms of this section, appoint a judge discharged from active service in terms section 3 of the Judges' Remuneration and Conditions of Employment Act, 2001 (Act No. 47 of 2001), to conduct an investigation and make recommendations to the Minister.]

(1) If the Minister loses confidence in the ability of the Council to perform its functions effectively and efficiently, the Minister must—

- (a) provide the Council with his or her reasons;
(b) give the Council a reasonable opportunity to respond to those reasons; and
(c) afford the Council a hearing on any submissions received.

(2) If, after taking the steps provided for in subsection (1), the Minister still does not have confidence in the ability of the Council to perform its functions effectively and efficiently, he or she must request the Ombud to conduct an investigation and make recommendations to him or her.

(3) If, after receiving the recommendations from the Ombud as contemplated in subsection (2), the Minister still has concerns in the ability of the Council to perform its functions effectively and efficiently, the Minister may approach the High Court with an application for an order dissolving the Council, together with any terms or conditions that the court deems appropriate.

(4) (a) If the Minister dissolves the Council, the Minister must, having regard to the provisions of section 7, appoint an interim Council, consisting of at least seven persons and give effect to any conditions or terms contained in the court order.

(b) The interim Council must be appointed within 21 days after the dissolution of the Council and must be appointed for a period determined by the Minister or the court, which period may not exceed six months.

(5) (a) The Minister must from among the members of the interim Council designate a chairperson of the interim Council.

(b) The interim Council must elect a deputy chairperson from among its members and the deputy chairperson holds office for such period as the interim Council may determine at the time of his or her election.

(6) The chairperson of the interim Council may, at any time of his or her own accord, or must, at the written request of not fewer than five members, convene a special meeting of the interim Council.

(7) Five members of the interim Council form a quorum for a meeting of the interim Council.

(8) Sections 15, 16, 17, 18, and **[19] 21** apply with the necessary changes required by the context in respect of the interim Council.

Part 2

Operation of Council

Meetings of Council

15. (1) The Council must hold at least four meetings in each year at venues to be determined by the Council and may, in addition, hold any further meetings as the Council may determine.

(2) The Council must meet as soon as practicable after the appointment of its members.

Quorum and procedure at meetings of Council

16. (1) The majority of the members of the Council constitutes a quorum at any meeting of the Council.

(2) The Council must in the rules determine a procedure for convening meetings and the procedure for the conduct of meetings.

(3) The Council must keep a record of its proceedings.

Decisions of Council

17. (1) A decision of the majority of the members of the Council constitutes a decision of the Council.

(2) In the event of a deadlock in the voting the chairperson has a casting vote in addition to a deliberative vote.

Committees of Council

18. (1) The Council may—

(a) establish one or more committees, consisting of—

(i) members of the Council only; or

(ii) members of the Council and any other suitable persons except employees of the Council,

to assist the Council in the exercise of its powers and performance of its functions; and

(b) dissolve a committee at any time.

(2) The Council—

(a) must determine the powers and functions of a committee;

(b) must appoint a member of a committee as chairperson of such committee;

(c) may, after complying with due process of law, remove a member of a committee at any time; and

(d) may determine a committee's procedure.

(3) The Council must, in the rules, determine the procedure for the conduct of meetings of a committee.

Executive officer and employees of Council

19. (1) The Council must appoint an executive officer for the Council, who is the accounting officer of the Council.

(2) The executive officer must, in addition to such function as may be assigned to him or her in terms of this Act—

(a) perform or exercise any powers and functions assigned to him or her by the Council;

(b) supervise the employees of the Council; and

(c) account for the assets and liabilities of the Council.

(3) The Council may appoint any other employees it deems necessary to assist the executive officer in the performance of his or her functions.

(4) The procedure for the appointment of the executive officer and other employees of the Council must be determined by the Council in terms of the rules.

[(5) The Council must have due regard to representivity with reference to race, gender and disability when appointing the executive officer and other employees.]

(5) The need for the staff of the Council to reflect the racial and gender composition of South Africa must, as far as is practicable, be considered when the executive officer and other employees of the Council are appointed in terms of this section.

(6) The Council must, in the rules, determine the conditions of service of the executive officer and the other employees of the Council.

Executive committee of Council

20. (1) The Council must establish an executive committee and determine its powers and functions in the rules.

(2) The executive committee consists of—

(a) the chairperson and deputy chairperson of the Council; and

(b) **[four]** five other members appointed by the Council.

[(3) The Council must have due regard to representivity with reference to race, gender, disability, attorneys, advocates and regional representation, when establishing an executive committee.]

(3) The need for the executive committee to reflect—

(a) the racial and gender composition of South Africa; and

(b) representation of attorneys and advocates, as well as provincial representation, must, as far as is practicable, be considered when the executive committee is established in terms of subsection (1).

(4) The executive committee is responsible for the day to day functioning and administration of the Council in between meetings of the Council.

(5) The Council may direct the executive committee to perform such tasks as executive committee considers appropriate.

(6) A member of the executive committee holds office for so long as he or she is a member of the Council, unless he or she is removed as a member of the executive committee by the Council, or until his or her membership of the Council terminates in terms of this Act.

(7) **[The Council must, from among members of the executive committee, designate a chairperson and deputy chairperson of the executive committee.]**

(a) The chairperson of the Council is *ex officio* chairperson of the executive committee.

(b) The deputy chairperson of the Council is *ex officio* deputy chairperson of the executive committee.

(8) The executive committee may meet as often as it deems necessary and dispose of its business in the manner it considers appropriate.

(9) (a) The majority of the members of the executive committee constitutes a quorum at any of its meetings.

(b) The executive committee must determine a procedure in the rules for convening meetings and the procedure for the conduct of meetings.

(c) The executive committee must keep a record of its proceedings.

(d) A decision of the majority of the members present at a meeting constitutes the decision of the executive committee.

(e) In the event of a deadlock in the voting the chairperson has a casting vote in addition to a deliberative vote.

Delegation of powers and assignment of functions of Council

21. (1) The Council may resolve to delegate **[in writing]** any of its powers or assign any of its functions to—

- (a) a member of the Council;
- (b) a committee of the Council;
- (c) the executive committee; **[or]**
- (d) a **[Regional] Provincial** Council; or
- (e) the executive officer or an employee of the Council.

(2) A delegation or assignment in terms of subsection (1)—

- (a) is subject to any conditions and directions as the Council may impose; and
- (b) does not divest the Council of the responsibility for the exercise of the power or the performance of the duty or function.

(3) The Council may confirm, vary or revoke any decision taken in consequence of a delegation or assignment, but no variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

Finances, expenditure and accountability of Council

22. (1) The funds of the Council consist of—

- (a) fees, including subscription fees payable in terms of this Act;
- (b) an annual appropriation made by the Fund, the amount of which is determined by the Board after consultation with the Council; and
- (c) any other monies received by the Council in terms of this Act or accruing to the Council from any other source.

(2) Expenditure incidental to the exercise of the powers or the performance of the functions of the Council in terms of this Act or any other law must be defrayed from the funds of the Council.

(3) The executive officer—

- (a) must deposit all monies received by the Council with a bank approved by the Council;
- (b) may invest any monies of the Council which are not required for immediate use with a bank approved by the Council or in such other manner as the Council may determine in the rules;
- (c) is charged with the responsibility of accounting for money received or paid out for or on account of the Council; and
- (d) must cause the necessary accounting and other related records to be kept, including proper records of all the assets and liabilities of the Council.

(4) The records referred to in subsection (3)(d) must be audited by a registered accountant and auditor appointed by the Council.

Establishment of **[Regional] Provincial Councils**

23. (1) The Council must, subject to subsection (2) and progressively, establish **[Regional Councils]** a Provincial Council in every province of the Republic and may delegate to the **[Regional] Provincial** Councils such powers and functions which, in the interests of the legal profession are better performed at **[regional] provincial** level.

(2) (a) The Council must, at the commencement of Chapter 2, establish at least four Provincial Councils and the following factors must be taken into account:

- (i) There may not be more than one Provincial Council per province;
- (ii) the location of the seats of the Divisions of the High Court;
- (iii) the efficient attainment of the Council's objects;
- (iv) availability of resources, cost-effectiveness and feasibility;

- (v) the interests of legal practitioners and candidate legal practitioners;
- (vi) provincial needs, interests and sensitivities; and
- (vii) the interests of the public.

(b) The Minister must prescribe the areas of jurisdiction of **[Regional]** the Provincial Councils **[after]** in consultation with the Council.

(c) If a Provincial Council has not been established in a specific province the Council must determine under which Provincial Council that province falls.

(3) The **[Regional]** Provincial Councils must carry out any powers and perform any functions as may be determined by the Council or set out in this Act.

(4) **[Regional]** Provincial Councils must be elected in accordance with a procedure determined by the Council in the rules.

(5) **[Regional]** Provincial Councils must be constituted [—
(a)] in such a manner so as to reflect the **[composition of the Council as far as legal practitioners are concerned]** proportion of attorneys and advocates in the area of jurisdiction of the Provincial Council concerned [; and

(b) by taking into account the following factors:

- (i)** The efficient attainment of the Council's objects;
- (ii)** cost effectiveness;
- (iii)** the interests of legal practitioners;
- (iv)** regional needs, interests and sensitivities;
- (v)** availability of resources; and
- (vi)** the interests of the public].

(6) A Provincial Council may establish one or more committees to assist it in the exercise of its powers and the performance of its functions.

(7) A committee contemplated in subsection (6) may consist of only attorneys or only advocates to deal with matters relating exclusively to the attorneys' or advocates' professions, respectively.

CHAPTER 3

REGULATION OF LEGAL PRACTITIONERS AND CANDIDATE LEGAL PRACTITIONERS

Admission and enrolment

24. (1) A person may only practise as a legal practitioner if he or she is admitted and enrolled to practise as such in terms of this Act.

(2) **[A]** The High Court must admit to practise and authorise to be enrolled as a legal practitioner, conveyancer or notary or any person who, upon application, satisfies the court that he or she—

- (a)** is duly qualified as set out in section 26;
- (b)** is a—
 - (i)** South African citizen; or
 - (ii)** permanent resident in the Republic;
- (c)** is a fit and proper person to be so admitted; and
- (d)** has served a copy of the application on the Council, containing the information as determined in the rules within the time period determined in the rules.

(3) Subject to subsection (1), [The] the Minister may, [after] in consultation with the Minister of Trade and Industry and after consultation with the Council, and having regard to any relevant international commitments of the Government of the Republic, make regulations in respect of admission and enrolment to—

- (a) determine the right **[of appearance]** of foreign legal practitioners to appear in courts in the Republic and to practise as legal practitioners in the Republic; or
- (b) give effect to any **[reciprocal international]** mutual recognition agreement to which the Republic is a party, regulating—
 - (i) the provision of legal services by foreign legal practitioners; or
 - (ii) the admission and enrolment of foreign legal practitioners[; **or**
- (c) **if it is in the public interest, permit a person or category of persons concerned, to expeditiously commence practising as a legal practitioner by virtue of his or her academic qualifications or professional experience].**

Right of appearance of legal practitioners and candidate legal practitioners

25. (1) Any person who has been admitted and enrolled to practise as a legal practitioner in terms of this Act, is entitled to practise throughout the Republic, unless his or her name has been ordered to be struck off the Roll or he or she is subject to an order suspending him or her from practising.

(2) A legal practitioner, whether practising as an advocate or an attorney, has the right to appear on behalf of any person in any court in the Republic or before any board, tribunal or similar institution, subject to subsections (3) and (4) or any other law.

(3) An attorney who wishes to appear in the High Court, the Supreme Court of Appeal or the Constitutional Court on behalf of any person must apply to the registrar of the Division of the High Court in which he or she was admitted and enrolled as an attorney for a prescribed certificate to the effect that the applicant has the right to appear in the High Court, the Supreme Court of Appeal or the Constitutional Court and which the registrar must issue if he or she is satisfied that the attorney-

- (a) has been practising as an attorney or has been performing community service as an attorney at any law clinic as provided for under the Attorneys Act for a continuous period of not less than three years: Provided that this period may be reduced in accordance with rules made by the Council if the attorney has undergone a trial advocacy training programme approved by the Council as set out in the Rules;
- (b) is in possession on an LLB degree; and
- (c) has not had his or her name struck off the Roll or has not been suspended from practice or that there are no proceedings pending to strike the applicant's name from the Roll or to suspend him or her; or
- (d) has gained appropriate relevant experience, as may be prescribed by the Minister in consultation the Council, if the attorney complies with paragraph (c).

(4) (a) An attorney wishing to apply for a certificate contemplated in subsection (3) must serve a copy of the application on the Council, containing the information as determined in the rules within the time period determined in the rules.

(b) A registrar of a Division of the High Court who issues a certificate referred to in subsection (3) must immediately submit a certified copy thereof to the Council.

(5) (a) A candidate attorney is, subject to paragraph (b), entitled to appear –

- (i) in any court, other than the High Court, the Supreme Court of Appeal or the Constitutional Court; and
- (ii) before any board, tribunal or similar institution on behalf of any person, instead of and on behalf of the person under whose supervision he or she is undergoing his or her practical vocational training.

(b) A candidate attorney may only appear in a regional division established under section 2 of the Magistrates' Courts Act, 1944 (Act No.32 of 1944), as

contemplated in paragraph (a) if he or she has previously practised as an advocate for at least one year or has undergone at least one year of practical vocational training.

Minimum qualifications and practical vocational training

26. (1) A person qualifies to be admitted and enrolled as a legal practitioner, if that person has—

[(a)] **satisfied all the requirements for –**

- (i) the degree of *baccalaureus legum* of any university in the Republic after pursuing for that degree a course of study of not less than four years; or**
- (ii) a law degree obtained in a foreign country, which is equivalent to the *baccalaureus legum* and recognised by the South African Qualifications Authority established by the National Qualifications Framework Act, 2008 (Act No. 67 of 2008)];**

(a) satisfied all the requirements for the LLB degree obtained at any university registered in the Republic, after pursuing for that degree –

- (i) a course of study of not less than four years; or**
- (ii) a course of study of not less than five years if the LLB degree is preceded by a bachelor's degree other than the LLB degree, as determined in the rules of the university in question and approved by the Council; or**

(b) subject to section 24(2)(b), satisfied all the requirements for a law degree obtained in a foreign country, which is equivalent to the LLB degree and recognised by the South African Qualifications Authority established by the National Qualifications Framework Act, 2008 (Act No. 67 of 2008); and

[(b)](c) undergone all the practical vocational training requirements as a candidate legal practitioner prescribed by the Minister, including –

- (i) community service as contemplated in section 29, and**
- (ii) a legal practice management course for candidate legal practitioners who intend to practise as attorneys or as advocates referred to in section 34(2)(b); and**

[(c)](d) passed a competency-based examination or assessment for candidate legal practitioners as may be determined in the rules.

(2) An attorney qualifies to be enrolled as a conveyancer, if he or she has passed a competency-based examination or assessment of conveyancers as determined in the rules by the Council.

(3) An attorney qualifies to be enrolled as a notary, if he or she has passed a competency-based examination or assessment for notaries as determined in the rules by the Council.

Practical vocational training

27. (1) The Council must in the rules, determine the minimum conditions and procedures for the registration and administration of practical vocational training.

(2) The rules contemplated in subsection (1) must regulate the payment of remuneration, allowances or stipends to all candidate legal practitioners, including the minimum amount payable.

Assessment of practical vocational training

28. (1) The Council must, in the rules, determine a procedure and issue directions pertaining to the assessment of persons undergoing practical vocational training.

(2) The purpose of assessment in terms of subsection (1) is to establish whether, in the opinion of the Council, the person has attained an adequate level of competence as determined in the rules, for admission and enrolment as a legal practitioner.

(3) The assessment referred to in subsection (1) must be carried out by the Council or an appropriate institution or organisation engaged by the Council to conduct the assessment on its behalf.

(4) The Council must, in the rules, determine the criteria for a person, institution, organisation or association to qualify to conduct an assessment in terms of this section.

[Prescription of community] Community service

29. (1) The Minister must, after consultation with the Council, prescribe the requirements for community service from a date to be determined by the Minister, and such requirements may include—

- (a) community service as a component of practical vocational training by candidate legal practitioners; or
- (b) a minimum period of recurring community service by legal practitioners upon which continued **[registration]** enrolment as a legal practitioner is dependent.

(2) **[For the purposes of this section, "community service" includes service involving—**

- (a) the delivery of free legal services to the public in terms of an agreement between the candidate legal practitioner or the legal practitioner with a community-based organisation, trade union or non-governmental organisation;**
- (b) the provision of legal education and training on behalf of the Council, or on behalf of an academic institution or non-governmental organisation approved by the Council;**
- (c) service as a judicial officer, including as a commissioner in the small claims court;**
- (d) service to the State, approved by the Minister after consultation with the Council;**
- (e) service on regulatory structures established or recognised in terms of this Act;**
- (f) any other service as may be determined by the Council in the rules; or**
- (g) any other service which the candidate legal practitioner or the legal practitioner may want to perform with the approval of the Minister.]**

Community service for the purposes of this section may include, but is not limited, to the following:

- (a) Service in the State, approved by the Minister, in consultation with the Council;
- (b) service at the South African Human Rights Commission;
- (c) service, without any remuneration, as a judicial officer in the case of legal practitioners, including as a commissioner in the small claims courts;
- (e) the provision of legal education and training on behalf of the Council, or on behalf of an academic institution or non-governmental organisation; or
- (f) any other service which the candidate legal practitioner or the legal practitioner may want to perform, with the approval of the Minister.

(3) The Council may, on application and on good cause shown, exempt any candidate legal practitioner or legal practitioner from performing community service, as set out in the rules.

[Registration] Enrolment with Council

30. (1) (a) A person duly admitted by the High Court and authorised to be enrolled to practise as a legal practitioner must apply to the Council in the manner determined in the rules, for **[registration and for enrolling]** the enrolment of his or her name on the Roll.

(b) The application referred to in paragraph (a) must—

- (i) be accompanied by the fee determined in the rules;
- (ii) indicate whether the applicant intends to practise as an attorney or an advocate and, in the case of an advocate, whether he or she intends practising with or without a Fidelity Fund certificate; and
- (iii) be submitted to the Council in the manner determined in the rules through the **[Regional] Provincial** Council where the legal practitioner intends to practise.

(2) The Council must enrol the applicant as an attorney, advocate, notary or conveyancer, as the case may be, if he or she complies with the provisions of this Act.

(3) The Council must keep a Roll of Legal Practitioners, as determined in the rules, which must reflect—

- (a) the particulars of practising and non-practising legal practitioners and, in the case of advocates, whether they practise with or without a Fidelity Fund certificate;
- (b) the name of every person admitted as a legal practitioner in terms of this Act and the particulars of the order of court in terms of which he or she was admitted;
- (c) the name of every person readmitted as a legal practitioner and the particulars of the order of court in terms of which he or she was readmitted;
- (d) the names of all persons who were admitted and enrolled as legal practitioners before the commencement of this Act, and the particulars of the orders of court admitting them;
- (e) the particulars of any order of court in terms of which any legal practitioner has been suspended, whether the order was made before or after the commencement of this Act, or particulars of any court order in terms of which the name of any such person has been ordered to be struck off the Roll; **[and]**
- ~~(f)~~ any conversion of enrolment as contemplated in section 32;
- ~~[(f)](g)~~ any amendment or endorsement against the enrolment of a legal practitioner as contemplated in section 40(3)(a)(v);
- ~~(h)~~ the particulars of every attorney who has been issued with a certificate relating to right of appearance in the High Court, the Supreme Court of Appeal and the Constitutional Court referred to in section 25(3); and
- ~~(i)~~ the particulars of every advocate who practises with a Fidelity Fund certificate as contemplated in section 34(2)(b).

(4) Any document issued by the Council in terms of which it is certified that—

- (a) a person has been admitted and enrolled to practise as a legal practitioner;
- (b) a person has been readmitted to practise as a legal practitioner;
- (c) a person has been suspended from practice as a legal practitioner; or
- (d) the name of a person has been struck off the Roll,

is, on its mere production, *prima facie* proof of the facts stated therein.

