

NORTHERN TERRITORY OF AUSTRALIA

LEGAL PRACTITIONERS AMENDMENT (INCORPORATED LEGAL
PRACTICES AND MULTI-DISCIPLINARY PARTNERSHIPS) ACT 2003

Act No. 51 of 2003

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NORTHERN TERRITORY OF AUSTRALIA

Act No. 51 of 2003

AN ACT

to amend the *Legal Practitioners Act* and repeal the *Legal Practitioners (Incorporation) Act*, and for related purposes

[Assented to 18 September 2003]

[Second reading 30 April 2003]

The Legislative Assembly of the Northern Territory enacts as follows:

1. Short title

This Act may be cited as the *Legal Practitioners Amendment (Incorporated Legal Practices and Multi-disciplinary Partnerships) Act 2003*.

2. Commencement

This Act comes into operation on the date, or respective dates, fixed by the Administrator by notice in the *Gazette*.

3. Principal Act

The *Legal Practitioners Act* is in this Act referred to as the Principal Act.

4. Interpretation

Section 6 of the Principal Act is amended –

- (a) by inserting in subsection (1) after the definition of "home state" the following:

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" 'incorporated legal practice' means a corporation that provides legal services and otherwise complies with section 35AD, but does not include a community legal centre;" and

- (b) by inserting in subsection (1) after the definition of "Master" the following:

" 'multi-disciplinary partnership' means a partnership between one or more lawyers and one or more other persons who are not lawyers whose partnership business includes the provision of legal services as well as other services;"

5. Repeal and substitution

Section 16 of the Principal Act is repealed and the following substituted:

"16. Counsel to practise independently

"A Counsel must not, in the Territory –

- (a) practise other than as a barrister and independently of another practitioner;
- (b) practise as a barrister in partnership with any person or as the employee of any person; or
- (c) hold office as a lawyer director (within the meaning of Part IVAA) of an incorporated legal practice.

Penalty: 50 penalty units."

6. New Part

The Principal Act is amended by inserting after section 35AA the following:

**"PART IVAA – INCORPORATED LEGAL PRACTICES AND
MULTI-DISCIPLINARY PARTNERSHIPS**

"Division 1 – Preliminary

"35AB. Objects of Part

"The objects of this Part are –

- (a) to regulate the provision of legal services by corporations in the Territory; and

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- (b) to regulate the provision of legal services in the Territory in conjunction with the provision of other services (whether by a corporation or persons acting in partnership with each other).

"35AC. Definitions

"In this Part –

'corporation' means –

- (a) a company within the meaning of the Corporations Act 2001; or
- (b) a prescribed body corporate or a body corporate that is a member of a prescribed class of bodies corporate;

'corresponding law' means –

- (a) a corresponding law as defined in section 6(1); or
- (b) the provisions of a law of a participating State that have the same or substantially the same effect as this Part;

'director' means –

- (a) in relation to a company within the meaning of the Corporations Act 2001– a director as defined in section 9 of that Act, but does not include a person who is not validly appointed as a director; or
- (b) in relation to any other body corporate, or body corporate of a kind, prescribed by the Regulations – a person specified or described in the Regulations;

'disqualified person' means a person –

- (a) whose name has (whether or not at his or her own request) been removed from the Roll of Legal Practitioners or a roll of lawyers kept under a corresponding law and who has not subsequently been enrolled or re-enrolled as a lawyer in the Territory or a participating State;
- (b) whose practising certificate has been suspended under this Act or whose interstate practising certificate has been suspended under a corresponding law;
- (c) the renewal of whose practising certificate has been refused under this Act or a corresponding law, and to whom a

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practising certificate has not afterwards been granted under this Act or a corresponding law;

- (d) who is the subject of an order under this Act or a corresponding law prohibiting a lawyer from employing or paying the person in connection with the lawyer's practice;
- (e) who is the subject of an order under this Act or a corresponding Act prohibiting a lawyer from being a partner of the person in a business that includes the provision of legal services; or
- (f) who is the subject of an order under section 35AZE or 35AZZE or under provisions of a corresponding law that correspond to section 35AZE or 35AZZE;

'interstate regulatory authority' means a person or body in a participating State who or which may exercise a power or perform a function that may be exercised or performed by the Law Society under this Part;

