

Financial Services and Investments Notification Rules 2013

The following *Financial Services and Investments Notification Rules 2013* are made by the Legal Services Board under section 3.2.9(1) of the *Legal Profession Act 2004*.

1. Introduction and commencement

1.1. These Rules may be cited as the *Financial Services and Investments Notification Rules 2013*.

1.2. These Rules come into operation on 14 June 2013.

2. Object of these Rules

2.1. In accordance with section 3.3.74 of the *Legal Profession Act 2004*, these Rules require a law practice or an approved clerk to notify a client that certain money entrusted to the practice or clerk is not, or is no longer, trust money and that accordingly the money is not money to which part 3.6 of the *Legal Profession Act 2004* or a corresponding law applies.

3. Authorising provision

3.1. These Rules are made under section 3.2.9(1) of the *Legal Profession Act 2004*.

4. Definitions

4.1. Expressions used in the *Legal Profession Act 2004* have the same meaning in these Rules.

5. Involvement of law practices and approved clerks in financial services or investments

5.1. These Rules do not prevent a law practice or approved clerk from carrying out any legal services in connection with financial services or investments or from having an interest in financial services or investments.

5.2. A law practice or approved clerk must give a client a notice in accordance with rule 5.3 if the client entrusts, or proposes to entrust, money to the law practice or approved clerk for or in connection with—

- a) a financial service referred to in section 3.3.3(1)(a) or (b) of the *Legal Profession Act 2004*; or
- b) a managed investment scheme undertaken by the law practice; or
- c) a mortgage investment scheme undertaken by the law practice; or
- d) mortgage financing undertaken by the law practice.

5.3. For the purposes of rule 5.2, a notice must—

- a) be in writing; and
- b) state that money entrusted to a law practice or approved clerk under rule 5.2 is not, or is no longer, trust money (unless section 3.3.3(3) of the *Legal Profession Act 2004* applies) and that accordingly there is no claim against the Fidelity Fund for a pecuniary loss arising from money being so entrusted.

5.4. The law practice or approved clerk must not accept or advance money for or in connection with any matter referred to in rule 5.2 unless the client has given the law practice or approved clerk a written acknowledgement of the client's receipt of the notice referred to in rule 5.2.