(5) The registrar of the Division of the High Court which makes an order—

- (a) admitting and authorising a person to practise and be enrolled as a legal practitioner;

- (b) readmitting and authorising a person to practise and be enrolled as a legal practitioner; or
- (c) that the name of a person be struck off the Roll or that suspends a person from practice as a legal practitioner under this Act or any other law,

must immediately, after the making of that order, forward a certified copy thereof to the Council through the **[Regional] Provincial** Council having jurisdiction.

(6) The Roll referred to in subsection (3) must be –

- (a) published on the website of the Council;
- (b) updated every month by the Council; and
- (c) available for inspection by members of the public during business hours of the Council and Provincial Councils.

Cancellation and suspension of [registration] enrolment

31. (1) (a) The Council must cancel or suspend the **[registration] enrolment** of a legal practitioner if [—

(a)] **[a]** the High Court orders that his or her name be struck off the Roll or that he or she be suspended from practice; **or**

(b)] (b) The Council may cancel or suspend the enrolment of a legal practitioner if he or she has erroneously been **[registered] enrolled**, or has been **[registered] enrolled** on information that is subsequently proved to be false.

(2) The Council must, before cancellation or suspension of **[registration] enrolment** of a legal practitioner in the case of subsection (1)(b), notify such legal practitioner and give him or her an opportunity to be heard.

(3) The Council must, as determined in the rules, notify the person referred to in subsection (1) of the cancellation or suspension of **[registration] enrolment**.

(4) The Council must, at the written request of any **[registered] enrolled** legal practitioner, cancel his or her **[registration] enrolment** and remove his or her name from the Roll or from the Roll of practising legal practitioners, as indicated by the legal practitioner in question, but where an investigation into any alleged improper conduct by that person is in progress or is to be held, the **[registration] enrolment** may not be cancelled until the investigation has been concluded.

(5) Despite the cancellation or suspension of the **[registration] enrolment** of a person in terms of this section, that person remains liable for any fee, arrears or penalty imposed by the Council for the period that he or she was **[registered] enrolled**.

Conversion of [registration] enrolment

32. (1) A legal practitioner may, at any time, as determined in the rules and upon payment of the fee determined by the Council in the rules, apply to the Council to convert his or her **[registration] enrolment** as an attorney to that of an advocate and *vice versa*.

(2) The Council may impose any conditions as it considers appropriate to give effect to the conversion and the provisions of this Act relating to **[registration] enrolment**.

(3) The Council may make rules setting out the circumstances under which a legal practitioner can apply for the conversion of his or her **[registration] enrolment** and any requirements such legal practitioner must comply with.

Authority to render legal services⁶

33. (1) Subject to any other law no person other than a legal practitioner who has been admitted and enrolled as such in terms of this Act may, in expectation of any fee, commission, gain or reward—

- (a) appear in any court of law or before any board, tribunal or similar institution in which only legal practitioners are entitled to appear; or
- (b) draw up or execute any instruments or documents relating to or required or intended for use in any action, suit or other proceedings in a court of civil or criminal jurisdiction within the Republic.

(2) No person other than a legal practitioner may hold himself or herself out as a legal practitioner or make any representation or use any type or description indicating or implying that he or she is a legal practitioner.

(3) No person may in expectation of any fee, commission, gain or reward, directly or indirectly, perform any act or render any service which in terms of any other law may only be done by an advocate, attorney, conveyancer or notary, unless that person is an advocate, attorney, conveyancer or notary, as the case may be.

(4) A legal practitioner who is struck off the Roll or suspended from practice may not—

- (a) render services as a legal practitioner directly or indirectly for his or her own account, or in partnership, or association with any other person, or as a member of a legal practice; or
- (b) be employed by, or otherwise be engaged, in a legal practice without the prior written consent of the Council, which consent may not be unreasonably withheld, and such consent may be granted on such terms and conditions as the Council may determine.

[(5) Any person who contravenes the provisions of this section is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding two years or to both such fine and imprisonment.]

Forms of legal practice

34. (1) An attorney may render legal services in expectation of any fee **[determined in accordance with this Act]**, commission, gain, or reward as contemplated in this Act or any other applicable law, upon receipt of a request directly from the public for that service.

(2) (a) An advocate may render legal services in expectation of a fee, commission, gain or reward **[determined in accordance with]** as contemplated in this Act or any other applicable law-

[(a)](i) upon receipt of a brief from an attorney; or

[(b)](ii) upon receipt of a request directly from a member of the public or from a justice centre for that service, subject to paragraph (b): **Provided that such request complies with any regulation that the Minister may make after consultation with the Council**].

(b) An advocate contemplated in paragraph (a)(ii) may only render those legal services rendered by advocates before the commencement of this Act as determined by the Council in the rules, if he or she –

⁶The PC indicated that in its eventual report to the NA reference should be made to the comments of the Competition Commission regarding the inclusion of paralegals in the Bill as well as in-house lawyers and estate agents.

(i) is in possession of a Fidelity Fund certificate and conducts his or her practice in accordance with the relevant provisions of Chapter 7, with particular reference to sections 84, 85, 86 and 87;

(ii) has notified the Council thereof in terms of section 30(1)(b)(ii).

(c) An advocate may render legal services in criminal or civil matters in expectation of a fee, commission, gain or reward as contemplated in this Act or any other applicable law upon receipt of a request directly from a justice centre for that service, in which event the provisions of paragraph (b) do not apply.

(3) The Council must **[determine]** make rules relating to the briefing of advocates—

(a) by attorneys [and instruction of attorneys]; and

(b) directly by members of the public.

(4) The Council must make rules relating to the instruction of attorneys.

[(4)](5) Attorneys may only practise—

(a) for their own account;

(b) as part of a commercial juristic entity referred to in subsection **[(6)](7)** and as such, may only make over to, share or divide any portion of their professional fee whether by way of partnership, commission, allowance, or otherwise with an attorney;

[(c) as part of a non-profit juristic entity established in terms of subsection [(7)];

[(d)](c) as part of a law clinic established in terms of subsection (8);

(d) as part of Legal Aid South Africa; or

(e) as an attorney in the full time employment of the State or the South African Human Rights Commission.

[(5)](6) Advocates may only practise—

(a) for their own account and as such may not make over to, share or divide any portion of their professional fee whether by way of partnership, commission, allowance or otherwise;

[(b) as part of a non-profit juristic entity established in terms of subsection (7)];

(b) as part of a law clinic established in terms of subsection (8);

(c) as part of Legal Aid South Africa;

[(d) at a public interest legal centre;] or

[(e)](d) as a state advocate in the full time employment of the State or the South African Human Rights Commission.

[(6)](7) A commercial juristic entity may be established to conduct a legal practice provided that, in terms of its founding documents—

(a) its shareholding, partnership or membership as the case may be, is comprised exclusively of attorneys;

(b) provision is made for legal services to be rendered only by or under the supervision of admitted and enrolled attorneys; and

(c) all present and past shareholders, partners or members, as the case may be, are liable jointly and severally together with the commercial juristic entity for—

(i) the debts and liabilities of the commercial juristic entity as are or were contracted during their period of office; and

(ii) in respect of any theft committed during their period of office.

[(7)](8) A law clinic may be established by a non-profit juristic entity [may be established] to conduct a legal practice provided that, in terms of its founding documents—

(a) its chairperson and the majority of members of its governing body [is] are comprised [exclusively] of legal practitioners in accordance with rules determined by the Council;

(b) provision is made for legal services to be rendered only by or under the supervision of admitted and enrolled legal practitioners;

- (c) provision is made for at least one person in its employ to be an attorney;
- (d) it may not make over to, share or divide any portion of its professional fee whether by way of partnership, commission, allowance or otherwise;
- (e) its income and property is not distributable to its members or governors except as reasonable compensation for services rendered; and
- (f) upon its winding-up, [or] dissolution or voluntary deregistration, any asset remaining after all liabilities have been met, are transferred to another non-profit organisation having similar objectives to it.

~~[(8)]~~(9) A law clinic may be established by any university in the Republic provided that—

- (a) it is constituted and governed as part of the faculty of law at that university;
- (b) all legal services at the law clinic are rendered by a legal practitioner or rendered under the supervision of such a person;
- (c) the legal services rendered by it are accessible to the public;
- (d) the legal services rendered by it must be rendered to the recipient of such service free of charge, except that the law clinic may recover any amounts actually disbursed on behalf of the recipient of the service;
- (e) it may not undertake work in connection with the administration or liquidation or distribution of the estate of any deceased or insolvent person, mentally ill person or any person under any other legal disability, or the [judicial management] business rescue or the liquidation of a company, nor in relation to the transfer or mortgaging of immovable property, nor in relation to the lodging or processing of claims under the Road Accidents Fund Act, 1996 (Act No. 56 of 1996), or any amendment thereof or such other work as the Council may determine in the rules;
- (f) its income and property is not distributable to its governors or employees, except as reasonable compensation for services rendered; [and]
- (g) it may not make over to, share or divide any portion of its professional fee whether by way of partnership, commission, allowance or otherwise; and
- (h) it complies with the requirements determined by the Council in the rules, for purposes of engaging candidate legal practitioners.]

(8) (a) Subject to the approval of the Council in terms of the rules, a law clinic may be established by –

- (i) a non-profit juristic entity registered in terms of the Non-profit Organisations Act, 1997 (Act No. 71 of 1997), to conduct a legal practice if, in terms of its founding documents –
 - (aa) the majority of its members of its governing body is comprised of legal practitioners; and
 - (bb) upon its winding-up, dissolution or voluntary deregistration, any asset remaining after all liabilities have been met, are transferred to another non-profit organisation having similar objectives to it; or
- (ii) any university in the Republic if it is constituted and governed as part of the faculty of law at that university,

and is subject to the provisions of paragraphs (b) and (c).

(b) A law clinic referred to in paragraph (a) –

- (i) may only render legal services if those services are rendered by or under the supervision of attorneys;
- (ii) may not make over to, share or divide any portion of its professional fee whether by way of partnership, commission, allowance or otherwise;
- (iii) may not distribute any of its income or property to its members, governors or employees, except as reasonable compensation for services rendered;

- (iv) may only engage candidate legal practitioners if it complies with the requirements determined by the Council in the rules; and
 - (v) may not render those legal services determined by the Council in the rules.
- (c) Legal services rendered by a law clinic referred to in paragraph (a) -
- (i) must be accessible to the public; and
 - (ii) must be rendered to the recipient of those services free of charge, except that the law clinic may recover any amounts actually disbursed on behalf of the recipient of the services, subject to section 92.

[(9) The Minister may, after consultation with the Council and the Board, prescribe—

- (a) a framework for the creation and recognition of limited liability legal practices; and**
- (b) the terms and conditions applicable to such practices.]**

[(10)](9) The Council must, within two years after the commencement of Chapter 2 of this Act, investigate and make recommendations to the Minister on—

(a) the creation of other forms of legal practice, including -

- (i) limited liability legal practices;**
- (ii) multi-disciplinary practices; and**

(b) the statutory recognition of paralegals,

taking into account best international practices, the public interest and the interests of the legal profession, with the view to legislative and other interventions in order to improve access to the legal profession and access to justice generally.

[Fee structure of legal practitioners, juristic entities and justice centres] Fees in respect legal services

35. [A legal practitioner, juristic entity or Legal Aid South Africa may only charge fees in respect of legal services as—

- (a) are in accordance with the fee structure determined in terms of this Act, taking into account—**
 - (i) the importance, significance, complexity and expertise of the legal services required;**
 - (ii) the volume of work required and time spent in respect of services rendered; and**
 - (iii) the financial implications of the matter at hand; or**
- (b) may be determined in law.]**

(1) Until the investigation contemplated in subsection (4) has been completed and the recommendations contained therein have been implemented by the Minister by making regulations, after consultation with the Council, fees in respect of legal services (litigious and non-litigious legal services) rendered by legal practitioners, juristic entities, law clinics or Legal Aid South Africa referred to in section 34 must be in accordance with the tariffs made by the Rules Board for Courts of Law established by section 2 of the Rules Board for Courts of Law Act, 1985 (Act No. 107 of 1985).

(2) The Rules Board for Courts of Law must, when determining the tariffs as contemplated in subsection (1), take into account –

- (a) the importance, significance, complexity and expertise of the legal services required;**
- (b) the seniority and experience of the legal practitioner concerned, as determined in this Act;**
- (c) the volume of work required and time spent in respect of the legal services rendered; and**

(d) the financial implications of the matter at hand.

(3) Despite any other law to the contrary, nothing in this section precludes any user of non-litigious legal services, on his or own initiative, from agreeing with a legal practitioner in writing, to pay fees for the services in question in excess of or below any tariffs determined as contemplated in this section.⁷

(4) The South African Law Reform Commission must, within two years after the commencement of Chapter 2 of this Act, investigate and report back to the Minister with recommendations on the following:

(a) The manner in which to address the circumstances giving rise to legal fees that are unattainable for most people;

(b) legislative and other interventions in order to improve access to justice by the members of the public;

(c) the desirability of establishing a mechanism which will be responsible for determining fees and tariffs payable to legal practitioners;

(d) the composition of the mechanism contemplated in paragraph (c) and the processes it should follow in determining fees or tariffs;

(e) the desirability of giving users of legal services the option of voluntarily agreeing to pay fees for legal services less or in excess of any amount that may be set by the mechanism contemplated in paragraph (c); and⁸

(f) the obligation by a legal practitioner to conclude a mandatory fee arrangement with a client when that client secures that legal practitioner's services.

(5) In conducting the investigation referred to in subsection (4), the South African Law Reform Commission must take the following into consideration:

(a) Best international practices;

(b) the public interest;

(c) the interests of the legal profession; and

(d) the use of contingency fee agreements as provided for in the Contingency Fees Act, 1997 (Act No. 66 of 1997).

(6) The Minister may by notice in the *Gazette* prescribe maximum tariffs payable to legal practitioners who are instructed by any State Department or Provincial or Local Government in any matter.

(7) When an attorney or advocate referred to in section 34(2)(b) first receives instructions from a client for the rendering of litigious or non-litigious legal services, or as soon as practically possible thereafter, that attorney or advocate must provide the client with a cost estimate notice, in writing, in simple terms relating to the envisaged costs of the legal services, including the following:

(a) The likely financial implications for the rendering of the legal services in question, including fees, charges, disbursements and other costs which —

(i) have already been incurred by the attorney or advocate at the date on which the notice is provided;

(ii) are of a fixed nature or otherwise certain, to be incurred; and

(iii) are likely to be incurred;

(b) the amount of value-added tax to be charged in respect of the amounts referred to in paragraph (a);

(c) an explanation of the basis on which the amounts referred to in paragraph (a) were or are to be calculated, including the attorney's or advocate's hourly fee rate and an explanation to the client of his or her right to negotiate the fees payable to the attorney or advocate;

⁷ On 23 October, the PC indicated it would like to consider this subclause.

⁸ This has an impact on subclause (3)

- (d) if the matter involves, or is likely to involve litigation, an outline of the work to be done in respect of each stage of the litigation process and the costs or likely costs involved in respect of each such stage, including —
- (i) the likelihood of engaging witnesses or expert witnesses and an undertaking not to engage a witness or expert witness without first —
 - (aa) ascertaining the likely costs of engaging him or her; and
 - (bb) obtaining the express agreement of the client to do so; and
 - (ii) the likelihood of engaging an advocate, as well as an explanation of the different fees that can be charged by different advocates, depending on aspects such as seniority or expertise, and an undertaking not to engage an advocate without first —
 - (aa) ascertaining the likely costs of engaging him or her; and
 - (bb) obtaining the express agreement of the client to do so;
- (e) if the matter involves, or is likely to involve litigation, information as to the likely legal and financial consequences of the client's withdrawal from the litigation for any reason and its discontinuance;
- (f) if the matter involves, or is likely to involve litigation, information as to the circumstances in which the client would be likely to be required to pay the costs of one or more other parties to the litigation, and information as to the circumstances in which it would be likely that the costs of the attorney or advocate would not be fully recovered from other parties to the litigation;
- (g) an undertaking by the attorney or advocate to provide a new cost estimate notice to the client as soon as the attorney or advocate becomes aware of any factor that is likely to result in an increase in the legal costs, for the client to consider for purposes of deciding whether or not to instruct that attorney or advocate to continue providing the legal services in connection with the matter concerned;
- (h) an undertaking by the attorney or advocate to provide the client, on reasonable request, with itemised reports on the costs incurred to date; and
- (i) an explanation of any recourse available to the client in the event of a dispute in relation to legal costs, and the time limits that apply.
- (8) An attorney or advocate referred to in section 34(2)(b) must, in addition to providing the client with a written cost estimate notice as contemplated in subsection (7), also verbally explain to the client every aspect contained in that notice, as well as any other relevant aspect relating to the costs of the legal services to be rendered.
- (9) A client must, in writing, agree to the envisaged legal services by that attorney or advocate referred to in section 34(2)(b) and the incurring of the estimated costs as set out in the notice contemplated in subsection (7).
- (10) Non-compliance by an attorney or advocate referred to in section 34(2)(b) with the provisions of this section constitutes misconduct.
- (11) If an attorney or advocate referred to in section 34(2)(b) does not comply with the provisions of this section, the client is not required to pay any legal costs to that attorney or advocate until the Council has reviewed the matter and made a determination regarding amounts to be paid.
- (12) The provisions of this section do not preclude the use of contingency fee agreements as provided for in the Contingency Fees Act, 1997 (Act No. 66 of 1997).
- ALTERNATIVE TO SUBCLAUSES (7) TO (12):**
- (7) The Minister may/must, in/after consultation with the Council, make regulations prescribing the manner in which legal practitioners/attorneys or advocates referred to in section 34(2)(b) must, before they render any legal services, furnish clients

with information regarding the processes involved in executing the legal services required and the approximate costs involved.⁹

ALTERNATIVE TO SUBCLAUSE (7):

(7) When an attorney or advocate referred to in section 34(2)(b) first receives instructions from a client for the rendering of litigious or non-litigious legal services, or as soon as practically possible thereafter, that attorney or advocate must provide the client with a cost estimate notice, in writing, specifying all particulars relating to the envisaged costs of the legal services, including the following:

- (a) The likely financial implications including fees, charges, disbursements and other costs;
- (b) the attorney's or advocate's hourly fee rate and an explanation to the client of his or her right to negotiate the fees payable to the attorney or advocate;
- (c) an outline of the work to be done in respect of each stage of the litigation process, where applicable;
- (d) the likelihood of engaging an advocate, as well as an explanation of the different fees that can be charged by different advocates, depending on aspects such as seniority or expertise; and
- (e) if the matter involves litigation, the legal and financial consequences of the client's withdrawal from the litigation as well as the costs recovery regime.¹⁰

CHAPTER 4

PROFESSIONAL CONDUCT AND ESTABLISHMENT OF DISCIPLINARY BODIES

Code of conduct

36. (1) The Council must develop a code of conduct that applies to all legal practitioners and all candidate legal practitioners and may review and amend such code of conduct.

(2) The code of conduct serves as the prevailing standard of conduct, which legal practitioners, candidate legal practitioners and juristic entities must adhere to, and failure to do so constitutes misconduct.

(3) The Council must take all reasonable steps to—

- (a) publicise the existence of the code of conduct;
- (b) inform members of the public of the contents of the code of conduct, including its enforcement procedures; and
- (c) inform members of the public of how and where to obtain a copy thereof.

(4) The code of conduct and every subsequent amendment must be published in the *Gazette* and the rules.

(5) Before the Council publishes a code of conduct or any amendment thereof under this section, the Council must publish a draft of the proposed code of conduct in the *Gazette* together with a notice, calling on interested persons to comment in writing within a period stated in the notice, which may not be less than 30 days from the date of publication of the notice.

Establishment of disciplinary bodies

37. (1) The Council must, when necessary, establish investigating committees, consisting of a person or persons appointed by the Council to conduct

⁹ On 23 October the PC raised the possibility of rather empowering the Minister to make regulations on this aspect.