'lawyer' means a natural person who is a legal practitioner or an interstate legal practitioner;

'lawyer director' means a director of an incorporated legal practice who is a lawyer who holds an unrestricted practising certificate or an interstate practising certificate that is equivalent to an unrestricted practising certificate;

'lawyer partner' means a partner of a multi-disciplinary partnership who is a lawyer who –

- (a) holds an unrestricted practising certificate or an interstate practising certificate that is equivalent to an unrestricted practising certificate; and
- (b) provides legal services as part of the partnership business;

'legal services' means work done, or business transacted, that is generally done or transacted, or is required to be done or transacted, by a lawyer who is entitled to practise as a solicitor;

'officer' means –

- (a) in relation to a company within the meaning of the Corporations Act 2001 – an officer as defined in section 9 of that Act; or

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- (b) in relation to any other body corporate, or body corporate of a kind, prescribed by the Regulations – a person specified or described in the Regulations;

'participating State' means –

- (a) a participating State as defined in section 6(1); or
- (b) a State or another Territory of the Commonwealth in which a law containing provisions that have the same or substantially the same effect as this Part is in force;

'professional misconduct' has the same meaning as in section 45;

'professional obligations', in relation to a lawyer, includes –

- (a) duties to the court;
- (b) obligations relating to conflicts of interest;
- (c) duties to clients (including disclosure); and
- (d) ethical rules required to be observed by a lawyer;

'related body corporate' means –

- (a) in relation to a company within the meaning of the Corporations Act 2001 – a related body corporate within the meaning of section 50 of that Act; or
- (b) in relation to any other body corporate, or body corporate of a kind, prescribed by the Regulations – a person specified or described in the Regulations.

"Division 2 – Incorporated legal practices

"35AD. Nature of incorporated legal practices

"(1) An incorporated legal practice is a corporation that provides legal services in the Territory (whether or not it provides other services).

"(2) A corporation is not an incorporated legal practice if –

- (a) the corporation does not receive any form of, or has no expectation of receiving any form of, a fee, gain or reward for the legal services it provides;
- (b) the only legal services that the corporation provides are in-house legal services, namely legal services provided to the corporation

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concerning a proceeding or transaction to which the corporation or a related body corporate of the corporation is a party;

- (c) the only legal services that the corporation provides are services that are not legally required to be provided by a lawyer and that are provided by an officer or an employee who is not a lawyer; or
- (d) this Part or the Regulations exempt the corporation from this Part.

"(3) The Regulations may provide for or with respect to the application (with or without specified modifications) of provisions of this Act to corporations that are not incorporated legal practices because of subsection (2).

"(4) This Part does not affect or apply to the provision of legal services by an incorporated legal practice in a participating State.

"35AE. Non-legal services and businesses of incorporated legal practices

"(1) An incorporated legal practice may provide any service and conduct any business that the corporation may lawfully provide or conduct except as provided by this section.

"(2) An incorporated legal practice must not conduct a managed investment scheme within the meaning of Chapter 5C of the Corporations Act 2001.

"(3) The Regulations may prohibit an incorporated legal practice (or a related body corporate of the incorporated legal practice) from providing a service or conducting a business of a kind specified in the Regulations.

"35AF. Corporations eligible to be incorporated legal practices

"(1) Any corporation is eligible to be an incorporated legal practice.

"(2) Subsection (1) does not authorise a corporation to provide legal services if the corporation is prohibited from doing so by an Act or other law of the Commonwealth or a State or Territory of the Commonwealth under which it is incorporated or its affairs are regulated.

"(3) An incorporated legal practice is not required to hold a practising certificate.

"35AG. Notice of intention to commence providing legal services

"(1) A corporation must, before commencing to provide legal services in this jurisdiction, give the Law Society written notice of its intention to do so and containing the particulars prescribed by the Regulations.

Penalty: 500 penalty units.

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"(2) A corporation must not provide legal services in this jurisdiction during any period it is in default of notification requirements under this section.

Penalty: 500 penalty units.

"(3) A corporation that commences to provide legal services in this jurisdiction without giving notice as required by subsection (1) is taken to be in default of notification requirements under this section until it gives the Law Society written notice of its failure and containing the particulars prescribed by the Regulations.

