

## NOTICE:

# Precautions to prevent misappropriation of Trust Accounts



28 September 2022

Dear Legal Practitioners

The Legal Practice Council would like to bring to the attention of all legal practitioners the importance of managing Trust Banking Accounts in line with the prescripts of the Legal Practice Act, 2014.

One of the issues that regularly comes up when there are investigations into the manner in which trust banking accounts are managed, is that legal practitioners (in particular attorneys) often transact through the trust accounts and not the business accounts, which places a legal practitioner/firm under risk of misappropriation.

The Legal Practitioners are therefore urged to:

- Ensure that business transactions are managed and processed through the business banking accounts.
- Only the correct, appropriate, and relevant transactions should be done through the trust accounts to ensure compliance. Only moneys received on behalf of clients must be paid into a trust banking account and any withdrawals from such account shall be made only to or for a trust creditor.

Kind regards,