¹⁰ On 23 October, Mr Daya tabled a condensed version of subclause (7) for consideration.

investigations of all complaints of misconduct against legal practitioners, candidate legal practitioners or juristic entities.

(2) (a) An investigating committee may, for the purposes of conducting an investigation contemplated in subsection (1), direct any legal practitioner or an employee of that legal practitioner to produce for inspection any book, document or article which is in the possession, custody or under the control of that legal practitioner or employee which relates to the complaint in question: Provided that the investigating committee may make copies of such book, document or article and remove the copies from the premises of that legal practitioner.

(b) The legal practitioner referred to in paragraph (a) or employee in question may not, subject to the provisions of any other law, refuse to produce the book, document or article, even though he or she is of the opinion that it contains confidential information belonging to or concerning his or her client.

(c) Any person who performs any function under this subsection, may not disclose any information which he or she obtained in the performance of such a function, except –

- (i) for the purposes of the investigation or a hearing by a disciplinary body;
- (ii) to any person authorised thereto by the Council or the Board who, of necessity, requires it for the performance of his or her functions under this Act;
- (iii) if he or she is a person who, of necessity, supplies it in the performance of his or her functions under this Act;
- (iv) when required to do so by order of a court of law;
- (v) at the written request of the Ombud; or
- (vi) at the written request of the National Prosecuting Authority or any competent authority which requires it for the institution of an investigation with a view to the institution of any criminal prosecution.

[(2)](3) An investigating committee must, after investigating a complaint, if it is satisfied that **[the legal practitioner or the candidate legal practitioner concerned]**

- (a) the legal practitioner, or the candidate legal practitioner concerned may, on the basis of available *prima facie* evidence, be guilty of misconduct that, in terms of the code of conduct, warrants misconduct proceedings, refer the matter to the Council for adjudication by a disciplinary committee; or
- (b) **[is not guilty of misconduct]** the complaint should be dismissed on the grounds that the conduct in question does not necessarily warrant misconduct proceedings, as set out in the code of conduct, it must dismiss the complaint, inform the Council, the complainant and the legal practitioner, candidate legal practitioner or juristic entity of its finding and the reasons for it, whereafter the complainant may appeal in terms of section 41, if the complainant is aggrieved by –
 - (i) the manner in which the investigating committee conducted its investigation;
 - or
 - (ii) the outcome of the investigating committee.

[(3)](4) The Council must, when necessary, establish disciplinary committees, consisting of at least three persons, to adjudicate complaints against legal practitioners and candidate legal practitioners referred to it in terms of subsection **[(2)](3)(a)**, and must also designate one of those persons as chairperson thereof, who may not be a lay person referred to in subsection (5)(e)(ii).

[(4) Investigating committees and disciplinary committees must be established with due regard to—

- (a) the ease of access by members of the public resident in various parts of the Republic;**

- (b) the need to promote the efficient resolution of complaints made in terms of this Act;
- (c) representivity in respect of the constitution of the committee with regard to—
 - (i) race;
 - (ii) gender;
 - (iii) national and regional demographics; and
 - (iv) the inclusion of members of the public, as may be prescribed;
- (d) the need to provide a cost-effective disciplinary system; and
- (e) the requirements of administrative justice.]

(5) When establishing disciplinary committees the following factors must, as far as is practicable, be taken into account:

- (a) the racial and gender composition of South Africa;
- (b) the ease of access by persons necessary for the finalisation of the matters in question;
- (c) the need to promote the efficient resolution of complaints made in terms of this Act;
- (d) national and provincial demographics;
- (e) the need to include –
 - (i) an advocate and an attorney; and
 - (ii) at least one lay person drawn by the Council from a list of persons established and maintained by the Office of the Ombud who has been approved by the Office of the Ombud, as being suitable to serve on disciplinary committees and who is paid an allowance for this purpose determined by the Council and published in the Gazette;
- (f) the need to provide a cost-effective disciplinary system; and
- (g) the requirements of administrative justice.

[(5) Where a legal practitioner, candidate legal practitioner or juristic entity is aggrieved by the outcome of the disciplinary hearing, such legal practitioner, candidate legal practitioner or juristic entity may lodge an appeal with an appeal tribunal as contemplated in section 42.

(6) (a) An appeal tribunal must consist of not less than three and not more than five persons appointed by the Council, subject to subsection (4), with the exception of paragraph (c)(iv) of that subsection.

(b) The members of the appeal tribunal must be legal qualified with relevant expertise.

(7) The Council may in the rules, determine procedures to be followed by disciplinary bodies established in terms of this section.

(8) Where a complainant is aggrieved by the outcome of a complaint, the complainant may lodge an application for a review with the Legal Services Ombud in terms of section 41.]

Procedure for dealing with complaints of misconduct and procedure to be followed in disciplinary hearing

38. (1) The Council must make rules to determine the procedure to be followed by disciplinary bodies established in terms of section 37 for dealing with all complaints of misconduct relating to legal practitioners, whether practising as an advocate, an attorney, a candidate legal practitioner or a juristic entity, and such complaints must be lodged in writing with the **[Regional] Council [having jurisdiction on the matter].**

(2) Before the Council makes any rule contemplated in subsection (1) or amends any rule, the Council must publish a draft of the proposed rule or proposed amendment in the *Gazette* together with a notice, calling on interested persons to

comment in writing within a period stated in the notice, which may not be less than 30 days from the date of publication of the notice.

(3) Particulars of all disciplinary hearings, including the particulars of –

- (a) the allegations of misconduct being dealt with; and
- (b) the members of the disciplinary committees in question;
- (c) the legal practitioners, candidate legal practitioners or juristic entities involved in the dispute; and
- (d) the outcome thereof and any sanction imposed in terms of section 40(3), if applicable.

must, subject to subsection (4)(a), be -

- (i) published on the website of the Council;
- (ii) updated, at least, once every month by the Council; and
- (iii) available for inspection by members of the public during business hours of the Council and relevant Provincial Councils.

(4) (a) The proceedings of all disciplinary hearings are open to the public, unless the chairperson of the disciplinary committee directs otherwise, on good cause shown, on application by a person having an interest in the matter, whereafter the provisions of section 154(1) to (5) of the Criminal Procedure Act, 1977 (Act No. 51 of 1977), apply with the necessary changes required by the context.

(b) The complainant in the matter is entitled to be present during all proceedings in a disciplinary hearing relating to his or her complaint in the same manner as a complainant in criminal proceedings.

(5) (a) A decision of the majority of the members present at a disciplinary hearing constitutes the decision of the disciplinary committee.

(b) In the event of a deadlock in the voting, the chairperson has a casting vote, in addition to a deliberative vote.

Disciplinary hearing

39. (1) A disciplinary committee must conduct disciplinary hearings subject to the provisions of this section and the rules determined by the Council, as contemplated in section 38.

(2) A disciplinary committee may, for the purposes of this section, appoint a person to assist it in the performance of its functions.

(3) (a) A disciplinary committee may, for the purposes of a hearing, subpoena any person who—

- (i) in its opinion may be able to give material information concerning the subject of the hearing; or
- (ii) it suspects or believes has in his or her possession or custody or under his or her control any book, document or object which has any bearing on the subject of the hearing,

to appear before it at the time and place specified in the subpoena, to be questioned or to produce a book, document or object.

(b) A subpoena issued in terms of paragraph (a), must be—

- (i) in the form determined in the rules;
- (ii) signed by the chairperson of the disciplinary committee or, in his or her absence, any member of that committee; and
- (iii) served on the person concerned as determined in the rules.

(4) The disciplinary committee may retain a book, document or object produced in terms of subsection (3) for the duration of the hearing.

(5) The chairperson of a disciplinary committee may call upon and administer an oath to, or take an affirmation from, any witness at the hearing who was subpoenaed in terms of subsection (3).

(6) At a hearing the person charged—

- (a) (i) may be present at the hearing of the proceedings;
- (ii) may be assisted or represented by another person or a legal practitioner in conducting his or her defence proceedings;
- (iii) has the right to be heard;
- (iv) may call witnesses;
- (v) may cross-examine any person called as a witness in support of the charge; and
- (vi) may have access to any book, document or object produced in evidence; and
- (b) (i) may admit at any time before conviction that he or she is guilty of the charge; and
- (ii) may, in the case where he or she makes an admission in terms of subparagraph (i), be deemed to be guilty of misconduct as charged.

(7) (a) A witness who has been subpoenaed may not—

- (i) without sufficient cause, fail to attend the hearing at the time and place specified in the subpoena;
- (ii) refuse to be sworn in or to be affirmed as a witness;
- (iii) without sufficient cause, fail to answer fully and satisfactorily to the best of his or her knowledge all questions lawfully put to him or her; or
- (iv) fail to produce any book, document or object in his or her possession or custody or under his or her control which he or she has been required to produce.

(b) A witness who has been subpoenaed must remain in attendance until excused by the chairperson of the disciplinary committee from further attendance.

(c) A witness who has been subpoenaed may request that the names of the members of the disciplinary committee be made available to him or her.

(d) The law relating to privilege, as applicable to a witness subpoenaed to give evidence or to produce a book, document or object in a civil trial before a court of law applies, with the necessary changes, in relation to the examination of, or the production of any book, document or object, to any person called in terms of this section as a witness.

(e) A witness may not, after having been sworn in or having been affirmed as a witness, give a false statement on any matter, knowing that answer or statement to be false.

(f) A person may not prevent another person from complying with a subpoena or from giving evidence or producing a book, document or object which he or she is in terms of this section required to give or produce.

[(8) Any person who—

- (a) fails to comply with the provisions of subsection (7)(a)(i), (ii), (iii) or (iv);**
 - (b) contravenes subsection (7)(b), (e) or (f); or**
 - (c) obstructs or hinders any person in the performance of his or her functions under this section,**
- is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding one year.]**

[(9)](8) The record of evidence which has a bearing on the charge before the disciplinary committee, and which was presented before any commission which investigated an event or conduct is admissible without further evidence being led if—

- (a) the record is accompanied by a certificate from the chairperson of the body or commission; and
- (b) the certificate certifies that the investigation was lawful, reasonable and procedurally fair.

[(10)](9) If the misconduct with which the legal practitioner, candidate legal practitioner or juristic entity is charged amounts to an offence of which he, she or it has been convicted by a court of law, a certified copy of the record of the trial and conviction by that court is, on the identification of the legal practitioner, candidate legal practitioner or juristic entity as the accused person referred to in the record, sufficient proof of the commission by him or her or it of that offence, unless the conviction has been set aside by a superior court.

Proceedings after disciplinary hearing and [remedial action] sanctions

40. (1) (a) After the conclusion of the hearing the disciplinary committee must, within 30 days, decide whether or not the legal practitioner, candidate legal practitioner or juristic entity is guilty of misconduct.

(b) If the disciplinary committee finds that the legal practitioner, candidate legal practitioner or juristic entity is guilty of misconduct it must—

- (i) inform the legal practitioner, candidate legal practitioner or representative of the juristic entity and the Council and **[Regional] Provincial** Council of the finding; and
- (ii) inform the legal practitioner candidate legal practitioner or representative of the juristic entity of the right of appeal as provided for in terms of section **[42] 41**.

(2) A legal practitioner, candidate legal practitioner or representative of a juristic entity found guilty of misconduct in terms of this section may—

- (a) address the disciplinary committee in mitigation of sentence; and
- (b) call witnesses to give evidence on his or her behalf in mitigation of sentence.

(3) If found guilty of misconduct, the disciplinary committee concerned may call witnesses to give evidence in aggravation of sentence and may—

- (a) in the case of a legal practitioner—
 - (i) order him or her to pay compensation, with or without interest to the complainant, which order is subject to confirmation by an order of any court having jurisdiction in the circumstances in the prescribed manner, on application by the Council;
 - (ii) impose upon him or her a fine, payable to the Council, not exceeding the amount determined from time to time by the Minister, on the advice of the Council, and published in the *Gazette*;
 - (iii) temporarily suspend him or her from practising or from engaging in any particular aspect of the practice of law, pending the finalisation of an application referred to in subparagraph (iv)(bb);
 - (iv) advise the Council to apply to the High Court **[having jurisdiction]** for—
 - (aa) an order striking his or her name from the Roll;
 - (bb) an order suspending him or her from practice;
 - (cc) an interdict prohibiting him or her from dealing with trust monies; or
 - (dd) any other appropriate relief;
 - (v) advise the Council to amend or endorse his or her enrolment;
 - (vi) order that his or her Fidelity Fund certificate be withdrawn, where applicable;
 - (vii) warn him or her against certain conduct and order that such warning be endorsed against his or her enrolment; or
 - (viii) caution or reprimand him or her;
- (b) in the case of a juristic entity—

- (i) order it to pay compensation, with or without interest, to the complainant, which order is subject to confirmation by an order of any court having jurisdiction in the circumstances in the prescribed manner on application by the Council;
 - (ii) impose upon it a fine, payable to the Council, not exceeding the amount prescribed by the Minister, on the advice of the Council, and published in the *Gazette*;
 - (iii) warn it against certain conduct;
 - (iv) advise the Council to apply to the High Court [**having jurisdiction**] for the winding up of the juristic entity; or
 - (v) caution or reprimand it; or
- (c) in the case of a candidate legal practitioner—
- (i) cancel or suspend his or her practical vocational training;
 - (ii) impose upon him or her a fine, payable to the Council, not exceeding the amount determined from time to time by the Minister, on the advice of the Council, and published in the *Gazette*; or
 - (iii) caution or reprimand him or her.
- (4) (a) A disciplinary committee may—
- (i) impose any combination of the sanctions in either subsection (3)(a),(b) or (c); and
 - (ii) postpone the taking of any steps or suspend the imposition of any sanction on conditions as it may determine.

(b) In addition to the sanctions referred to in subsection (3), a disciplinary committee may order the legal practitioner, candidate legal practitioner or juristic entity to pay the cost of the investigation or the disciplinary hearing.

(5) (a) If the taking of any steps or the imposition of any sanction has been postponed or suspended for a particular period, and if at the end of that period the disciplinary committee is satisfied that the legal practitioner, candidate legal practitioner or juristic entity concerned has substantially observed all the relevant conditions, the disciplinary committee must indicate in writing that no further steps will be taken or that the sanction will not be imposed.

(b) If a legal practitioner, candidate legal practitioner or juristic entity fails to comply with any conditions determined in terms of this section, the disciplinary committee may impose a sanction for non-compliance or execute the sanction originally imposed, unless the legal practitioner, candidate legal practitioner or juristic entity satisfies the disciplinary committee that the non-compliance was due to circumstances beyond his or her or its control, in which case the disciplinary committee may set further conditions as it deems fit.

(6) Any court with civil jurisdiction may, on the application of the disciplinary committee, grant an order for the recovery from the legal practitioner, candidate legal practitioner or juristic entity concerned of any amount such legal practitioner, candidate legal practitioner or juristic entity failed to pay in accordance with a sanction imposed in terms of this section, together with any interest thereon, after which the order so granted has the effect of a civil judgment of that court and must be executed in accordance with the law applicable in that court.

(7) (a) At the conclusion of a disciplinary hearing the disciplinary committee must notify the complainant, the Council and the [**Regional**] Provincial Council in writing of the outcome of the hearing.

(b) If the disciplinary committee finds that the legal practitioner, candidate legal practitioner or juristic entity is not guilty of misconduct it must inform the complainant of the right of appeal as provided for in terms of section 41.

[(8) If the legal practitioner is found guilty of misconduct, the Council must publish the finding and the sanction imposed in terms of subsection (3) in the Gazette.]

[(9)](8)The Council must give effect to the advice and decision of the disciplinary committee.

[Review by Legal Services Ombud

41. (1) (a) Any complainant, other than the legal practitioner, candidate legal practitioner or juristic entity, who is aggrieved—

(i) by the manner in which a disciplinary body conducted an investigation or disciplinary hearing; or

(ii) by the outcome of an investigation or disciplinary hearing, may, as determined in the rules, lodge a notice of application for review with the Ombud within 60 days of becoming aware of the outcome of the investigation or disciplinary hearing.

(b) The Ombud may, on good cause shown, condone the late filing of a review notice.

(2) A review in terms of subsection (1) must be conducted in accordance with the procedure determined by the Ombud.

(3) The Ombud must consider the application for review within 90 days of receipt of the notice contemplated in subsection (1).

(4) Upon reviewing the matter, the Ombud—

(a) may, in respect of a review regarding—

(i) the manner in which an investigation or disciplinary hearing was conducted—

(aa) confirm the findings of the investigation and disciplinary hearing and the actions taken;

(bb) if he or she is satisfied that the procedure was substantially unfair, set aside the findings and actions taken and remit the matter, with or without directions; or

(cc) if, in his or her opinion, there has been an unreasonable delay on the part of a disciplinary body, substitute his or her own decision for that of the disciplinary body; or

(ii) the outcome of an investigation or disciplinary hearing—

(aa) confirm the findings and the actions taken; or

(bb) if he or she is satisfied that there has been a substantial miscarriage of justice, set aside the finding and substitute his or her own decision for that of the disciplinary body, or remit the matter, with or without directions; and

(b) must notify the complainant, the legal practitioner, candidate legal practitioner or juristic entity and the disciplinary body in writing of the outcome of the review and the reasons for his or her decision.]

Appeal against conduct or [decision] finding of disciplinary committee

[42] 41. (1) (a) Subject to section 44, [A] a legal practitioner, candidate legal practitioner or juristic entity may, as determined in the rules and within 30 days of being informed of the decision by a disciplinary committee, lodge an appeal with an appeal tribunal established in terms of subsection (2) against a finding of misconduct by the disciplinary committee or against the **[sentence] sanction imposed, or both.**

(b) A complainant who is aggrieved by –

- (i) the manner in which an investigating committee conducted its investigation or the outcome of the investigating committee as referred to in section 37(3)(b); or
 - (ii) the outcome of a disciplinary hearing referred to in section 40,
- may, as determined in the rules and within 30 days of being informed of the decision by the investigating committee or the disciplinary committee, as the case may be, lodge an appeal with an appeal tribunal established in terms of subsection (2) against any conduct or finding of the investigating committee or disciplinary committee, as the case may be.

(2) (a) An appeal tribunal must consist of not less than three and not more than five persons appointed by the Council, one of whom the Council must designate as chairperson officer thereof.

(b) The members of the appeal tribunal must include at least –

- (i) one advocate and one attorney; and
- (ii) one lay person drawn by the Council from a list of persons established and maintained by the Office of the Ombud who has been approved by the Office of the Ombud, as being suitable to serve on appeal tribunals and who is paid an allowance for this purpose determined by the Council and published in the *Gazette*.

(c) The members of the appeal tribunal must, subject to paragraph (b)(ii), be legally qualified with relevant expertise and may not be persons who were involved in any investigation or proceedings which gave rise to the appeal.

(d) A decision of the majority of the members present at any proceedings of an appeal tribunal constitutes the decision of the appeal tribunal.

(e) In the event of a deadlock in the voting, the chairperson of the appeal tribunal has a casting vote, in addition to a deliberative vote.

[(2)](3) An appeal tribunal may—

- (a) dismiss the appeal against the **[decision]** finding of an investigating committee or a disciplinary committee and confirm the finding or **[sentence]** sanction or both; or**
- (b) uphold the appeal against the decision of a disciplinary committee wholly or in part and set aside or vary the finding or **[sentence]** sanction or both.**

[(3)](4) If a legal practitioner, candidate legal practitioner or juristic entity who or which has been found guilty of misconduct lodges an appeal in terms of subsection (1), the decision of the disciplinary committee may not be enforced before the appeal tribunal has decided the appeal.

(5) The provisions of section 38(3) are applicable with the changes required by the context in respect of appeal tribunals.

Monitoring by Legal Services Ombud

[43] 42. The Ombud may monitor—

- (a) the investigation of a complaint by an investigating committee; and**
- (b) the conduct of a disciplinary committee during a disciplinary hearing.**

Urgent legal proceedings

[44] 43. Despite the provisions of this Chapter, if upon considering a complaint, a disciplinary body is satisfied that a legal practitioner has misappropriated trust monies or is guilty of other serious misconduct, it must inform the Council thereof with the view to the Council instituting urgent legal proceedings in the High Court **[having jurisdiction]** to suspend the legal practitioner from practice and to obtain alternative interim relief.