"(4) The giving of a notice under subsection (3) does not affect a corporation's liability under subsection (1).

"35AH. Notice of termination of provision of legal services

"(1) A corporation must, within the prescribed period after it ceases to provide legal services in this jurisdiction, give the Law Society written notice of that fact and containing the particulars prescribed by the Regulations.

Penalty: 500 penalty units.

"(2) The Regulations may provide for or with respect to determining whether and when a corporation ceases to provide legal services in this jurisdiction.

"35AI. Incorporated legal practice must have lawyer director

"(1) Subject to subsection (2), an incorporated legal practice must have at least one lawyer director.

"(2) Each lawyer director of an incorporated legal practice is, for the purposes of this Act only, responsible for managing the legal services provided in the Territory by the incorporated legal practice.

"(3) Each lawyer director of an incorporated legal practice must ensure that appropriate management systems are implemented and maintained to enable the provision of legal services by the incorporated legal practice –

- (a) in accordance with the professional obligations of lawyers and other obligations imposed by or under this Act, the Regulations, the general principles of professional conduct or the professional conduct rules; and
- (b) so that those obligations of lawyers who are officers or employees of the incorporated legal practice are not affected by other officers or employees of the practice.

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"(4) A contravention of subsection (3) by a lawyer director is capable of constituting professional misconduct.

"(5) If it is apparent that the provision of legal services by an incorporated legal practice will result in breaches of the professional obligations of lawyers or other obligations imposed by or under this Act, the Regulations, the general principles of professional conduct or the professional conduct rules, a lawyer director of the practice must take all reasonable action available to the lawyer director to ensure that –

- (a) the breaches do not occur; and
- (b) appropriate remedial action is taken in respect of breaches that do occur.

"(6) It is professional misconduct if a lawyer director contravenes or fails to comply with subsection (5).

"(7) This Part does not derogate from the obligations or liability of a director of an incorporated legal practice under any other law.

"(8) If there is an inconsistency between a provision of this section and a provision of Part VIIIA or IX or of Chapter 5 of the Corporations Act 2001, this section does not apply to or in relation to a lawyer director of an incorporated legal practice that is an externally-administered body corporate within the meaning of the Corporations Act 2001 to the extent of that inconsistency.

"35AJ. Obligations of lawyer director relating to misconduct

"(1) Each of the following is capable of constituting professional misconduct by a lawyer director:

- (a) professional misconduct of a lawyer employed by the incorporated legal practice;
- (b) conduct of any other director (not being a lawyer) of the incorporated legal practice that adversely affects the provision of legal services by the practice;
- (c) the unsuitability of any other director (not being a lawyer) of the incorporated legal practice to be a director of a corporation that provides legal services.

"(2) A lawyer director of an incorporated legal practice must ensure that all reasonable action available to the lawyer director is taken to deal with any professional misconduct of a lawyer employed by the practice.

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"(3) It is professional misconduct if a lawyer director contravenes or fails to comply with subsection (2).

"35AK. Incorporated legal practice without lawyer director

"(1) An incorporated legal practice contravenes or fails to comply with this section if it does not have any lawyer directors for a period exceeding 7 days.

Penalty: 500 penalty units.

"(2) If an incorporated legal practice ceases to have any lawyer directors, the incorporated legal practice must notify the Law Society as soon as possible.

Penalty: 20 penalty units.

"(3) An incorporated legal practice must not provide legal services in this jurisdiction during any period it is in default of director requirements under this section.

Penalty: 50 penalty units.

"(4) An incorporated legal practice that contravenes subsection (1) is taken to be in default of director requirements under this section for the period from the end of the period of 7 days until –

- (a) it has at least one lawyer director; or
- (b) a person is appointed under this section in relation to the practice.

"(5) The Law Society may, if it thinks it appropriate, appoint a lawyer who is an employee of the incorporated legal practice or another person nominated by the Law Society to, in the absence of a lawyer director, exercise or perform the functions or duties conferred or imposed on a lawyer director under this Part.

"(6) A lawyer is not eligible to be appointed under subsection (5) unless he or she is entitled to hold an unrestricted practising certificate or an interstate practising certificate equivalent to an unrestricted practising certificate.