Powers of High Court

[45] 44. (1) The provisions of this Act do not derogate in any way from the power of **[a] the** High Court to adjudicate upon and make orders in respect of matters concerning the conduct of a legal practitioner, candidate legal practitioner or a juristic entity.

(2) Nothing contained in this Act precludes a complainant or a legal practitioner, candidate legal practitioner or juristic entity from applying to the High Court for appropriate relief in connection with any complaint or charge of misconduct against a legal practitioner, candidate legal practitioner or **[legal] juristic** entity or in connection with any decision of a disciplinary body, the Ombud or the Council in connection with such complaint or charge.

CHAPTER 5

LEGAL SERVICES OMBUD

Establishment of Office of Legal Services Ombud

[46] 45. (1) The Office of the Legal Services Ombud for the Republic is hereby established, as a juristic person.

(2) (a) The Ombud **[may] must**, in consultation with the Minister **[and the Council]**, determine the seat of the Office of the Ombud.

(b) The Office of the Ombud may, with the approval of the Minister, **[in consultation with the Council,]** also conduct its activities away from its seat.

Objects of Ombud

[47] 46. The objects of the Ombud are to—

- (a) protect and promote the public interest in relation to the rendering of legal services as contemplated in this Act;
- (b) ensure the fair, efficient and effective investigation of complaints of alleged misconduct against legal practitioners;
- (c) promote high standards of integrity in the legal profession; and
- (d) promote the independence of the legal profession.

Appointment and independence of Legal Services Ombud

[48] 47. **[(1) The President must, as soon as practicable after the commencement of this Act and whenever it becomes necessary thereafter, after consultation with the Council, appoint a Legal Services Ombud.]**

(1) The President must, as soon as practicable after the commencement of this Act, appoint a judge discharged from active service in terms of the Judges' Remuneration and Conditions of Employment Act, 2001 (Act No. 47 of 2001) as Legal Services Ombud.

[(2) The Ombud must be a South African citizen who is a fit and proper person to hold such office and who—

- (a) is admitted as an advocate or an attorney and who has, for a cumulative period for at least ten years after having been so admitted, practised as an advocate or as an attorney;**

- (b) is qualified to be admitted as an advocate or as an attorney and who has, for a cumulative period of at least ten years after having so qualified, lectured in law at a university;**
- (c) has specialised knowledge of or experience, for a cumulative period of at least ten years, in the administration of justice, the law and the legal profession; or**
- (d) has acquired any combination of experience mentioned in paragraphs (a) to (c), for a cumulative period of at least ten years.]**

[(3)](2) The Ombud is independent and subject only to the Constitution and the law and he or she must be impartial and exercise his or her powers and perform his or her functions without fear, favour or prejudice.

[(4)](3) The Council must assist and protect the Ombud to ensure his or her independence, impartiality, dignity and effectiveness.

[(5)](4) No person may interfere with the functioning of the Ombud.

Powers and functions of Ombud

[49] 48. **[(1)** In addition to the other powers and functions conferred on or assigned to him or her in this Act, and for the purposes of achieving the objects referred to in section 47, the Ombud—

- (a) may investigate and make recommendations to the Council and the Minister on any matter which he or she considers may affect the integrity and independence of the legal profession and public perceptions of the integrity and independence of the legal profession;**
- (b) may, of his or her own accord or on receipt of a complaint, investigate any alleged failure by the Council, Regional Council or disciplinary body to deal promptly, effectively and fairly with a complaint;**
- (c) must investigate any complaint made to him or her by a court and must report to the court on what steps he or she proposes to take in connection therewith;**
- (d) may, in the case of a failure by the Council or Regional Council as contemplated in paragraph (b), report and make recommendations to the Minister;**
- (e) must, in the case of a failure by a disciplinary body, report and make recommendations to the Council and require the Council to report to him or her regarding what steps it will take in this regard;**
- (f) may review a decision of the Board in respect of a rejection, in whole or in part, of a claim arising out of the theft of trust money;**
- (g) may make recommendations to the Council and the Minister as to steps that ought to be taken to promote high standards of integrity in the legal profession; or**
- (h) may, at any time prior to, during or after an investigation, if he or she is of the opinion that the facts disclose the commission of an offence by any legal practitioner, candidate legal practitioner or juristic entity, bring the matter to the notice of the National Prosecuting Authority.]**

(1) (a) In addition to the other powers and functions conferred on or assigned to him or her in this Act, and for the purposes of achieving the objects referred to in section 46, the Ombud is competent to investigate, on his or her own initiative or on receipt of a complaint, any alleged -

- (i) maladministration in the application of this Act;**
- (ii) abuse or unjustifiable exercise of power or unfair or other improper conduct or undue delay in performing a function in terms of this Act;**

(iii) act or omission which results in unlawful or improper prejudice to any person, which the Ombud considers may affect the integrity and independence of the legal profession and public perceptions in respect thereof.

(b) The Ombud may, in carrying out the powers and functions contemplated in paragraph (a), in his or her sole discretion, endeavour to resolve any dispute or rectify any act or omission by –

- (i) mediation, conciliation or negotiation;
- (ii) advising, where necessary, any person regarding appropriate remedies; or
- (iii) any other means that may be expedient in the circumstances.

(c) At any time prior to, during, or after an investigation referred to in paragraph (a), the Ombud may if he or she—

- (i) is of the opinion that the facts disclose the commission of an offence by any person, bring the matter to the notice of the relevant authority charged with prosecutions; or
- (ii) deems it advisable, refer any matter which has a bearing on an investigation to the appropriate body or authority affected by it or make an appropriate recommendation regarding the redress of the prejudice in question or make any other appropriate recommendation that the Ombud deems expedient to the affected body or authority;
or
- (iii) is of the opinion that there is substance in any complaint made and that the prejudice to the complainant or any other person adversely affected by the act or omission in question is substantial and has the potential of affecting the integrity and independence of the legal profession and public perceptions in respect thereof, do anything necessary to enable proceedings to be taken to a competent court for the necessary relief or direct or assist in directing a complainant to an appropriate forum.

(2) For the purposes of an investigation the Ombud may—

- (a) summon any person who may be able to furnish any information on the subject of the investigation or who has in his or her possession or under his or her control any book, document or other object relating to the investigation, to appear before the Ombud at a time and place specified in the summons, to be questioned or to produce that book, document or other object; and
- (b) designate a person to question that person, under oath or affirmation administered by the Ombud, and examine or retain for further examination or for safe custody the book, document or other object in question.

(3) A summons referred to in subsection (2) must—

- (a) be in the form determined in the rules;
- (b) contain particulars of the matter in connection with which the person concerned is required to appear before the Ombud;
- (c) be signed by the Ombud or a person authorised by him or her; and
- (d) be served as determined in the rules.

(4) (a) The law regarding privilege as applicable to a witness summoned to give evidence in a criminal case in a magistrate's court applies in relation to the questioning of a person in terms of subsection (2), and that person is not entitled to refuse to answer any question on the ground that the answer might expose him or her to a criminal charge.

(b) No evidence regarding any questions and answers referred to in paragraph (a) are admissible in any criminal proceedings, except in criminal proceedings where the person concerned stands trial on a charge contemplated in section 319(3) of the Criminal Procedure Act, 1955 (Act No. 56 of 1955).

(5) A person appearing before the Ombud by virtue of subsection (2)—

- (a) may be assisted at his or her examination by a legal representative; and

(b) is entitled to any witness fees as he or she would be entitled if he or she were a witness for the State in criminal proceedings in a magistrates' court.

[(6) Any person who has been summoned to appear before the Ombud and who—

(a) without sufficient cause fails to appear at the time and place specified in the summons or to remain in attendance until he or she is excused by the Ombud from further attendance;

(b) at his or her appearance before the Ombud—

(i) fails to produce a book, document or other object in his or her possession or under his or her control which he or she has been summoned to produce; or

(ii) refuses to take an oath or to make an affirmation after he or she has been asked by the Ombud to do so; and

(c) having taken an oath or having made an affirmation—

(i) fails to answer fully and to the best of his or her ability any question lawfully put to him or her; or

(ii) gives false evidence knowing that evidence to be false or not knowing or not believing it to be true,

is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding one year.]

(6) (a) The Ombud may, subject to paragraph (b), in the manner he or she deems fit, make known to any person or body any report or finding, point of view or recommendation in respect of a matter investigated by him or her.

(b) The report or finding, point of view or recommendation in respect of an investigation by the Ombud must, when he or she deems it fit but as soon as possible, be made available to the complainant and to any person or body implicated thereby.

(c) Any report or finding, point of view or recommendation in respect of an investigation by the Ombud must be open to the public, unless the Ombud is of the opinion that exceptional circumstances require that the report, finding, point of view or recommendation be kept confidential.

[Remuneration and other terms and conditions of employment of Ombud] Term of office of Ombud

[50] 49. [(1) The President, subject to subsections (2) and (3), determines the remuneration, allowances and other terms and conditions of service and service benefits of the Ombud, after consultation with the Minister and the Minister of Finance.

(2) The remuneration of the Ombud may not be less than the salary of a judge of a High Court, as determined by the President under section 2(1) of the Judges' Remuneration and Conditions of Employment Act, 2001 (Act No. 47 of 2001).

(3) The remuneration and other terms and conditions of service and service benefits referred to in subsection (1) may not be reduced nor adversely altered during his or her term of office.

(4) The Ombud holds office for [the] a period [determined by the President at the time of appointment] of seven years but may serve for one further term of seven years.

[Removal from office and filling of vacancy] Acting Ombud and filling of vacancies

[51] 50. [(1) (a) The President may remove the Ombud from office on account of—

- (i) misconduct; or
- (ii) permanent inability to perform the functions of his or her office efficiently.

(b) The President must suspend the Ombud from office after the commencement of any proceedings instituted against the Ombud for misconduct.

(c) If the Ombud is suspended from office, he or she may not exercise or perform any powers or functions or receive any remuneration or allowances in terms of this Act.]

[(2)](1) If the office of Ombud becomes vacant, the President must, subject to this Chapter, appoint **[another person]** a judge discharged from active service in terms of the Judges' Remuneration and Conditions of Employment Act, 2001 (Act No. 47 of 2001), to that office.

[(3)](2) Whenever the Ombud is for any reason unable to exercise or perform his or her powers or functions, or when the appointment of a **[person]** judge referred to in subsection (1) to the office of Ombud is pending, the President may, subject to this Chapter, appoint a person as acting Ombud to exercise the powers and perform the powers and functions of the Ombud.

[(4)](3) The President must determine the remuneration, allowances and other terms and conditions of service and service benefits of the acting Legal Services Ombud, after consultation with the Minister and the Minister of Finance.

Staff, finances and accountability of Office of Ombud

[52] 51. (1) In order to perform its functions the Ombud must—

- (a) employ a director as the administrative head of the Office of the Ombud;
- (b) employ such administrative staff as may be necessary; and
- (c) enter into contracts with service providers and accept liability for the expenses incurred as a result of such services being rendered.

(2) The Ombud must appoint a director for **[a determined term]** an agreed term not exceeding five years which may be renewed for one additional term not exceeding five years and on the conditions as the Minister, in consultation with the Minister of Finance, may determine.

[(3) The Ombud may re-appoint the director at the end of the term.]

[(4)](3) The Director, as the administrative head and chief executive officer of the Office of the Ombud, is responsible for the general administration of the Office, and must—

- (a) manage and direct the activities of the Office of the Ombud, subject to the direction of the Ombud;
- (b) appoint and supervise the administrative staff of the Office of the Ombud; and
- (c) provide quarterly management reports to the Director-General.

[(5)](4) (a) The Minister must, after consultation with the Minister of Finance, determine the Director's remuneration, allowances, benefits and other terms and conditions of employment.

(b) The Minister must, after consultation with the Minister of Finance, determine the staff establishment of the Office, the remuneration, allowances, benefits, and other terms and conditions of appointment of **[each]** the members of staff.

[(6)](5) Expenditure in connection with the administration and functioning of the Office of the Legal Services Ombud must be defrayed from money appropriated by Parliament for this purpose.

[(7)](6) Monies appropriated by Parliament for this purpose—

- (a) constitute earmarked funds on the departmental vote; and
- (b) may not be used by the Department for any other purpose unless the Ombud has been consulted and the National Treasury approves.

[(8)](7) Subject to the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Director-General[**: Justice and Constitutional Development**]—

- (a) is charged with the responsibility of accounting for money received or paid out for or on account of the administration and functioning of the Office of the Ombud in accordance with National Treasury regulations; and
- (b) must cause the necessary accounting and other related records to be kept, which must be audited by the Auditor-General.

[(9)](8) The financial year of the Office is the period of 1 April in any year to 31 March in the following year, except that the first financial year of the Office of the Ombud begins on the date on which this Chapter comes into operation, as contemplated subsection **[(14)](13)**, and ends on 31 March of the following year.

[(10)](9) The Office of the Ombud may invest or deposit money that is not immediately required for contingencies or current expenditure—

- (a) in a call account or short-term fixed deposit with any registered bank or financial institution in the Republic; or
- (b) in an investment account with the Corporation for Public Deposits established by section 2 of the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984).

[(11)](10) Within six months after the end of each financial year, the Director must prepare financial statements in accordance with established accounting practice, principles and procedures, comprising—

- (a) a statement, with suitable and sufficient particulars, reflecting the income and expenditure of the Office of the Ombud during the preceding financial year; and
- (b) a balance sheet showing the state of its assets, liabilities and financial position as at the end of that financial year.

[(12)](11) The Auditor-General must audit the financial statements of the Office each year.

[(13)](12) The Office of the Ombud may, after consultation with the Minister and the Minister of Finance—

- (a) acquire and alienate movable and immovable property; and
- (b) hire and let movable and immovable property.

[(14)](13) (a) The Office of the Ombud must commence with its functions as from a date fixed by the Minister by notice in the *Gazette*.

(b) Before the date so fixed, the necessary arrangements must be made for the Office of the Ombud to be accommodated, equipped and staffed in order to perform its functions properly.

Annual report

[53] 52. (1) The Office of the Ombud must prepare and submit to the Minister an annual report as determined in the rules within six months after the end of the financial year of the Office of the Ombud.

(2) The annual report referred to in subsection (1) must include the following documents:

- (a) The audited financial statements prepared in terms of this Act;
- (b) the report of the Auditor-General prepared in terms of this Act;

- (c) a report of the activities undertaken in terms of the functions of the Ombud set out in this Chapter; and
- (d) a statement of the progress made during the preceding year towards achieving the objects of this Chapter.

(3) The Minister must table in Parliament each annual report submitted in terms of this Chapter.

CHAPTER 6

[ATTORNEYS] LEGAL PRACTITIONERS' FIDELITY FUND

Part 1

Establishment of Fund and founding provisions

Continued existence of Attorneys Fidelity Fund

[54] 53. (1) Despite the provisions of section **[118] 119**, the Attorneys Fidelity Fund established by section 25 of the Attorneys Act continues to exist as a juristic person under the name **[Attorneys] Legal Practitioners'** Fidelity Fund.

(2) The Fund acts through the Board.

Revenue of Fund

[55] 54. The Fund consists of —

- (a) each amount which, immediately prior to the date referred to in section **[119(4)] 120(4)**, is or was payable to or held on account of the Fund, and which is paid on or after such date of commencement;
- (b) annual contributions paid by applicants for the issue of Fidelity Fund certificates and any interest on, or penalties in respect of, overdue contributions;
- (c) interest paid to the Fund in terms of this Act;
- (d) income obtained from investments of the Fund;
- (e) money recovered by or on behalf of the Fund in terms of this Act;
- (f) money received by or on behalf of the Fund from any insurer;
- (g) any other money lawfully paid into the Fund; and
- (h) any other money accruing to the Fund from any other source.

Liability of Fund

[56] 55. (1) The Fund is liable to reimburse persons who suffer pecuniary loss, not exceeding the amount determined by the Minister from time to time by notice in the *Gazette*, as a result of theft of any money or other property given in trust to a trust account practice in the course of the practice of the attorney or advocate referred to in section 34(2)(b) as such, if the theft is committed—

- (a) by an attorney in that practice or advocate, or any person employed by that practice or supervised by that attorney or advocate;
- (b) by an attorney or person acting as executor or administrator in the estate of a deceased person; or
- (c) by an attorney or person employed by that attorney who is a trustee in an insolvent estate or in any other similar capacity,

excluding a curator to a financial institution in terms of the Banks Act, 1990 (Act No. 94 of 1990) or a liquidator of a mutual bank in terms of the Mutual Banks Act, 1993 (Act No. 124 of 1993).

Limitation of liability of Fund

[57] 56. (1) The Fund is not liable in respect of any loss suffered—

- (a) by a family member or a member of the household of the attorney or advocate referred to in section 34(2)(b) [found guilty of] who committed the theft;
- (b) by any partner or co-director in the trust account practice in which the theft occurs;
- (c) as a result of theft committed by an attorney or advocate whose fidelity has been otherwise guaranteed by a person, either in general or in respect of a particular transaction, to the extent to which it is covered by the guarantee;
- (d) by any person as a result of any theft committed after the victim of the theft received notice in writing from the Council or the Board warning against the use or continued use of the legal services of the trust account practice concerned or the giving of any money or property in trust to that trust account practice and the person in question has failed to take reasonable steps after being so warned; or
- (e) by any person as a result of theft of money which an attorney or advocate referred to in section 34(2)(b) has been instructed to invest on behalf of **[the] such** person **[contemplated in paragraph (d)]**.

(2) A claim for reimbursement as provided for in section **[56] 55** is limited—

- (a) in the case of money given in trust to a trust account practice, to the amount actually handed over, without interest, unless interest has been earned and given in trust to the practice, or unless the Board, in its discretion, decides to pay interest; and
- (b) in the case of securities or other property, to an amount equal to the average market value of such securities or property at the date when written demand is first made for their delivery, or if there is no average market value, the fair market value of such securities or other property as at that date, without interest.

(3) Only the balance of any loss suffered by any person after deduction from the loss of the amount or value of all money or other benefits received or receivable by that person from any source other than the Fund, may be recovered from the Fund.

(4) Subsection (1)(e) does not apply to money which an attorney is authorised to invest where the attorney acts in his or her capacity as executor, trustee or curator, or in any similar capacity, excluding a curator to a financial institution in terms of the Banks Act, 1990 (Act No. 94 of 1990), or liquidator of a mutual bank in terms of the Mutual Banks Act, 1993 (Act No. 124 of 1993).

(5) Subject to subsection (6), an attorney or advocate must be regarded as having been instructed to invest money for the purposes of subsection (1)(e), where a person—

- (a) who entrusts money to the attorney or advocate; or
 - (b) for whom the attorney or advocate holds money,
- instructs the attorney or advocate to invest all or some of that money in a specified investment or in an investment of the attorney's or advocate's choice.

(6) For the purposes of subsection (1)(e) an attorney or advocate is regarded as not having been instructed to invest money if he or she is instructed by a person—

- (a) to pay the money into a trust account, if that payment is for the purpose of investing the money in that account on a temporary or interim basis only, pending the conclusion or implementation of any particular matter or transaction which is

- already in existence or about to come into existence at the time that the investment is made and in respect of which investment the attorney or advocate exercises exclusive control as trustee, agent or stakeholder, or in any fiduciary capacity;
- (b) to lend money on behalf of that person to give effect to a loan agreement where that person, being the lender—
- (i) specifies the borrower to whom the money is to be lent;
 - (ii) has not been introduced to the borrower by the attorney for the purpose of making that loan; and
 - (iii) is advised by the attorney in respect of the terms and conditions of the loan agreement; or
- (c) to utilise money to give effect to any term of a transaction to which that person is a party, other than a transaction which is a loan or which gives effect to a loan agreement that does not fall within the scope of paragraph (b).

(7) An attorney or advocate who has been instructed to invest money as provided for in subsection (5) must, as soon as practicable after he or she has received that instruction, but prior to the receipt of the money to be invested, notify the person giving the instruction of the provisions of subsection (1)(e) in the form and manner determined by the Board in terms of subsection (8).

(8) For the purposes of subsection (7), the Board must issue directives determining the form and manner in which a notice referred to in that subsection must be given, and it may from time to time review and, if necessary, revise such directives.

[(9) Any attorney who contravenes subsection (7) is guilty of an offence and on conviction is liable to a fine or to imprisonment for a period not exceeding two years.]

(9) For purposes of subsection (1)(a), “family member”, in relation to any person, means his or her parent, parent-in-law, sibling, child, including an adopted child or a step-child, or spouse (whether by statutory, customary or religious law), and including a life partner who is a person living with that person as if they were married to each other.

Purpose and application of Fund

[58] 57. (1) Subject to the provisions of this Act, the Fund must be utilised for the following purposes:

- (a) Meeting the liability of the Fund referred to in section **[56] 55**;
- (b) paying expenses incurred in operating the Board and the Fund, including the payment of remuneration or allowances and other service benefits to employees;
- (c) paying expenses incurred by the Board in investigating and establishing the validity of claims contemplated in section **[56] 55**;
- (d) paying all expenses and legal costs incurred by the Board for the purpose of recovering money from the persons whose wrongful conduct gave rise to the claim;
- (e) refunding the costs or any portion thereof incurred by a claimant in establishing a claim or attempting to recover the whole or a portion of the claim from the person whose wrongful conduct gave rise to the claim;
- (f) paying legal expenses incurred in defending a claim made against the Fund, or otherwise incurred in relation to the Fund;
- (g) paying premiums in respect of contracts of insurance entered into in terms of sections 76 and 77;
- (h) paying allowances to members of the Board in relation to their services or their reasonable travelling and accommodation expenses incurred in relation to the affairs of the Board and the Fund to be determined in consultation with the Council;
- (i) paying fees and expenses to the Council or its structures in respect of any function performed as agents for the Fund;

- (j) making an annual appropriation to the Council in terms of section 22(1)(b);
 - (k) paying costs relating to the detection or prevention of theft of trust money; and
 - [(l) refunding the bank charges or any portion thereof paid by an attorney in relation to the keeping of a trust account;]**
 - [(m)](l) paying interest in relation to section [56] 55[;].**
 - [(n) paying expenses relating to any function performed in terms of this Act; and**
 - (o) paying the costs or a portion of the costs incurred by an attorney in relation to the obtaining of a Fidelity Fund certificate.]**
- (2) Subject to the provisions of this Act, the Fund may be utilised for the following purposes:
- (a) refunding the bank charges or any portion thereof paid by an attorney or an advocate referred to in section 34(2)(b) in relation to the keeping of a trust account referred to in section 86(2) and (3);
 - (b) paying expenses relating to any function performed in terms of this Act;
 - (c) paying the audit and inspection costs or a portion thereof incurred by an attorney or advocate in relation to the obtaining of a Fidelity Fund certificate; and
 - (d) paying bursaries and loans to students, candidate legal practitioners and legal practitioners for the purposes of legal education and research.

[Attorneys] Legal Practitioners' Fidelity Fund Account

[59] 58. (1) Money of the Fund must be deposited into a banking account held by the Fund at an institution registered as a bank, to the credit of an account to be known as the **[Attorneys] Legal Practitioners' Fidelity Fund Account.**

(2) The Board may invest money which is deposited in terms of subsection (1) and which is not immediately required for the purposes mentioned in this Act.

Financial year of Fund

[60] 59. The financial year of the Fund is determined by the Board.

Fund exempt from certain tax and insurance laws

[61] 60. (1) The revenue of the Fund is exempt from the provisions of any law relating to the payment of income tax or any other tax or levy by the State.

(2) Any provision of any law relating to insurance (other than a law relating to the compulsory insurance of employees) or the provision of security in connection therewith, does not apply to the Fund.

Part 2

Operation of Fund

Establishment of Board

[62] 61. (1) **[An Attorneys] A Legal Practitioners' Fidelity Fund Board** is hereby established to manage and administer the Fund.

(2) The Fund must be held in trust by the Board for the purposes mentioned in this Act.

Composition of Board

[63] 62. (1) The Board consists of the following persons:

- (a) Five legal practitioners **[nominated]**, one of whom must be an advocate referred to in section 34(2)(b), elected in accordance with a procedure determined by the Council in consultation with the Board;
- (b) two persons, **[nominated]** designated by the Council, who, by virtue of their qualifications, expertise and experience in the field of finance, and whose names are [designated] submitted by the Independent Regulatory Board of Auditors or its successor; and
- (c) two fit and proper persons **[nominated]** designated by the Minister.

[(2) In making the nominations referred to in subsection (1), the Council and the Minister must have due regard to—

- (a) the objects of the Board;**
- (b) achieving representivity in regard to—**
 - (i) race;**
 - (ii) gender; and**
 - (iii) disability; and**
- (c) ensuring adequate regional representation.]**

(2) The need for the Board to reflect –

- (a) the racial and gender composition of South Africa;**
- (b) representation of persons with disabilities; and**
- (c) provincial representation.**

must, as far as is practicable, be considered when the Board is constituted as contemplated in subsection (1).

Powers and functions of Board

[64] 63. (1) In addition to the powers conferred upon it in this Act, and in the furtherance of the purpose of the Fund, the Board may—

- (a) invest any monies which are not required for immediate use in government and other securities as may be prescribed by regulation, as provided for in section 72(3);
- (b) insure itself against risk;
- (c) conclude agreements;
- (d) institute or defend legal proceedings;
- (e) as determined in the rules, inspect or cause to be inspected the accounts of any attorney or advocate referred to in section 34(2)(b);
- (f) make rules relating to—
 - (i) contributions to the Fund and the issuing and costs of Fidelity Fund certificates;
 - (ii) the procedure for the appointment of the executive officer and other employees; and
 - (iii) any other matter concerning the Fund;
- (g) make an arrangement with any bank for the keeping of trust accounts opened in terms of section 86(2) and for the investment of money in separate trust savings or other interest bearing accounts opened in terms of section 86(3) and (4) to provide for one or more of the following:
 - (i) The payment of interest to the Fund on the whole or any part of the money deposited in terms of section 86(2) and the money invested in terms of section 86(3) and (4), as contemplated in section 86(5);

- (ii) the manner in which the Fund is informed of amounts held in the accounts opened in terms of section 86(2), (3) and (4);
- (iii) the auditing of interest calculations and account balances in the accounts opened in terms of section 86(2), (3) and (4) in the bank accounts; and
- (iv) any other relevant matter;
- (h) consider claims against the Fund;
- (i) through any person authorised thereto in writing by the chairperson of the Board, institute a prosecution for the misappropriation or theft of property or trust money, and the provisions of the laws relating to private prosecutions apply to such prosecution as if the Board is a public body;
- (j) delegate to any of its employees the duty, subject to conditions that may be imposed by the Board, to consider any claims against the Fund; and
- (k) generally take any other steps and perform any other acts as may be necessary for or conducive to the achievement of the objects of the Fund.

(2) The Board must appoint an executive officer to—

- (a) perform or exercise the powers and functions determined by the Board;
- (b) supervise the employees of the Board; and
- (c) account for the assets and liabilities of the Board.

(3) The Board may appoint any other employees as it deems necessary to assist the executive officer.

(4) The procedure for the appointment of the executive officer and other employees must be determined by the Board.

[(5) The Board must have due regard to representivity with reference to race, gender and disability when appointing the executive officer and other employees.]

(5) The need for the staff of the Board to reflect—

(a) the racial and gender composition of South Africa; and

(b) representation of persons with disabilities,

must, as far as is practicable, be considered when the executive officer and other employees are appointed in terms of this section.

(6) The Board must determine the conditions of service of the executive officer and the other employees of the Board.

[Qualification for membership] Membership of Board

[65] 64. (1) A member of the Board must—

- (a) be a South African citizen;
- (b) be a fit and proper person; and
- (c) subscribe to the objects of the Board.

(2) The following persons are disqualified from becoming or remaining members of the Board:

- (a) An unrehabilitated [insolvents] insolvent;
- (b) a person declared to be of unsound mind by a court of the Republic;
- (c) a person who has been convicted in a court of first instance –
 - (i) of an offence and sentenced to more than 12 months' imprisonment without the option of a fine; or
 - (ii) of an offence, which involves any element of dishonesty,

either in the Republic or outside the Republic, if the conduct constituting the offence would have been an offence in the Republic, other than a conviction for an offence committed prior to 27 April 1994 associated with political objectives: Provided that if the person in question lodges an appeal against the conviction or sentence, he or she may be suspended from office by the Board as contemplated in section 69,

pending the outcome of the appeal: Provided further that he or she may be replaced by the designating body, or in the case of a member referred to in section 62(1)(a), elected in terms of the procedure referred to in that section;

- (d) a person who has **[vacated his or her]** been removed from office in terms of section 69; and
- (e) a member of the Council or any of its committees.

[Appointment of chairperson] Chairperson and deputy chairperson of Board

[66] 65. (1) At the first meeting of the Board, the members of the Board must elect and appoint a chairperson and deputy chairperson from among themselves.

(2) The chairperson and deputy chairperson hold office for a period of three years from the date of their election and may be re-elected and re-appointed for one further term, unless such chairperson or deputy chairperson resigns or ceases to be a member of the Board.

[(3) (a) When the period of office of a chairperson or deputy chairperson expires, that person remains in office until the next meeting of the Board.

(b) Should the chairperson or deputy chairperson vacate his or her office, the vacancy must be filled immediately by the members of the Board who must elect and appoint a chairperson or deputy chairperson from among themselves.]

(3) The deputy chairperson must, if the chairperson is absent or is for any reason unable to act as chairperson, perform all the functions and exercise all the powers of the chairperson.

(4) If both the chairperson and deputy chairperson are absent from any meeting, the members present must elect a person from among themselves to preside at that meeting and the person so presiding must, during that meeting and until the chairperson or deputy chairperson resumes duty, perform all the functions and exercise all the powers of the chairperson.

(5) If both the chairperson and deputy chairperson have been given leave of absence, the members of the Board must elect a person from among themselves to act as chairperson until the chairperson or deputy chairperson resumes duty or is removed from office in terms of section 69.

(6) If the office of chairperson or deputy chairperson becomes vacant, the members of the Board must, at the first meeting thereafter or as soon as possible thereafter, elect from among themselves a new chairperson or deputy chairperson, as the case may be.

(7) A chairperson and deputy chairperson may vacate office as such, without relinquishing his or her membership of the Board, unless his or her membership has been terminated in accordance with section 68.

Vacancies in Board and filling thereof

[67] 66. (1) A vacancy in the Board occurs when—

- (a) **[a member's]** the term of office of a member expires or terminates as contemplated in section 68;
- (b) a member dies;
- (c) a member **[vacates his or her]** is removed from office **[in terms of]** as contemplated in section 69; or
- (d) **[a member's]** the resignation of a member takes effect.

(2) A vacancy in the Board must be filled as soon as **[practicable]** practicably possible in accordance with the provisions of section **[63]** 62.

Term of office of members of Board

[68] 67. (1) A member of the Board holds office for a term of three years, but **[is eligible for re-appointment at the end of that term]** may serve as a member for one further term if he or she is again so elected or designated, as the case may be.

[(2)] A member may, at any time and upon at least three months' written notice to the Board, resign from office.]

[(3)](2) Despite subsection (1), a member remains in office after the expiry of his or her term of office until the commencement of the term of office of his or her successor.

Termination of office

68. (1) A person ceases to be a member of the Board when that person—

(a) is no longer eligible in terms of section 64 to be a member;
 (b) resigns;
 (c) is removed from office in terms of section 69;
 (d) in the case of a legal practitioner referred to in section 62(1)(a), ceases to be a practising legal practitioner, for whatever reason; or
 (e) is appointed as a judicial officer.

(2) A member may resign after giving at least three months' written notice to the Board, but the Board may, on good cause shown, accept a shorter period.

[Vacation of] Removal from office

69. (1) **[A member of the]** The Board **[must vacate his or her]** may remove a member of the Board from office on account of —

- (a) **[if he or she has been convicted of any—**
- (i) **misconduct under this Act; or**
 (ii) **offence,**
which, in the opinion of the Board, debars him or her from serving as a member of the Board;]
a finding by a disciplinary committee in terms of section 40 of any serious misconduct as set out in the code of conduct contemplated in section 36 on the part of a legal practitioner;
- (b) **[on account of]** incapacity and incompetence which, in the opinion of the Board, debars him or her from serving as a member of the Board;
- (c) **[on account of]** absence from three consecutive meetings of the Board without the permission of the chairperson, except on good cause shown; or
- (d) **[pursuant to]** a request by the body which or person who [nominated] elected or designated that member in terms of section [63] 62, on good cause shown by the body or person in question; or
- [(e)]** **if he or she has engaged in any activity that may undermine the integrity of the Board;**
- (f)** **if his or her estate has been sequestrated.]**
- (e)** his or her becoming disqualified to remain as a member of the Board as contemplated in section 64(2).

[(2) (a) The Board must suspend a member from office after the commencement of the proceedings by the Board concerning the removal of that member.

(b) A member who is suspended from office may not perform any powers or functions or receive any allowances.]

(2) If the Board has commenced proceedings for the removal of a member, it may suspend that member from office.

(3) A member who is suspended from office may not perform or exercise any of the powers or functions of that office or receive any allowances.

(4) The Board must follow due process of law if it intends to remove or suspend a member from office, as determined by the Board in the rules contemplated in section 63(1)(f).

Meetings and resolutions of Board

70. (1) (a) The Board may meet at any place in the Republic.

(b) The Board must, as soon as practicable after the appointment of its members, meet for the first time at the time and place determined by the Minister and thereafter at such times and places determined by the Board.

(2) The majority of the members of the Board constitutes a quorum **[for]** at any meeting of the Board.

(3) When the chairperson is absent or is not able to perform his or her functions, the deputy chairperson must act as chairperson, and if both the chairperson and deputy chairperson are absent or are not able to perform their functions, the members present must elect one from among themselves to preside at that meeting.

(4) A decision of the majority of the members constitutes a decision of the Board and in the event of an equality of votes the person presiding at the meeting has a casting vote in addition to a deliberative vote.

(5) A resolution in writing of the Board signed by all its members is regarded as if it had been passed at a meeting of the Board.

(6) The Board must determine the procedure for calling a meeting and the procedure to be followed at the meeting.

(7) In any advice or recommendation to the Minister, the minority views of any one or more members of the Board, as well as any report of a committee appointed in terms of section 71, must be included.

(8) The Board must keep a record of its proceedings.

Committees of Board

71. (1) The Board **[may]**—

(a) must appoint an executive committee consisting of the chairperson, deputy chairperson and two other members of the Board, one of whom must be an advocate referred to in section 34(2)(b);

(b) may appoint committees relating to matters falling within the scope of its powers and functions, the members of which may be members of the Board or other persons;

(c) may in writing, delegate to the executive committee or other committee any powers and functions as it may determine; and

(d) may direct the executive committee or other committee, either generally or in a specific case, to advise the Board.

(2) (a) The **[members of a committee]** Board must elect and appoint a chairperson of a committee. **[unless the Board has appointed a chairperson.]**

(b) The chairperson of the Board is *ex officio* chairperson of the executive committee referred to in subsection (1)(a) and the deputy chairperson of the Board is *ex officio* deputy chairperson of the executive committee referred to in subsection (1)(a).

(3) A committee exercises its powers and **[performance of]** performs its functions in accordance with any policy directions of the Board.

(4) The Board may at any time dissolve any committee.

(5) The provisions of section 70 apply, with the necessary changes, to a meeting of a committee.

(6) The Board is not divested of any power or function delegated to a committee, and may amend or rescind a decision of a committee.

Certificate in respect of liabilities of Fund and investment of money in Fund

72. (1) The Board must appoint an actuary to make recommendations to it on or before 31 March in any year regarding the amount which, in that actuary's opinion, will be required during the next ensuing year ending on 31 December, for the purposes of meeting the obligations of the Fund in terms of section **[56] 55**, and the actuary must furnish the Board on or before the first-mentioned date with a certificate setting out the amount so recommended.

(2) The Board must, within 30 days after receipt of the certificate referred to in subsection (1), determine the amount required in the ensuing year for the purposes referred to in subsection (1).

(3) Any amount determined in terms of subsection (2) that is not immediately required for the purposes referred to in subsection (1) in any financial year must be invested in government and other securities as may be prescribed by regulation.

Annual review by actuary

73. (1) Within three months after the end of each financial year, the actuary referred to in section 72(1) must review the financial soundness of the Fund and submit an actuarial valuation report to the Board and the Minister.

(2) The actuarial valuation report must contain—

(a) a statement—

(i) reflecting the actuarial value of the assets and liabilities of the Fund;

(ii) on the financial soundness of the Fund; and

(iii) on whether in the financial year concerned, a surplus or deficit was present in the Fund and, if a deficit is present, specifying the amount required to enable the Fund to meet its obligations; and

(b) an indication of—

(i) the basis and method used to value the assets and liabilities of the Fund;

(ii) any changes to the basis and method used to value the Fund as compared with the actuarial report of the previous year;

(iii) any special consideration or restriction that the Board brought to the attention or made applicable to the actuary in performing the function in terms of this section; and

(iv) any explanatory note on any matter relevant to obtaining a true and meaningful reflection of the financial state of the Fund.

(3) The Board must submit a report to the Minister if, at any stage after having regard to the assets and liabilities of the Fund, the value of the assets of the Fund is insufficient or is not increasing at a sufficient rate to meet payments for benefits that may

be reasonably anticipated, and the Minister must immediately submit that report to Parliament.

Contributions to Fund by [attorneys] legal practitioners

74. (1) (a) Subject to the provisions of this section, every attorney, practising on his or her own account or in partnership, and every advocate referred to in section 34(2)(b), must, annually when he or she applies for a Fidelity Fund certificate, pay to the **[Fund] Council**—

- (i) the amount as may be fixed by the Board from time to time in respect of the cost of group professional indemnity insurance arranged by the Board pursuant to the provisions of section 77(2); and
- (ii) any other non-refundable amount as may be fixed by the Board from time to time.

(b) Any **[attorney] legal practitioner** referred to in paragraph (a) who commences to practise on or after 1 July in any year must, in respect of that year, pay half of the contribution which is payable in terms of that paragraph for that year.

(2) **[An attorney] A legal practitioner referred to in subsection (1) (a)** who applies under section 85(1) for the first time for a Fidelity Fund certificate must pay to the Fund, in addition to any contributions payable in terms of subsection (1), any single non-refundable contribution as the Board may determine.

(3) The Board may require **[an attorney] a legal practitioner referred to in subsection (1)(a)** in respect of whom the Fund has been applied as a result of any of the circumstances referred to in section **[58] 57**, to pay an additional annual contribution to the Fund of such amount and for any period as the Board may determine.

(4) (a) **[An attorney] A legal practitioner referred to in subsection (1)(a)** who is not in possession of a Fidelity Fund certificate and who intends to commence to practise on his or her own account, in partnership or in a juristic entity, must, before commencing to practise, give notice of his or her intention to the Council and thereafter becomes liable to pay to the Fund the amount of the contribution referred to in subsections (1) and (2).

(b) **[Any attorney] A legal practitioner referred to in subsection (1)(a)** who is in possession of a Fidelity Fund certificate but who intends to commence to practise for his or her own account, in partnership or in a juristic entity in the area of jurisdiction of **[any] a Division of the High Court** other than that in which he or she usually practises for his or her own account or in partnership, must give notice of his or her intention to the Council.

(5) All contributions payable under this section must be paid to the Council, and the Council must remit the contributions to the Board within seven days of receipt thereof.

Audit

75. (1) The accounts of the Fund must be audited by a registered accountant and auditor appointed by the Board.

(2) A person appointed under subsection (1) must, in respect of each financial year of the Fund, draw up a balance sheet and income statement of the Fund and immediately submit certified copies thereof, together with his or her report thereon, to the chairperson of the Board and to the Council.