"(7) A person appointed under subsection (5) must not exercise or perform functions or duties of a director of the incorporated legal practice, other than those referred to in that subsection, unless he or she has been appointed a director of the corporation in accordance with the law under which it is incorporated or its affairs are regulated.

Penalty: 100 penalty units.

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"35AL. Application of general principles of professional conduct and professional conduct rules to incorporated legal practices

"(1) Subject to subsection (2), the general principles of professional conduct specified in section 44(1) and the professional conduct rules apply to lawyers who are officers or employees of an incorporated legal practice.

"(2) The general principles of professional conduct under section 44(1) and professional conduct rules are not to apply to or regulate or prohibit any of the following matters:

- (a) the eligibility of a corporation to be an incorporated legal practice;
- (b) the services or business that an incorporated legal practice may provide or conduct (other than the provision of legal services or other services in circumstances where a conflict of interest relating to the provision of legal services may arise);
- (c) the conduct of officers or employees of an incorporated legal practice (other than in connection with the provision of legal services or other services in circumstances where a conflict of interest relating to the provision of legal services may arise).

"35AM. Professional obligations and privileges of lawyers who are officers and employees of incorporated legal practices

"(1) A lawyer who provides legal services on behalf of an incorporated legal practice in the capacity of an officer or employee of an incorporated legal practice is not excused from compliance with the professional obligations of a lawyer, or any obligations as a lawyer under any law, and does not lose the professional privileges of a lawyer.

"(2) For the purpose only of the application of the professional obligations and privileges referred to in subsection (1), a person who is provided with legal services by an incorporated legal practice is taken to be the client of the lawyer who provides those services.

"(3) To avoid doubt, the law relating to client legal privilege or other legal professional privilege is not excluded or otherwise affected because a lawyer is acting in the capacity of an officer or employee of an incorporated legal practice.

"(4) The directors of an incorporated legal practice do not breach their duties as directors only because legal services are provided pro bono by the lawyers engaged by the incorporated legal practice.

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"35AN. Conflicts of interest

"(1) For the purposes of the application of a law, the general principles of professional conduct under section 44(1) or the professional conduct rules relating to conflicts of interest to the conduct of a lawyer director, or a lawyer who is an officer or employee of an incorporated legal practice, the interests of –

- (a) the incorporated legal practice or a related body corporate of the incorporated legal practice; or
- (b) any other officer of the incorporated legal practice (whether or not a lawyer),

are also taken to be those of the lawyer concerned (in addition to any interests that the lawyer has apart from this subsection).

"(2) Professional conduct rules may be made for or with respect to additional duties and obligations in connection with conflicts of interest arising out of the conduct of an incorporated legal practice.

"35AO. Disclosure of obligations

"(1) If a person engages an incorporated legal practice to provide legal services, each lawyer director of the practice, and any lawyer employee who provides the legal services on behalf of the practice, must ensure that a disclosure, complying with the requirements of this section and the Regulations made for this section, is made to the person in connection with the provision of the legal services.

Penalty: 100 penalty units.

"(2) The disclosure must be made by giving the person a notice in writing –

- (a) setting out –
 - (i) the legal services to be provided; and
 - (ii) the non-legal services (if any) to be provided in connection with the provision of legal services;
- (b) stating whether or not all the legal services will be provided by a lawyer;
- (c) if some or all of the legal services will not be provided by a lawyer – identifying the services and indicating the status or qualifications of the person or persons who will provide the services; and

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(d) stating that this Act applies to the provision of legal services but not to the provision of the non-legal services.

"(3) The Regulations may provide for or with respect to the following:

- (a) the manner in which disclosure is to be made;
- (b) additional matters required to be disclosed in connection with the provision of legal services or non-legal services by an incorporated legal practice.

"(4) Without limiting subsection (3), the additional matters may include the kind of services provided by the incorporated legal practice and whether those services are or are not covered by the insurance or other provisions of this Act.

"(5) A disclosure under this section to a person about the provision of legal services may relate to the provision of legal services on one occasion or on more than one occasion.

"35AP. Effect of non-disclosure of provision of certain services

"(1) If –

- (a) a legal service provided by an incorporated legal practice is of a kind that may legally be provided by a person other than a lawyer; and
- (b) no disclosure is made under section 35AO that the officer or employee providing the service is not a lawyer,

the standard of care owed by the incorporated legal practice in respect of the service is the standard of care that would be applicable if the service had been provided by a lawyer.

"(2) The reference in subsection (1) to a legal service includes a legal service that the person who engaged the incorporated legal practice to provide the service might reasonably assume to be a legal service.

"35AQ. Advertising with respect to legal services

"(1) Any restrictions imposed by or under this Act in respect of advertising by legal practitioners (if any) applies to advertising by incorporated legal practices that relates to the provision of its legal services in the Territory.

"(2) For the purposes of disciplinary proceedings under this Act, any advertising by an incorporated legal practice relating to the provision of legal services is taken to be authorised by each lawyer director of the incorporated legal practice.

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"35AR. Compliance with provisions relating to indemnity and other insurance

"(1) Subject to this section, an incorporated legal practice must, to the extent necessary, comply with Part IVA, and any other provisions of or under this Act dealing with insurance, as if it were a legal practitioner referred to in that Part or those provisions.

"(2) For the purposes of subsection (1), a reference in Part IVA and the other provisions to a legal practitioner includes a reference to an incorporated legal practice.

"(3) If an incorporated legal practice fails to comply with subsection (1), the Law Society may suspend the practising certificate of each lawyer director of the incorporated legal practice.

"(4) The Law Society may, if it considers it is appropriate, exempt an incorporated legal practice from compliance with subsection (1).

"(5) Insurance premiums and any other amounts relating to insurance that are payable under this Act may be determined on the basis of the number of lawyers that are officers and employees of the incorporated legal practice who perform the legal services offered by it.

"(6) The Regulations may further modify the application of Part IVA and the provisions of or under this Act dealing with insurance to incorporated legal practices.

"(7) If the application of Part IVA and the other provisions referred to in subsection (6) is modified under that subsection, each incorporated legal practice must comply with Part IVA and those provisions as modified.

"(8) This section does not affect any obligation of a lawyer who is an officer or employee of an incorporated legal practice to obtain insurance relating to the provision of legal services (whether or not on behalf of the incorporated legal practice) by the lawyer.

"35AS. Requirements relating to trust money: compliance with Part VII

"(1) This section applies subject to sections 35AX, 35AY, 35AZ, 35AZA, 35AZB and 35AZC.

"(2) Subject to this section, Part VII applies to an incorporated legal practice as if it were a legal practitioner.

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"(3) For the purposes of subsection (1) –

- (a) Part VII applies to an incorporated legal practice only to the extent that it applies in relation to the legal services provided by the incorporated legal practice; and
- (b) money received by a legal practitioner on behalf of another person in the course of his or her legal practice includes money received by an officer or employee of an incorporated legal practice on behalf of another person in the course of providing legal services on behalf of the incorporated legal practice.

"(4) The Regulations may further modify the application of Part VII to incorporated legal practices.

"(5) If the application of Part VII is modified under subsection (4), each incorporated legal practice must comply with Part VII as modified.

"(6) The Law Society may lay a charge of professional misconduct against a lawyer director of an incorporated legal practice before the Complaints Committee for failing to comply with Part VII as applied or modified by or under this section and Part VI, Division 6 applies to and in relation to the charge as if references in that Division to a legal practitioner include references to an incorporated legal practice.

"35AT. Requirements relating to fidelity fund: compliance with Part VIII

"(1) Subject to this section, Part VIII applies to an incorporated legal practice as if it were a legal practitioner.

"(2) Part VIII applies to an incorporated legal practice only to the extent that it applies in relation to the legal services provided by the incorporated legal practice, and accordingly –

- (a) a failure to account by a legal practitioner includes a failure to account by an incorporated legal practice in connection with the provision of legal services;
- (b) a dishonest default by a legal practitioner includes a dishonest default by an incorporated legal practice that occurs in connection with the provision of legal services; and
- (c) a reference to a firm of legal practitioners includes a reference to an incorporated legal practice.

"(3) The amounts payable to the Fidelity Fund by an incorporated legal practice are to be determined on the basis of the number of lawyers that are

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officers and employees of the incorporated legal practice who perform the legal services offered by it.

"(4) The Regulations may further modify the application of Part VIII to incorporated legal practices.