(3) Within one month of receiving the audited financial statements, the Board must submit an annual report to the Council and the Minister which must at least set out and contain—

- (a) the total number of persons who made claims in terms of this Act;

- (b) the total number of **[attorneys]** legal practitioners who paid contributions in terms of this Act;
- (c) the total number of persons who were paid claims and the monetary value of claims paid in terms of this Act; and
- (d) any other matters as may be prescribed by the Minister.

Re-insurance

76. (1) The Board may, in its discretion, enter into a contract with any person or corporation carrying on fidelity insurance business in terms of which the Fund will be indemnified to the extent and in the manner provided in that contract against liability to pay claims under this Act.

(2) A contract referred to in subsection (1) must be entered into in respect of **[attorneys]** legal practitioners referred to in section 84(1).

(3) A claimant against the Board does not have any right—

- (a) of action against any person or corporation with whom a contract of indemnity has been entered into in terms of this section; or
- (b) to any money paid by the insurer in accordance with that contract.

(4) Any money paid by an insurer in accordance with a contract of indemnity must be paid into the Fund for appropriation by the Board.

Provision of insurance cover and suretyships

77. (1) The Board may—

- (a) acquire or form and administer a public company; or
- (b) together with any other person or institution, establish a scheme, underwritten by a registered insurer,

in order to provide insurance cover, subject to the provisions of the Short Term Insurance Act, 1998 (Act No. 53 of 1998), to **[attorneys]** legal practitioners referred to in section 84(1) in respect of any claims which may arise from the professional conduct of those **[attorneys]** legal practitioners.

(2) The Board may enter into a contract with a company or scheme referred to in subsection (1), or any company carrying on professional indemnity insurance business, for the provision of group professional indemnity insurance to **[attorneys]** legal practitioners referred to in section 84(1) to the extent and in the manner provided in the contract.

(3) The Board may enter into deeds of suretyship to the satisfaction of the Master of the High Court having jurisdiction in order to provide security on behalf of an attorney in respect of work done by that attorney as—

- (a) executor in the estate of a deceased person;
- (b) a trustee in an insolvent estate;
- (c) a curator to the person or property in the case of a person who is unable to manage his or her own affairs; or
- (d) in case of any other similar capacity, by any other person in such capacity where an attorney acts as agent for the person concerned.

(4) The Board may levy premiums and fees for the provision of any insurance or security through any scheme established or public company administered by it in terms of the provisions of this Act or legislation repealed by this Act.

Part 3

Claims against Fund

Procedure for instituting claims against Fund

78. (1) No person has a claim against the Fund in respect of any theft contemplated in section ~~[56]~~ 55, unless—

- (a) written notice of the claim is given to the Council and to the Board within three months after the claimant became aware of the theft or, by the exercise of reasonable care, should have become aware of the theft; and
- (b) within six months after a written demand has been sent to him or her by the Board, the claimant furnishes the Board with proof as the Board may reasonably require.

(2) If the Board is satisfied that, having regard to all the circumstances, a claim or the proof required by it has been lodged or furnished within a reasonable period, it may in its discretion extend any of the periods referred to in subsection (1).

Actions against Fund

79. (1) The Fund is not obliged to pay any portion of a claim which could reasonably be recovered from any other person liable.

(2) The Fund may pay all reasonable expenses and legal costs incurred by a claimant in exhausting his or her rights of action against another person.

(3) The Fund may, in its discretion, before deciding whether to make full payment of a claim or any part of it, make an interim payment to the claimant of a portion of the amount for which his or her claim has been admitted.

(4) Any action against the Fund in respect of loss suffered by any person as a result of theft committed by **[an attorney]** a legal practitioner referred to in section 84(1), candidate attorney or employee of any **[attorney]** such legal practitioner or juristic **[person]** entity, must be instituted within one year of the date of a notification directed to that person or his or her legal representative by the Fund, informing him or her that the Fund rejects the claim to which the action relates.

(5) In any action against the Fund all defences which would have been available to the person against whom the claim arose, are available to the Fund.

(6) Any action against the Fund may, subject to the provisions of this Act, be brought in any court having jurisdiction in respect of the claim.

Subrogation

80. **[(1)]** On payment out of the Fund of money in settlement in whole or in part of any claim under this Chapter, the Fund is subrogated, to the extent of the payment, to all rights and legal remedies of the claimant against any **[attorney]** legal practitioner referred to in section 84(1) or person in relation to whom the claim arose, or in the event of his or her death or insolvency or other legal disability, against any person having authority to administer his or her estate.

[(2) A claimant who fails to co-operate with the Fund in the exercise of its subrogated rights is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding two years.]

Claims against future revenue of Fund

81. (1) If the Fund at any time has insufficient assets to settle all claims and judgments, the claims and judgments must, to the extent to which they are not settled, be charged against future revenue of the Fund.

(2) The Board may determine the order in which claims and judgments referred to in terms of subsection (1) are settled, and may, if the revenue of the Fund is not sufficient to settle all claims in full, settle any claim or judgment in whole or in part.

(3) Without limiting its discretion, the Board must, in applying the Fund towards the settlement of claims and judgments, consider the following:

- (a) The relative degrees of hardship suffered or likely to be suffered by the various claimants should their claims against the Fund not be settled in whole or in part;
- (b) subject to paragraph (a), the full settlement of relatively small claims, except in exceptional circumstances, before relatively large claims are settled to a greater extent than the small claims; and
- (c) in equal circumstances, the priority of claimants according to the dates of the judgments or the dates when the claims were admitted by the Board, as the case may be.

Indemnification in respect of certain acts

82. No action for damages may be instituted—

- (a) against the Fund, the Board or any member, official or employee of the Board in respect of anything done in the *bona fide* exercise or performance of its or his or her powers or functions in terms of the provisions of this Act; or
- (b) against the Council, a member of the Council or official or employee thereof, in respect of any notification issued in good faith for the purposes of section 79(4).

Preservation and disposal of records and documents in possession of Board

83. (1) Any record or document in possession of the Board relating to any claim instituted against the Fund must, subject to the provisions of subsection (2), be preserved at the office of the Board.

(2) The Board may, after the lapse of five years from the date which any claim to which any record or document relates is settled by the Board or adjudicated upon by the court or rendered unenforceable by lapse of time, direct that the record or document be removed to some other place of custody or be destroyed or otherwise disposed of.

CHAPTER 7

HANDLING OF TRUST MONIES

Obligations of [attorney] legal practitioner relating to handling of trust monies

84. (1) Every attorney or advocate referred to in section 34(2)(b), other than **[an attorney]** a legal practitioner in the full-time employ of the South African Human Rights Commission or the State as a state attorney, state advocate, **[legal adviser,]** state law adviser or in any other professional capacity and who practises or is deemed to practise—

- (a) for his or her own account either alone or in partnership; or
- (b) as a director of a practice which is a juristic **[person]** entity, **[and who receives or holds money or property belonging to any person,]** must be in possession of a Fidelity Fund certificate.

(2) No **[attorney]** legal practitioner referred to in subsection (1) or person employed or supervised by **[an attorney]** that legal practitioner may receive or hold funds or property belonging to any person unless the **[attorney]** legal practitioner concerned is in possession of a Fidelity Fund certificate.

(3) The provisions of subsections (1) and (2) apply to a deposit taken on account of fees or disbursements in respect of legal services to be rendered.

[(4)] Any person who contravenes subsection (1) or (2) in rendering legal services is—

- (a) guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding two years;
- (b) on conviction liable to be struck off the Roll; and
- (c) not entitled to any fee, reward or reimbursement in respect of the legal services rendered.]

[(5)](4) A Fidelity Fund certificate must indicate that the **[attorney]** legal practitioner concerned is obliged to practise subject to the provisions of this Act, and the fact that **[an attorney]** such a legal practitioner holds such a certificate must be endorsed against his or her enrolment by the Council.

[(6)](5) **[An attorney]** A legal practitioner referred to in subsection (1) who—

- (a) transfers from one practice to another; or
- (b) ceases to practise,

must give notice of this fact to the Council and comply with the Council's relevant requirements in relation to the closure of that **[attorney's]** legal practitioner's trust account and in the case of paragraph (b) return his or her certificate to the Council.

[(7)](6) The Council may withdraw a Fidelity Fund certificate and, where necessary, obtain an interdict against **[an attorney]** the legal practitioner concerned if he or she fails to comply with the provisions of this Act or in any way acts unlawfully or unethically.

[(8)](7) The provisions of this section do not apply to **[an attorney]** a legal practitioner who practises in the full time employ of Legal Aid South Africa on a permanent basis.

[(9)](8) **[No legal practitioner who practises as an]** An advocate, other than an advocate referred to in section 34(2)(b), may not receive or hold money or property belonging to any person in the course of **[the legal practitioner's]** that advocate's practice [as an advocate] or in respect of any instruction issued to the **[legal practitioner]** advocate by an attorney or a member of the public.

[(10)](9) No legal practitioner in the full-time employ of the South African Human Rights Commission or the State as a state attorney, state advocate, [legal adviser,] state law adviser or in any other professional capacity may receive or keep money or property belonging to any person, except during the course of employment of such legal practitioner with the State or the South African Human Rights Commission and in such case only on behalf of the South African Human Rights Commission or the State and for no other purpose.

Application for and issue of Fidelity Fund certificates

85. (1) (a) **[An attorney]** A legal practitioner who is obliged in terms of section 84(1) to be in possession of a Fidelity Fund certificate must apply to the Council for such a certificate as determined in the rules.

(b) Every legal practitioner referred to in paragraph (a) who, for the first time, practises as such, must, within the period and after payment of the fee determined by the Council in the rules, complete a legal practice management course approved by the Council determined in the rules.

(2) An application in terms of subsection (1)(a) must be accompanied by the contribution payable by applicants as determined in the rules.

(3) The Council must, in consultation with the Board, determine the amount of the contribution for the ensuing year, if any, and in the event of a contribution being charged, give notice thereof by publication in the *Gazette*.

(4) In determining the amount of the contribution, the Council and the Board must take into account—

- (a) the value of the Fund;
- (b) the extent of the expenses and liabilities which the Fund is likely to incur in the ensuing years; and
- (c) the actuarial valuation report referred to in section 73(2).

(5) The Council may, in consultation with the Board, and taking into account the performance of community service which promotes access to justice—

- (a) exempt a category of **[attorneys]** legal practitioners referred to in subsection (1) from paying the whole or part of the contribution; or
- (b) exempt a particular **[attorney]** legal practitioner referred to in subsection (1) from paying the whole or part of the contribution after consideration of a written application from that **[attorney]** legal practitioner, if the Council is satisfied that there is good reason to do so.

(6) Upon receipt of an application in terms of subsection (1) the Council must, if it is satisfied that the applicant has—

- (a) complied with the provisions of this Chapter;
 - (b) paid the required contribution to the Fund;
 - (c) discharged all liabilities in respect of **[registration]** enrolment fees; and
 - (d) completed the application form as determined in the rules in every respect,
- immediately issue to the applicant a Fidelity Fund certificate that is determined in the rules.

(7) A Fidelity Fund certificate is valid until 31 December of the year in respect of which it was issued.

(8) A document purporting to be a Fidelity Fund certificate which has been issued contrary to the provisions of this Act is null and void and must be returned to the Council on demand.

Trust accounts

86. (1) Every **[attorney]** legal practitioner referred to in section 84(1) must operate a trust account.

(2) Every trust account practice must keep a trust account at a bank with which the Fund has made an arrangement as provided for in section **[64(1)(g)]** 63(1)(g) and must deposit therein, as soon as possible after receipt thereof, money held by such practice on behalf of any person.

(3) A trust account practice may, of its own accord, invest in a separate trust savings account or other interest-bearing account any money which is not immediately required for any particular purpose.

(4) A trust account practice may, on the instructions of any person, open a separate trust savings account or other interest-bearing account for the purpose of investing therein any money deposited in the trust account of that practice, on behalf of such person over which the practice exercises exclusive control as trustee, agent or stakeholder or in any other fiduciary capacity.

(5) Interest accrued on money deposited in terms of this section must, in the case of money deposited in terms of—

- (a) subsections (2) and (3), be paid over to the Fund and vests in the Fund; [or] and
- (b) subsection (4), be paid over to the person referred to in that subsection: Provided that 5% of the interest accrued on money in terms of this paragraph must be paid over to the Fund and vests in the Fund.

(6) **[An attorney]** A legal practitioner referred to in section 84(1) may not deposit money in terms of subsection (2), nor invest money in terms of subsections (3) and (4) in accounts held at a bank which is not a party to an arrangement as provided for in section **[64(1)(g)]** 63(1)(g), unless prior written consent of the Fund has been obtained.

(7) **[An attorney]** A legal practitioner referred to in section 84(1) must comply with the terms of an arrangement concluded between a bank and the Fund as provided for in section **[64(1)(g)]** 63(1)(g).

Accounting

87. (1) A trust account practice must keep proper accounting records containing particulars and information in respect of—

- (a) money received and paid on its own account;
- (b) any money received, held or paid on account of any person;
- (c) money invested in a trust account or other interest-bearing account referred to in section 86; and
- (d) any interest on money so invested which is paid over or credited to it.

(2) (a) The Council or the Board may, itself or through its nominee, at the cost of the Council or the Board, inspect the accounting records of any trust account practice in order to satisfy itself that the provisions of section 86 and subsection (1) are being complied with.

(b) If on an inspection it is found that these provisions have not been complied with, the Council or the Board may write up the accounting records of the trust account practice and recover the costs of the inspection and the writing up of the accounting records from the trust account practice concerned.

(3) For the purposes of subsections (1) and (2), "accounting records" include any record or document kept by or in the custody or under the control of any trust account practice which relates to—

- (a) money held in trust;
- (b) money invested in terms of section 86(2), (3) or (4) and interest thereon;
- (c) any estate of a deceased person or any insolvent estate or any estate placed under curatorship, in respect of which an attorney in the trust account practice is the executor, trustee or curator or which he or she administers on behalf of the executor, trustee or curator; or
- (d) the affairs of the trust account practice.

(4) (a) Any money held in the trust account of a trust account practice in respect of which the identity of the owner is unknown or which is unclaimed after one year, must, after the second annual closing of the accounting records of the trust account practice following the date upon which those funds were deposited in the trust account of the trust account practice, be paid over to the Fund by the trust account practice.

(b) Nothing in this subsection deprives the owner of the money contemplated in paragraph (a) of the right to claim from the Fund any portion as he or she may prove an entitlement to.

(5) (a) Despite section 37(2)(a), [An] an attorney or advocate referred to in section 34(2)(b) or an employee of a trust account practice must, at the request of the Council or the Board, or the person authorised thereto by the Council or the Board, produce for inspection a book, document or article which is in the possession, custody or under the control of that legal practitioner or such employee, which book, document or article relates to the trust account practice or former trust account practice of such attorney or advocate: Provided that the Council or the Board or person authorised by the Council or the Board may make copies of such book, document or article and remove the copies from the premises of that attorney, advocate or trust account practice.

(b) The **[attorney]** legal practitioner referred to in paragraph (a) or employee in question may not, subject to the provisions of any other law, refuse to produce the book, document or article, even though he or she is of the opinion that it contains confidential information belonging to or concerning his or her client.

(6) Any person who performs any function under this section, may not disclose any information which he or she obtained in the performance of such a function except—

- (a) for the purposes of an investigation or hearing by a disciplinary body;
- (b) to any person authorised thereto by the Council or the Board who of necessity requires it for the performance of his or her functions under this Act;
- (c) if he or she is a person who of necessity supplies it in the performance of his or her functions under this Act;
- (d) when required to do so by order of a court of law;
- (e) at the written request of the Ombud; or
- (f) at the written request of the National **[Prosecution]** Prosecuting Authority or any competent authority which requires it for the institution **[or]** of an investigation with a view to the institution of any criminal prosecution.

[(7) Any person who—

- (a) refuses or fails to produce a book, document or any article in terms of subsection (5);**
- (b) contravenes subsection (6); or**
- (c) obstructs or hinders any person in the performance of his or her functions under this section,**

is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding one year.]

Trust money and trust property of trust account practice

88. (1) (a) Subject to paragraph (b), an amount standing to the credit of any trust account of any trust account practice—

- (i) does not form part of the assets of the trust account practice or of any attorney, partner or member thereof or of any advocate referred to in section 34(2)(b); and
- (ii) may not be attached by the creditor of any such trust account practice, attorney, partner or member or advocate.

(b) Any excess remaining after all claims of persons whose money has, or should have been deposited or invested in a trust account referred to in paragraph (a), and all claims in respect of interest on money so invested, are deemed to form part of the assets of the trust account practice concerned.

(2) Trust property which is registered in the name of a trust account practice, or jointly in the name of an attorney or trust account practice and any other person in a capacity as administrator, trustee, curator or agent, does not form part of the assets of that attorney or trust account practice or other person.

Court may prohibit operation of trust account

89. The High Court may, on application made by the Council or the Board, and on good cause shown, prohibit any **[trust account practice]** legal practitioner referred to in section 84(1) from operating in any way on **[its]** his or her trust account, and may appoint a *curator bonis* to control and administer that trust account, with any rights, powers and functions in relation thereto as the court may deem fit.

Appointment of *curator bonis* in respect of trust account

90. (1) If any **[attorney, practising on his or her own account or as a partner or member of a trust account practice]** legal practitioner referred to in section 84(1)—

- (a) dies;
 - (b) becomes insolvent;
 - (c) is struck off the Roll or suspended from practice;
 - (d) is declared by a competent court to be incapable of managing his or her own affairs; or
 - (e) abandons his or her practice or ceases to practise,
- the **[Master]** High Court may, on application made by the Council, Board or by any person having an interest in the trust account of that **[attorney]** legal practitioner or trust account practice, appoint a *curator bonis* to control and administer that account, with any rights, powers and functions as the **[Master]** court may deem fit.

(2) Where the **[attorney]** legal practitioner contemplated in subsection (1) is an attorney and was practising in partnership or as a member of a company with another attorney or attorneys, the **[Master]** court must allow the trust account to remain under the control of the remaining partners or members, unless there is good reason not to do so.

(3) If a trust account practice is sequestered, liquidated or placed under **[judicial management]** business rescue procedures, whether provisionally or finally, the **[Master]** court may, on application made by the Council, Board or by any person having an interest in the trust account of that practice, appoint a *curator bonis* to control and administer that account, with any rights, powers and functions as the **[Master]** court may deem fit.

(4) The **[Master]** court may only grant an application provided for in subsection (1) or (2), on good cause shown by the Council, Board or any other person concerned, and after having given the trust account practice an opportunity to respond in writing to the application.

[(5) Any person who is prejudiced by a decision of a Master in terms of subsection (1), (2) or (3), may, within 30 days after obtaining knowledge of the decision, appeal against that decision to a High Court, and the court may confirm or vary the decision or give any other decision as, in its opinion, the Master should have given.]

[(6)](5) Nothing in this section or section 89 may be construed as preventing any attorney who was practising in partnership with a legal practitioner **[an attorney]** referred to in subsection (1) who is an attorney, from operating on the trust account of the partnership.

Rights of banks in respect of trust accounts

91. (1) (a) Any bank at which a trust account practice keeps its trust account, or any separate account forming part of a trust account, is not, by reason only of the name or style by which the account concerned is distinguished, deemed to have knowledge that the trust account practice is not entitled to all money paid into that account or with which that account is credited.

(b) The provisions of paragraph (a) do not relieve the bank from any liability or obligation which legally exists and to which it would be subject apart from the provisions of this Act.

(2) Despite subsection (1), a bank at which a trust account practice keeps its trust account, or any separate account forming part of a trust account, does not, in respect of any liability of the trust account practice to that bank not being a liability arising

out of, or in connection with, any such account, have or obtain any recourse or right, whether by way of set-off, counter-claim, charge or otherwise, against money standing to the credit of that account.

(3) This section does not—

- (a) deprive any bank of any existing right;
- (b) take away or affect any claim, lien, counter-claim, right of set-off, or charge of any kind which a trust account practice has against, or on, any money held or received on account of any person; or
- (c) relieve any trust account practice which has invested any money referred to in subsection (1) in a trust or other interest-bearing account referred to in section 86, of any liability in respect thereof.