"(5) If the application of Part VIII is modified under subsection (4), each incorporated legal practice must comply with Part VIII as modified.

"(6) This section does not affect any obligation of a lawyer who is an officer or employee of an incorporated legal practice to comply with the provisions of this Act or any professional conduct rule relating to the fidelity fund.

"35AU. Requirements relating to legal costs

"(1) The provisions of any law or professional conduct rule relating to legal fees and costs apply (subject to this section) to legal services provided by an incorporated legal practice, and to an external administrator of an incorporated legal practice, in the same way that they apply to legal services provided by a legal practitioner.

"(2) The Regulations may provide for the application (with or without modification) of the provisions of this Act relating to legal fees and costs for the purposes of the section.

"35AV. Extension of vicarious liability relating to failures to account and dishonesty to incorporated legal practices

"(1) This section applies to any of the following proceedings (being proceedings based on the vicarious liability of an incorporated legal practice):

- (a) civil proceedings relating to a failure to account for, pay or deliver money or other valuable property received by, or entrusted to, the incorporated legal practice (whether received by or entrusted to an officer or employee of the incorporated legal practice who is a lawyer or another officer or employee of the incorporated legal practice) in the course of providing legal services by the incorporated legal practice, being money or other valuable property under the direct or indirect control of the practice;
- (b) civil proceedings for any debt owed, or damages payable, to a client as a result of a dishonest act or omission by a lawyer who is an officer or employee of the incorporated legal practice in connection with providing legal services to the client.

"(2) If an incorporated legal practice would not (but for this section) be vicariously liable for an act or omission of its officers and employees, but would

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be liable for the act or omission if the incorporated legal practice and those officers and employees were carrying on business in partnership, the incorporated legal practice is taken to be vicariously liable for the act or omission.

"35AW. Disqualified lawyers

"(1) An incorporated legal practice is guilty of an offence if a person who is a disqualified person –

- (a) is an officer or employee of the incorporated legal practice (whether or not the person provides legal services) or is an officer or employee of a related body corporate of the incorporated legal practice;
- (b) is a partner of the incorporated legal practice in a business that includes the provision of legal services;
- (c) shares the receipts of the provision of legal services by the incorporated legal practice; or
- (d) is engaged or paid in connection with providing legal services by the incorporated legal practice.

Penalty: 500 penalty units.

"(2) It is professional misconduct if a lawyer director of an incorporated legal practice fails to ensure that the incorporated legal practice complies with subsection (1).

"35AX. Audit of incorporated legal practice

"(1) The Law Society may conduct an audit of –

- (a) the compliance of an incorporated legal practice (and of its officers and employees) with the requirements of –
 - (i) this Part; or
 - (ii) the Regulations, general principles of professional conduct under section 44(1) or the professional conduct rules, so far as they relate specifically to incorporated legal practices; and
- (b) the management of the provision of legal services by the incorporated legal practice (including the supervision of officers and employees providing legal services).

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"(2) An audit referred to in subsection (1) may be conducted whether or not a complaint has been made with respect to the provision of legal services by the incorporated practice.

"(3) A report of the audit –

- (a) is to be provided to the incorporated legal practice concerned;
- (b) may be provided to the Attorney-General; and
- (c) may be taken into account in connection with any disciplinary proceedings taken against a lawyer director or other lawyer or in connection with the issue, suspension or cancellation of practising certificates or interstate practising certificates of lawyers.

"35AY. Investigative powers relating to audits and other matters

"The Law Society may exercise the powers set out in sections 35AZ, 35AZA and 35AZB for any of the following purposes:

- (a) an audit conducted under this Division;
- (b) an investigation under this Act relating to the trust accounts of an incorporated legal practice;
- (c) an investigation relating to a complaint made under Part VI in relation to an incorporated legal practice.

"35AZ. Examination of persons

"(1) The Law Society may exercise the powers conferred on ASIC by Part 3, Division 2 of the ASIC Act.

"(2) Part 3, Division 2 of the ASIC Act applies to and in respect of the exercise of those powers, with the following modifications (and any other necessary modifications):

- (a) a reference to ASIC (however expressed) is a reference to the Law Society;
- (b) a reference to a matter that is being or is to be investigated under Part 3, Division 1 of that Act is a reference to a matter that is being or is to be investigated by the Law Society;
- (c) a reference in section 19 of that Act to a person is a reference to a lawyer or an incorporated legal practice;
- (d) a reference to a prescribed form is taken to be a reference to a form approved by the Law Society.