(4) Any bank at which a trust account practice keeps its trust account or any separate account forming part of its trust account, must, if so directed by the Council or the Board, furnish the Council or the Board with a signed statement of that account for the period determined by the Council.

CHAPTER 8

GENERAL PROVISIONS

Recovery of costs by [attorneys] legal practitioners rendering free legal services

92. (1) Whenever in any legal proceedings or any dispute in respect of which legal services are rendered for free to a litigant or other person by **[an attorney]** a legal practitioner or law clinic, and costs become payable to that litigant or other person in terms of a judgment of the court or a settlement, or otherwise, that litigant or other person must be deemed to have ceded his or her rights to the costs to that **[attorney]** legal practitioner, law clinic or practice.

(2) (a) A litigant or person referred to in subsection (1) or the **[attorney]** legal practitioner or law clinic concerned may, at any time before payment of the costs referred to in subsection (1), give notice in writing to—

- (i) the person liable for those costs; and
 - (ii) the registrar or clerk of the court concerned,
- that the legal services are being or have been rendered for free by that **[attorney]** legal practitioner, law clinic or practice.

(b) Where notice has been given as provided for in paragraph (a), the **[attorney]** legal practitioner, law clinic or practice concerned may proceed in his or her or its own name, or the name of his or her practice, to have those costs taxed, where appropriate, and to recover them, without being formally substituted for the litigant or person referred to in subsection (1).

(3) The costs referred to in subsection (1) must be calculated and the bill of costs, if any, must be taxed as if the litigant or person to whom the legal services were rendered by the **[attorney]** legal practitioner, law clinic or practice actually incurred the costs of obtaining the services of the **[attorney]** legal practitioner, law clinic or practice acting on his or her or its behalf in the proceedings or dispute concerned.

Offences and penalties

93. (1) Any person who, in a practice, without the written consent of the Council, employs in any capacity any person who has been struck off the Roll or suspended from practice, while that person remains struck off or suspended, is guilty of an

offence and is liable on conviction to a fine or imprisonment for a period not exceeding one year.

(2) Any person who contravenes the provisions of section 33 is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding two years or to both such fine and imprisonment.

(3) Any legal practitioner who contravenes any of the provisions of section 34 is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding two years or to both such fine and imprisonment

(4) Any person who—

(a) fails to comply with the provisions of section 39(7)(a)(i), (ii), (iii) or (iv);

(b) contravenes section 39(7)(b), (e) or (f); or

(c) obstructs or hinders any person in the performance of his or her functions under section 39,

is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding one year.

(5) Any person who has been summoned to appear before the Ombud in terms of section 48 and who—

(a) without sufficient cause fails to appear at the time and place specified in the summons or to remain in attendance until he or she is excused by the Ombud from further attendance;

(b) at his or her appearance before the Ombud—

(i) fails to produce a book, document or other object in his or her possession or under his or her control which he or she has been summoned to produce; or

(ii) refuses to take an oath or to make an affirmation after he or she has been asked by the Ombud to do so; and

(c) having taken an oath or having made an affirmation—

(i) fails to answer fully and to the best of his or her ability any question lawfully put to him or her; or

(ii) gives false evidence knowing that evidence to be false or not knowing or not believing it to be true,

is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding one year.

(6) Any attorney or advocate who contravenes section 56(7) is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding two years.

(7) A claimant who fails to co-operate with the Fund in the exercise of its subrogated rights as contemplated in section 80, is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding two years.

(8) Any person who contravenes sections 84(1) or (2) or section 34, in rendering legal services is—

(a) guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding two years or to both such fine and imprisonment;

(b) on conviction liable to be struck off the Roll; and

(c) not entitled to any fee, reward or reimbursement in respect of the legal services rendered.

(9) Any person who—

(a) refuses or fails to produce a book, document or any article in terms of section 37(2)(a) or (b) or 87(5);

(b) contravenes section 37(2)(c) or 87(6); or

(c) obstructs or hinders any person in the performance of his or her functions under those provisions,

is guilty of an offence and is liable on conviction to a fine or to imprisonment for a period not exceeding one year.

CHAPTER 9

REGULATIONS AND RULES

Regulations

94. (1) The Minister may, and where required in the circumstances, must, in or after consultation with the Council, as contemplated in this Act, make regulations relating to—

- (a) the areas of jurisdiction of **[Regional] Provincial** Councils;
- (b) the practical vocational training requirements and conditions of engagement for candidate legal practitioners, including the remuneration of pupils;

[(c) compulsory post-qualification professional development of legal practitioners;]¹¹

[(d) a framework for the creation and recognition of limited liability legal practices and the terms and conditions applicable to such practices;]¹²

(e) government and other securities into which the Board can invest surplus funds;

(f) matters which must be included in the annual report of the Board;

(g) the establishment of a mechanism to provide **[transformational]** legal education and training;

[(h) the right of appearance of candidate legal practitioners in court or another institution;]¹³

[(i) a fee structure of legal practitioners;

(j) the manner in which a notice of application for review must be lodged with the Ombud;

(k) the form of a summons issued by the Ombud;

(l) the manner of service of a summons issued by the Ombud;]

[(m) the form of the annual report of the Ombud;]¹⁴

[(n)](i) the rendering of community service;

¹⁵**[(o) the establishment of a mechanism to monitor and evaluate the implementation of the Charter;]**

[(p)](k) the instruction of advocates by a member of the public;]¹⁶ **[or]**

(l) the establishment of a mechanism to monitor progress on the empowerment/advancement of historically disadvantaged legal practitioners, as well as candidate legal practitioners;

(m) any other matter in respect of which regulations must be made in terms of this Act;
or

[(q)](m) any other ancillary or administrative matter that [it] is necessary to be [prescribe] prescribed for the proper implementation or administration of this Act.

(2) Any regulation made under subsection (1) must, before publication thereof in the *Gazette*, be approved by Parliament.

¹¹ See clause 6(5)(e)

¹² See clause 34(10)?

¹³ See clause 25 which sets out the right of appearance of candidate attorneys.

¹⁴ Clause 52 provides that this issue is determined in the rules

¹⁵ On 23 October 2013 the PC flagged this issue for discussion on 29 October 2013

¹⁶ See clause 34(3).

Rules

- 95.** (1) The Council may, and where required in the circumstances, must, by publication in the *Gazette*, make rules relating to—
- (a) the fees and charges which are payable to the Council;
 - (b) the fee to be paid by a person applying to the Council for **[registration and]** enrolment;
 - (c) the manner in which an application for **[registration and]** enrolment must be submitted to the Council through the **[Regional] Provincial** Council in question;
 - (d) the fee payable by a legal practitioner to the Council when applying to convert his or her **[registration] enrolment**;
 - (e) the manner in which an application must be made by a legal practitioner **to the Council** for the conversion of his or her **[registration] enrolment** –
 - (i) **as an attorney to that of an advocate and vice versa; and**
 - (ii) **as an advocate practising as contemplated in section 34(2)(a)(i) to that of an advocate practising as contemplated in section 34(2)(a)(ii);**
 - (f) the procedure **[for the election of Council members,]** for convening meetings of the Council and the procedure for the conduct of meetings;
 - (g) the procedure for the conduct of meetings of committees of the Council;
 - (h) the procedure for the appointment of the executive officer and other employees of the Council;
 - (i) the conditions of service of the executive officer and other employees of the Council;
 - (j) competency-based examinations or assessments for candidate legal practitioners, conveyancers or notaries;
 - (k) the minimum conditions and procedures for the registration and administration of practical vocational training;
 - (l) procedures and directions pertaining to the assessment of persons undergoing practical vocational training;
 - (m) the level of competence to be achieved for admission and enrolment as a legal practitioner;
 - (n) the information which must be submitted to the Council when a person applies to court for admission as a legal practitioner and the time period within which that information must be submitted;
 - (o) the criteria for a person, institution, organisation or association to qualify to conduct the assessment of practical vocational training;
 - [(p) service which qualifies as community service;]**
 - (q) the instruction of attorneys and the instruction of advocates by attorneys;
 - (r) the procedures to be followed by disciplinary bodies;
 - (s) the manner and form in which complaints of misconduct relating to legal practitioners, candidate legal practitioners or juristic entities must be lodged with the **[Regional] Council** and dealt with, and the time period in which a complaint must be so lodged;
 - (t) an application for a Fidelity Fund certificate;
 - (u) the form of the Fidelity Fund certificate issued by the Council;
 - (v) the contribution to be paid to the Council when applying for a Fidelity Fund certificate.
 - (w) the manner in which the Council must **[register and]** enrol a duly admitted legal practitioner;
 - (x) the manner in which the Council must keep the Roll of **[registered]** legal practitioners;

- (y) the manner in which an admitted legal practitioner must apply to the Council for **[registration and]** enrolment;
- [(z) the manner in which a legal practitioner must apply to the Council to convert his or her [registration] enrolment as an attorney to that of an advocate and vice versa;]**¹⁷
- (zA) the certificate issued by a registrar of **[a] the** High Court to an attorney who has acquired the right to appear in **[a] the** High Court, the Supreme Court of Appeal and the Constitutional Court and the information to be submitted by the registrar to the Council;
- (zB) the form of a subpoena issued by the Council;
- (zC) the manner of service of a subpoena;
- (zD) the manner in which a complainant, legal practitioner, candidate legal practitioner or juristic entity may lodge an appeal to an appeal tribunal;
- (zE) the inspection of the accounts of an attorney or an advocate referred to in section 34(2)(b): Provided that rules made in terms of this paragraph must be made in consultation with the Board;
- (zF) the powers and functions of the executive committee of the Council established in terms of section 20; **[or]**
- (zG) the manner of investment of any monies of the Council which are not required for immediate use; **[and]**
- (zH) the procedures to be followed before a member of the Council is removed from office as provided for in section 12(4); and
- (zI) any other matter in respect of which rules must be made in terms of this Act.

(2) (a) Before the Council makes any rule under this section, the Council must publish a draft of the proposed rule in the *Gazette* together with a notice, calling on interested persons to comment in writing within a period stated in the notice, which may not be less than 30 days from the date of publication of the notice.

(b) If the Council alters the draft rules as a result of any comments, it need not publish those alterations before making the rule.

(3) The Council may, if circumstances necessitate the publication of a rule without giving notice provided for in subsection (2)(a), publish that rule without prior publication of a draft as provided for in subsection (2), provided that the notice of publication states—

- (a) the reason why circumstances necessitated that publication without prior publication of a draft as provided for in subsection (2); and
- (b) that any person who is aggrieved by the rule may make representations to the Council within a period stated in the notice, which may not be **[more] less** than 30 days from the date of publication of the notice.

CHAPTER 10

NATIONAL FORUM AND TRANSITIONAL PROVISIONS

Part 1

[Transitional South African Legal Practice Council] National Forum on Legal Profession

96. (1) A **[Transitional South African Legal Practice Council] National Forum on the Legal Profession** (hereafter referred to as the “National Forum”) is hereby

¹⁷ This is a duplication of the rules envisaged in clause 95(1)(e)

established as a body corporate with full legal capacity and comprising of the following members:

- (a) 16 legal practitioners, namely—
 - (i) eight attorneys **[nominated]** designated by the Law Society of South Africa, two of which represent the Black Lawyers Association, two of which represent the National Association of Democratic Lawyers, one of which represents the Law Society of the Cape of Good Hope, one of which represents the Law Society of the Orange Free State, one of which represents the Law Society of the Transvaal and one of which represents the Natal Law Society;
 - (ii) five advocates **[nominated]** designated by the General Council of the Bar of South Africa;
 - (iii) one advocate **[nominated]** designated by the **[Independent Advocates Association]** National Bar Council of South Africa;
 - (iv) one advocate **[nominated]** designated by the National Forum of Advocates; and
 - (v) one advocate **[nominated]** designated by Advocates for Transformation;
- (b) one teacher of law **[or legal academic nominated]**, designated by **[law teachers, legal academics or organisations representing law teachers or legal academics]** the South African Law Deans Association;
- (c) subject to subsection (3), two persons who, in the opinion of the Minister, are fit and proper persons who have knowledge of the legal profession, designated by the Minister;
- (d) one person **[nominated]** designated by Legal Aid South Africa; and
- (e) one person **[nominated]** designated by the Board.

[(2) In constituting the Transitional Council as provided for in subsection (1), regard must be given to—

- (a) the terms of reference of the Transitional Council;**
- (b) achieving representivity with regard to—**
 - (i) race;**
 - (ii) gender; and**
 - (iii) disability; and**
- (c) ensuring adequate regional representation when making a nomination in respect of subsection (1)(a).]**

(2) The need for the National Forum to reflect –

- (a) the racial and gender composition of South Africa;
- (b) representation of persons with disabilities; and
- (c) provincial representation.

must, as far as is practicable, be considered when the National Forum is established in terms of this section, in addition to the terms of reference of the National Forum.

(3) A person referred to in subsection (1)(c) may not be designated as a member of the National Forum if he or she –

- (a) is a public servant;
- (b) is a member of Parliament, any provincial legislature or any municipal council; or
- (c) is an office-bearer or employee of any party, movement or organisation of a party-political nature.

[(3)] (4) The duration of the **[Transitional Council] National Forum is for a period not exceeding three years and it ceases to exist on the date of commencement of Chapter 2.**

[(4)] (5) Subject to sections 99, **[101] 102 and **[102]** 103, members of the **[Transitional Council]** National Forum hold office for the three year duration of the Transitional Council.**

Terms of reference of **[Transitional Council] National Forum**

97. (1) The **[Transitional Council] National Forum** must, within 24 months after the commencement of this Chapter—

- (a) make recommendations to the Minister on the following:
- (i) An election procedure for purposes of constituting the **[first] Council**;
 - (ii) the establishment of the **[first Regional] Provincial Councils** and their areas of jurisdiction, taking into account the factors referred to in section 23(2)(a);
 - (iii) the composition, powers and functions of the **[first Regional] Provincial Councils**;
 - (iv) the manner in which the **[first Regional] Provincial Councils** must be elected;
 - (v) all the practical vocational training requirements that candidate attorneys or pupils must comply with before they can be admitted by the court as a legal practitioners;
 - [(vi) a fee structure of legal practitioners;]**
 - [(vii) (vi) the right of appearance of a candidate legal practitioner in court or any other institution; and]**
 - [(viii) (vii) a mechanism to wind up the affairs of the [Transitional Council] National Forum ; and]**
 - [(ix) all the requirements necessary for the implementation of compulsory post-qualification professional development;]**
- (b) prepare and publish a code of conduct for legal practitioners, candidate legal practitioners and juristic entities; and
- (c) make rules, as provided for in section **[108(2)] 109(2)**.

(2) (a) The **[Transitional Council] National Forum** must, within 24 months of the commencement of this Chapter, negotiate with and reach an agreement with the **[attorneys' and advocates' professions] law societies referred to in section 56 of the Attorneys Act and any other similar statutory bodies still regulating the legal profession established in the former homelands**, in respect of the transfer of their assets, rights, liabilities, obligations and staff, to the Council or **[Regional] Provincial Councils**.

(b) The provisions of paragraph (a) do not preclude any non-statutory bodies or voluntary associations which are involved in the regulation of legal practitioners or matters dealt with in this Act, from negotiating and reaching an agreement with the National Forum in respect of the transfer of their assets, rights, liabilities, obligations and staff, to the Council or Provincial Councils.

(3) Section 197 of the Labour Relations Act, 1995 (Act No. 66 of 1995), applies in respect of the transfer of the staff contemplated in subsection (2).

(4) If an agreement contemplated in subsection (2) cannot be reached by the parties concerned, **[any party] any of the parties may agree to** refer the matter to arbitration in terms of the Arbitration Act, 1965 (Act No. 42 of 1965).

(5) The Minister may extend the period of 24 months contemplated in subsections (1) and (2) if he or she deems it necessary.

Powers and functions of **[Transitional Council] National Forum**

98. (1) The **[Transitional Council] National Forum** may do all that is necessary or expedient to carry out its terms of reference referred to in section 97, including the following, having due regard to the Constitution and applicable legislation where appropriate and relevant:

- (a) Establish one or more committees, including an executive committee, consisting of members of the **[Transitional Council] National Forum** only, or members of the **[Transitional Council] National Forum** and staff members or other persons, to assist the **[Transitional Council] National Forum** in—
- (i) the performance or exercise of its powers and functions;
 - (ii) determining the powers and functions of a committee;
 - (iii) appointing a chairperson and deputy chairperson of a committee;
 - (iv) determining procedures for the functioning of committees; and
- (b) delegate in writing any of its powers and functions to its committees, subject to any conditions it may impose, which delegation does not—
- (i) divest the **[Transitional Council] National Forum** of the power or function so delegated; and
 - (i) preclude the **[Transitional Council] National Forum** from varying or setting aside any decision made under a delegation.

(2) The **[Transitional Council] National Forum** must, in consultation with the Director- General —

- (a) appoint an executive officer to perform or exercise the powers and functions determined by the **[Transitional Council] National Forum** and supervise the staff of the **[Transitional Council] National Forum**;
- (b) employ or second from existing governance structures in the legal profession, so many staff members as may be necessary to enable it to carry out its functions;
- (c) conclude agreements with any person or organisation for the performance of any particular act or any particular work or the rendering of services for the purpose of furthering the objects of the **[Transitional Council] National Forum**;
- (d) enter into contracts in connection with the performance of its functions or the exercise of its powers;
- (e) determine the remuneration and other conditions of service of staff members; and
- (f) pay an honorarium or an allowance to any person to cover expenses reasonably incurred by him or her in connection with any act performed at the request of the **[Transitional Council] National Forum** or in terms of its directions on behalf of the **[Transitional Council] National Forum** and the furtherance of its objects.

(3) The National Forum must, taking into account the provisions of this Act, conduct a cost analysis of the operation of the Council and Provincial Councils and make recommendations to the Minister for consideration by Parliament as contemplated in subsection (4), on the funding thereof, with a view to the effective and efficient implementation of the Act.

[(3)] (4) The **[Transitional Council] National Forum** must, after its establishment, report to the Minister every six months on its activities and the Minister must, immediately on receipt thereof, submit the report to Parliament.

Membership of **[Transitional Council] National Forum**

99. (1) A member of the **[Transitional Council] National Forum** must—

- (a) be a South African citizen; and
- (b) be a fit and proper person.

(2) The following persons are disqualified from becoming or remaining members of the **[Transitional Council] National Forum**:

- (a) An unrehabilitated [insolvents] insolvent;
- (b) a person declared to be of unsound mind by a court of the Republic;
- (c) a person who has been convicted in a court of first instance of an offence and sentenced to more than 12 months' imprisonment without the option of a fine, either in the Republic, or outside the Republic if the conduct constituting the offence would

have been an offence in the Republic, other than a conviction for an offence committed prior to 27 April 1994 associated with political objectives: Provided that if the person in question lodges an appeal against the conviction or sentence, he or she may be suspended from office by the National Forum as contemplated in section 103, until the appeal has been determined: Provided further that he or she may be replaced by the designating body; or

- (d) a person who has **[vacated his or her]** been removed from office in terms of section **[102] 103.**

Chairperson and deputy chairperson [of Transitional Council] National Forum

100. [(1) At the first meeting of the Transitional Council, the members of the Transitional Council must, in consultation with the Minister, elect and appoint a chairperson and deputy chairperson of the Transitional Council from among themselves.]

(1) The Minister must, after consultation with the members of the National Forum, at its first meeting, designate one of the members as chairperson and another as deputy chairperson.

(2) The chairperson and the deputy chairperson, subject to section 99, hold office for the duration of the **[Transitional Council] National Forum.**

(3) The deputy chairperson **[may] must,** if the chairperson is absent or is for any reason unable to act as chairperson, perform all the functions and exercise all the powers of the chairperson.

(4) If both the chairperson and deputy chairperson are absent from any meeting, the members present must elect **[one of their number] a person from among themselves** to preside at that meeting and the person so presiding **[may] must,** during that meeting and until the chairperson and deputy chairperson resumes duty, perform all the functions and exercise all the powers of the chairperson.

(5) If both the chairperson and deputy chairperson have been given leave of absence, the members of the **[Council] National Forum** must elect one person from among themselves to act as chairperson until either the chairperson or deputy chairperson resumes duty or is removed from office in terms of section 103.

(6) If the office of the chairperson **[and] or** deputy chairperson becomes vacant, the **[members of the Council] Minister** must, after consultation with the members of the National Forum at the first meeting [after such vacancy occurs] thereafter or as soon as possible thereafter, [elect from among themselves a new] designate one of the members of the National Forum as chairperson [and] or deputy chairperson, as the case may be.

(7) A chairperson and deputy chairperson may vacate office as such, without relinquishing his or her membership of the **[Transitional Council] National Forum.** unless his or her membership has been terminated in accordance with section 102.

Term of office

101. A member of the National Forum holds office for the duration of the National Forum.

Termination of office

[101] 102. (1) A person ceases to be a member of the **[Transitional Council] National Forum** when that person—

- (a) is no longer eligible in terms of section 99 to be a member;

- (b) resigns; **[or]**
- (c) **[vacates his or her]** is removed from office in terms of section **[102] 103**;
- (d) in the case of a legal practitioner referred to in section 96(1)(a), ceases to be a practising legal practitioner, for whatever reason; or
- (e) is appointed as a judicial officer.

(2) A member may resign after giving at least three months' written notice to the **[Transitional Council] National Forum**, but the National Forum may, on good cause shown, accept a shorter period.

[Vacation of] Removal from office

[102] 103. (1) **[A member of the Transitional Council must vacate]** The National Forum may remove a member from [his or her] office on account of—

- (a) a **[conviction for] finding of** any misconduct under **[this] any Act or code which regulates the conduct of the member in question [or a conviction for any offence]**, which, in the opinion of the **[Transitional Council] National Forum**, debars him or her from serving as a member of the **[Transitional Council] National Forum**;
- (b) incapacity or incompetency which, in the opinion of the National Forum, debars him or her from serving as a member of the National Forum;
- (c) absence from three consecutive meetings of the **[Transitional Council] National Forum** without the permission of the chairperson, except on good cause shown; or
- (d) a request by the body which or person who **[nominated]** designated or elected that member in terms of section 96, on good cause shown by the body or person in question, upon confirmation by the High Court[;] .
- [(e) engaging in any activity that may, in the opinion of the Transitional Council, undermines the integrity of the Transitional Council; or**
- (f) the sequestration of his or her estate.]**

(2) If the **[Transitional Council] National Forum** has commenced proceedings for the removal of a member it may suspend that member from office.

(3) A member who is suspended from office may not perform or exercise any of the powers or functions of that office or receive any allowances.

(4) The National Forum must follow due process of law if it intends to remove a member for office, as determined by the National Forum in the rules.

[Filling of vacancies] Vacancies in National Forum and filling thereof

[103] 104. (1) A vacancy in the **[Transitional Council] National Forum** occurs when—

- (a) a member dies;
- (b) a member terminates office in terms of section **[101] 102**;
- (c) a member **[vacates his or her]** is removed from office in terms of section **[102] 103**; or
- (d) a member's resignation takes effect.

(2) A vacancy must be filled as soon as practicably possible in accordance with the **[procedure referred to in] provisions of** section 96.

(3) Any person appointed to fill a vacancy holds office for the unexpired portion of the term of the vacating member.

Meetings of [Transitional Council] National Forum

[104] 105. (1) The **[Transitional Council] National Forum** must hold at least four meetings in each year at venues to be determined by the **[Transitional Council]**

National Forum and may, in addition, hold any further meetings as the **[Transitional Council]** National Forum may, from time to time, determine.

(2) The **[Transitional Council]** National Forum must, as soon as practicable after the appointment of its members, meet for the first time at the time and place determined by the Minister.

(3) The **[Transitional Council]** National Forum must, before its dissolution, meet with the Council contemplated in section **[7]** 4 for the purposes of handing over.

Quorum and procedure at meetings of **[Transitional Council] National Forum**

[105] **106.** (1) The majority of the members of the **[Transitional Council]** National Forum constitutes a quorum at any meeting of the **[Transitional Council]** National Forum.

(2) The **[Transitional Council]** National Forum must determine a procedure in the rules for convening meetings and the procedure for the conduct of meetings.

(3) The **[Transitional Council]** National Forum must keep a record of its proceedings.

Decisions of **[Transitional Council] National Forum**

[106] **107.** (1) The decision of the majority of the members constitutes a decision of the **[Transitional Council]** National Forum **[: Provided that the Chairperson has a casting vote, in addition to a deliberative vote, in the event of a deadlock].**

(2) In the event of a deadlock in the voting the chairperson has a casting vote in addition to a deliberative vote.

Finances, expenditure and accountability of **[Transitional Council] National Forum**

[107] **108.** (1) Expenditure incidental to the exercise of the powers or the performance of the powers and functions of the **[Transitional Council]** National Forum must be defrayed from the funds of the **[Transitional Council]** National Forum.

(2) The funds of the **[Transitional Council]** National Forum consist of—
 (a) monies defrayed from the budget vote of the Department for the purpose contemplated in subsection (1); and
 (b) any other monies received by the **[Transitional Council]** National Forum or accruing to the **[Transitional Council]** National Forum from any other source, including disbursements made by existing law societies as may be agreed upon.

(3) Out-of-pocket expenses incurred by members of the **[Transitional Council]** National Forum in exercising their powers or carrying out their **[powers and]** functions under this Chapter are borne by the body which or person who, **[nominated]** designated or elected [or appointed] that member.

(4) The Director-General, as the accounting officer of the Department, is responsible for the funds referred to in subsection (2)(a).

Part 2

Rules and regulations

[108] **109.** (1) (a) The Minister must, within six months after receiving recommendations from the **[Transitional Council]** National Forum as provided for in section 97(1)(a), make regulations by publication in the *Gazette*, in consultation with the

[Transitional Council] National Forum, in order to give effect to the recommendations of the **[Transitional Council] National Forum** as contemplated in section 97(1)(a).

(b) If the **[Transitional Council] National Forum** fails to make recommendations as provided for in paragraph (a), within the timeframe provided for in section 97, the Minister must, within six months, make the regulations in question, after consultation with the **[Transitional Council] National Forum**.

(c) Any regulation made under this subsection must, before publication thereof in the *Gazette*, be approved by Parliament.

(2) (a) The **[Transitional Council] National Forum** must, within 24 months after the commencement of this Chapter, make rules by publication in the *Gazette* in respect of the following:

- (i) A competency-based examination or assessment for candidate legal practitioners, conveyancers and notaries;
- (ii) the minimum conditions and procedures for the registration and administration of practical vocational training;
- (iii) the procedure and directions pertaining to the assessment of persons undergoing practical vocational training;
- (iv) the criteria for a person, institution, organisation or association to qualify to conduct an assessment;
- (v) the procedures to be followed by disciplinary bodies;**[and]**
- (vi) the manner and form in which complaints of misconduct relating to legal practitioners, candidate legal practitioners or juristic entities must be lodged with the **[Regional] Council**; and
- (vii) any other matter in respect of which rules must be made in terms of this Chapter.

(b) Before the **[Transitional Council] National Forum** makes any rule under this subsection, it must publish a draft of the proposed rule in the *Gazette* together with a notice, calling on interested persons to comment in writing within a period stated in the notice, which may not be less than 30 days from the date of publication of the notice.

(c) If the **[Transitional Council] National Forum** alters the draft rules as a result of any comments, it need not publish those alterations before making the rule.

(d) The **[Transitional Council] National Forum** may, if circumstances necessitate the publication of a rule without giving notice, as provided for in paragraph (b), publish that rule without prior publication of a draft as provided for in paragraph (b), provided that the notice of publication states—

- (i) the reason why circumstances necessitated that publication without prior publication of a draft as provided for in paragraph (b); and
- (ii) that any person who is aggrieved by the rule may make representations to the **[Transitional Council] National Forum** within a period stated in the notice, which may not be less than 30 days from the date of publication of the notice.

Part 3

Abolition of Fidelity Funds of former TBVC States and transfer of assets, rights, liabilities and obligations to **[Attorneys] Legal Practitioners' Fidelity Fund**

[109] 110. (1) For the purposes of this Part, “**law society**” means a law society referred to in section 56 of the Attorneys Act.

(2) The—

- (a) Attorneys Fidelity Fund referred to in section 26(1) of the Attorneys, Notaries and Conveyancers Act, 1984 (Act No. 29 of 1984), of the former Republic of Bophuthatswana; and
- (b) Attorneys, Notaries and Conveyancers Fidelity Guarantee Fund referred to in section 25 of the Attorneys Act, 1987 (Act No. 42 of 1987), of the former Republic of Venda,

cease to exist on the date referred to in section **[119(4)] 120(4)** and all assets, rights, liabilities and obligations which, on that date, vested in any of the said Funds, vest from that date in the Fund referred to in section **[54(1)] 53(1)**.

Transitional provisions in relation to existing Attorneys Fidelity Fund Board of Control

[110] 111. The—

- (a) Attorneys Fidelity Fund Board of Control referred to in section 27 of the Attorneys Act;
- (b) Attorneys Fidelity Fund Board of Control referred to in section 26(3) of the Attorneys, Notaries and Conveyancers Act, 1984 (Act No. 29 of 1984), of the former Republic of Bophuthatswana; and
- (c) Attorneys, Notaries and Conveyancers Fidelity Guarantee Fund Board of Control referred to in section 27 of the Attorneys Act, 1987 (Act No. 42 of 1987), of the former Republic of Venda,

and any committee of any such Board of Control appointed in terms of any such law and which existed immediately before the date referred to in section **[119(4)] 120(4)**, cease to exist on that date and all assets, rights, liabilities and obligations which, on that date vested in any of the Boards referred to in paragraphs (a), (b) and (c), vest in the Board referred to in section **[62] 61**.

Transitional provisions in relation to qualifications

[111] 112. (1) Notwithstanding anything to the contrary in this Act—

- (a) (i) the training course presented at a Practical Legal Training School of the Law Society of South Africa, for purposes of the Attorneys Act; or
- (ii) any other training course approved by any existing society or the General Council of the Bar,

before the date referred to in section **[119(4)] 120(4)** for the purpose of training persons to qualify as legal practitioners, must be regarded as having been presented or approved pursuant to the regulations pertaining to practical vocational training in terms of this Act; and

- (b) any period of practical vocational training undergone with an attorney or advocate before the date referred to in section **[119(4)] 120(4)** must be regarded as having been a period of practical vocational training under supervision of a legal practitioner.

(2) Any person upon whom the degree *baccalaureus procurationis* was conferred by a university of the Republic, is regarded as being qualified to be admitted by the court and enrolled as an attorney by the Council as if he or she held the degree *baccalaureus legum*, if all the other requirements in the Attorneys Act are complied with: Provided that such person has not later than 1 January 1999 registered for the first-mentioned degree.

Transitional provisions relating to Fidelity Fund certificates

[112] 113. Any attorney who is in terms of section **[85(1)] 84(1)** required to be in possession of a Fidelity Fund certificate and who, at the date referred to in section **[119(4)] 120(4)**, is not in possession of such a certificate issued in terms of any law repealed by this Act, must, within 60 days after the said date, apply for such a certificate.

Existing advocates, attorneys, conveyancers and notaries

[113] 114. (1) Any person **[whose name appears on the roll of advocates, roll of attorneys, roll of conveyancers or roll of notaries of any High Court]** who has been admitted by the High Court and authorised to be enrolled as an advocate, attorney, conveyancer or notary in terms of any Act in the former Republic of South Africa and former homelands which is still applicable [at] before the date referred to in section **[119(4)] 120(4)**, must be regarded as having been admitted to practice and, where applicable, subject to any condition imposed by the High Court, must be enrolled as a legal practitioner, conveyancer or notary in terms of this Act, subject to the terms of any order of court whereby any such person has been suspended from practice as an advocate, attorney, conveyancer or notary.

(2) Every person who, in terms of subsection (1), is regarded as having been admitted and authorised to practise and to be enrolled as a legal practitioner, conveyancer or notary, must be enrolled as a legal practitioner, conveyancer or notary on the Roll, and for that purpose—

- (a) the registrar of every Division of the High Court must as soon as possible after the appointment of the Council's executive officer, furnish him or her with the name of every person whose name appears on the roll of attorneys, roll of conveyancers or roll of notaries of that **[High Court] Division** and with particulars of the order of court in terms of which every such person was admitted to practise as an attorney, conveyancer or notary and of any order of court, if any, in terms of which any such person has been suspended from practice as an attorney, conveyancer or notary;
- (b) the Director-General must as soon as possible after the appointment of the Council's executive officer, furnish him or her with the name of every person whose name appears on the roll of advocates and with particulars of the order of court in terms of which every such person was admitted to practise as an advocate and of any order of court, if any, in terms of which any such person has been suspended from practice as an advocate; and
- (c) the law societies existing immediately prior to the date referred to in section **[119(4)] 120(4)** in terms of the Attorneys Act or any other law, must as soon as possible after the appointment of the Council's executive officer, furnish him or her with the name of every person whose name appears on the roll of attorneys, roll of conveyancers or roll of notaries of that society and with particulars of the order of court in terms of which every such person was admitted to practise as an attorney, conveyancer or notary and of any order of court, if any, in terms of which any such person has been suspended from practice as an attorney, conveyancer or notary.

(3) The Council must compile and consolidate the rolls of the existing practising and non-practising advocates, attorneys, conveyancers and notaries contemplated in subsection (2)(a), (b) or (c) into the Roll referred to in section 30(3).

(4) Every person who, on the date referred to in section **[119(4)] 120(4)**, has the status of senior counsel retains that status after the commencement of this Act.

Persons entitled to be admitted and enrolled as advocates, attorneys, conveyancers or notaries

[114] 115. Any person who, immediately before the date referred to in section **[119(4)] 120(4)**, was entitled to be admitted and enrolled as an advocate, attorney, conveyancer or notary is, after that date, entitled to be admitted and enrolled as such in terms of this Act.

Pending proceedings

[115] 116. (1) Any enquiry in terms of any law repealed by this Act into the alleged unprofessional or dishonourable or unworthy conduct of a legal practitioner which has not been concluded at the date referred to in section **[119(4)] 120(4)**, must be referred to the Council which must treat the matter as it deems appropriate.

(2) Any proceedings in respect of the suspension of any person from practice as an advocate, attorney, conveyancer or notary or **[for] in respect of** the removal of the name of any person from the roll of advocates, attorneys, conveyancers or notaries which have been instituted in terms of any law repealed by this Act, and which have not been concluded at the date referred to in section **[119(4)] 120(4)**, must be continued and concluded as if that law had not been repealed, and for that purpose a reference in the provisions relating to such suspension or removal, to the General Council of the Bar of South Africa, any Bar Council, any Society of Advocates, any society or the State Attorney must be construed as a reference to the Council.

Transitional provisions relating to existing law societies and voluntary associations of advocates

[116] 117. The existing law societies **[and any voluntary association of advocates]** must continue to perform their powers and functions until the commencement of Chapter 2.

Interpretation of certain references in laws

- [117] 118.** Subject to the provisions of this Act, a reference in any other law to—
- (a) an advocate, a counsel or an attorney, must be construed as a reference to a legal practitioner in this Act;
 - (b) a conveyancer admitted in terms of any law repealed by this Act, must be construed as a reference to a conveyancer **[registered] enrolled** in terms of section 30;
 - (c) a notary admitted in terms of any law repealed by this Act, must be construed as a reference to a notary **[registered] enrolled** in terms of section 30;
 - (d) senior counsel, must be construed as a reference to the status of senior counsel as it existed prior to the commencement of this Act; and
 - (e) the General Council of the Bar of South Africa, the Association of Law Societies of the Republic of South Africa, the Law Society of South Africa, a law society or similar reference made in any law repealed by this Act, must be construed as a reference to the Council.

Part 4

Repeal and amendment of laws, and savings

[118] 119. (1) (a) Subject to paragraph (b) and subsection (2), the laws specified in the Schedule are hereby repealed or amended to the extent indicated in the third column thereof.

(b) Paragraph (a) takes effect on the date referred to in section **[119(4)] 120(4)**.

(2) Any—

- (a) regulation made under any law referred to in subsection (1) and in force immediately before the date referred to in section **[119(4)] 120(4)**; and
- (b) rule, code, notice, order, instruction, prohibition, authorisation, permission, consent, exemption, certificate or document promulgated, issued, given or granted and any other steps taken in terms of any such law immediately before the date referred to in section **[119(4)] 120(4)** and having the force of law,

remain in force, except in so far as it is inconsistent with any of the provisions of this Act, until amended or revoked by the competent authority under the provisions of this Act.

(3) Anything done in terms of a law repealed or amended by this Act—

- (a) remains valid if it is consistent with this Act, until repealed or overridden; and
- (b) is deemed to have been done in terms of the corresponding provision of this Act.

(4) A **[Regional] Provincial** Council contemplated in section 97(1)(a)(ii) continues to exist and is deemed to have been established by the Council in terms of this Act.

Short title and commencement

[119] 120. (1) This Act is called the Legal Practice Act, **[2012] 2013**.

(2) Chapter 10 comes into operation on a date fixed by the President by proclamation in the *Gazette*.

(3) Chapter 2 comes into operation three years after the date of commencement of Chapter 10 or on any earlier date fixed by the President by proclamation in the *Gazette*.

(4) The remaining provisions of this Act come into operation on a date, after the commencement of Chapter 2, fixed by the President by proclamation in the *Gazette*.

SCHEDULE

(Laws repealed or amended by section [118] 119)

No. and year of law	Short title	Extent of repeal
Act No. 24 of 1926	Natal Conveyancers Act, 1926	The whole
<u>Act No. 23 of 1934 (Transkei)</u>	<u>Attorneys, Notaries and Conveyancers Admission, 1934</u>	<u>The whole</u>
[Act No. 27 of 1939]	[Natal Advocates and Attorneys Preservation of Rights Act, 1939]	[The whole]
Act No. 19 of 1941	Attorneys' Admission Amendment and Legal Practitioners' Fidelity Fund Act, 1941	The whole
Act No. 93 of 1962	General Law Further Amendment Act, 1962	Sections 35, 36, 37 and 38
Act No. 74 of 1964	Admission of Advocates Act, 1964	The whole
Act No. 74 of 1964 (Transkei)	Admission of Advocates Act, 1964	The whole
Act No. 74 of 1964 (Bophuthatswana)	Admission of Advocates Act, 1964	The whole
Act No. 74 of 1964 (Venda)	Admission of Advocates Act, 1964	The whole
<u>Act No. 74 of 1964 (Ciskei)</u>	<u>Admission of Advocates Act, 1964</u>	<u>The whole</u>
[Act No. 29 of 1974]	[General Law Amendment Act, 1974]	[Section 16]
[Act No. 39 of 1977]	[Admission of Advocates Amendment Act, 1977]	[The whole]
[Act No. 25 of 1979]	[Admission of Advocates Amendment Act, 1979]	[The whole]
[Act No. 41 of 1979 (Bophuthatswana)]	[Admission of Advocates Amendment Act, 1979]	[The whole]
Act No. 53 of 1979	Attorneys Act, 1979	The whole
<u>Act No. 53 of 1979 (Ciskei)</u>	<u>Attorneys Act, 1979</u>	<u>The whole</u>
Act No. 29 of 1984 (<u>Bophuthatswana</u>)	[Bophuthatswana] Attorneys, <u>Notaries and Conveyancers Act, 1984</u>	The whole
<u>Act No. 42 of 1987 (Venda)</u>	<u>Attorneys Act, 1987</u>	<u>The whole</u>
Act No. 114 of 1993	Recognition of Foreign Legal Qualifications and Practice Act, 1993	The whole

No. and year of law	Short title	Extent of repeal
<u>Act No. 33 of 1995</u>	<u>Admission of Legal Practitioners Act, 1995</u>	<u>The whole</u>
Act No. 62 of 1995	Right of Appearance in Courts Act, 1995	The whole