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"(3) Sections 22(2) and (3), 25(2) and (2A), 26 and 27 of the ASIC Act do not apply in respect of the exercise of the powers conferred on the Law Society by this section.

"35AZA. Inspection of books

"(1) The Law Society may exercise the powers conferred on ASIC by sections 30(1), 34, 37, 38 and 39 of the ASIC Act.

"(2) Those provisions of the ASIC Act apply to and in respect of the exercise of those powers, with the following modifications (and any other necessary modifications):

- (a) a reference to ASIC (however expressed) is a reference to the Law Society;
- (b) a reference to a body corporate (including a body corporate that is not an exempt public authority) is a reference to an incorporated legal practice;
- (c) a reference to an eligible person in relation to an incorporated legal practice is a reference to an officer or employee of the incorporated legal practice;
- (d) a reference to a member or staff member is a reference to the Law Society or a person authorised by the Law Society who is an officer or employee of the Law Society;
- (e) a reference in section 37 of the ASIC Act to a proceeding is a reference to an investigation.

"35AZB. Power to hold hearings

"(1) The Law Society may hold hearings for the purposes of an investigation.

"(2) Sections 52, 56(1), 58, 59(1), (2), (5), (6) and (8) and 60 (except for section 60(b)) of the ASIC Act apply to and in respect of a hearing held under subsection (1), with the following modifications (and any other necessary modifications):

- (a) a reference to ASIC (however expressed) is a reference to the Law Society;
- (b) a reference to a member or staff member is a reference to the Law Society or a person authorised by the Law Society who is an officer or employee of the Law Society;

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- (c) a reference to a prescribed form is a reference to a form approved by the Law Society.

"35AZC. Failure to comply with investigation

"The following acts or omissions are capable of being professional misconduct:

- (a) a failure by a lawyer to comply with a requirement made by the Law Society, or a person authorised by the Law Society, in the exercise of powers conferred by section 35AZ, 35AZA or 35AZB;
- (b) a contravention by a lawyer of a condition imposed by the Law Society in the exercise of powers conferred by those sections;
- (c) a failure by a lawyer director of an incorporated legal practice to ensure that the incorporated legal practice, or an officer or employee of the incorporated legal practice, complies with any of the following:
 - (i) a requirement made by the Law Society, or a person authorised by the Law Society, in the exercise of powers conferred by section 35AZ, 35AZA or 35AZB;
 - (ii) a condition imposed by the Law Society in the exercise of powers conferred by those sections.

"35AZD. Banning of incorporated legal practices

"(1) The Court may, on its own motion or on the application of the Attorney-General or Law Society, make an order disqualifying a corporation from providing legal services in the Territory for the period the Court considers appropriate.

"(2) If the Court is satisfied that –

- (a) a ground for disqualifying the corporation under this section has been established; and
- (b) the disqualification is justified,

the Court must make an order under subsection (1).

"(3) An order under subsection (1) may, if the Court thinks it appropriate, be made –

- (a) subject to conditions as to the conduct of the incorporated legal practice;

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- (b) subject to conditions as to when or in what circumstances the order is to take effect; or
- (c) together with orders to safeguard the interests of clients or employees of the incorporated legal practice.

"(4) Action may be taken against an incorporated legal practice on any of the following grounds:

- (a) that a lawyer director or a lawyer who is an officer or employee of the corporation is found guilty of professional misconduct under a law of the Territory, the Commonwealth or a State or another Territory of the Commonwealth;
- (b) that the Law Society is satisfied, after conducting an audit of the incorporated legal practice, that the incorporated legal practice has failed to implement satisfactory management and supervision of its provision of legal services;
- (c) that the incorporated legal practice (or a related body corporate of the incorporated legal service) has contravened or failed to comply with section 35AE or a regulation made under that section;
- (d) that the incorporated legal practice has contravened or failed to comply with section 35AW;
- (e) that a person who is an officer of the incorporated legal practice and who is the subject of an order under –
 - (i) section 35AZE or under provisions of a corresponding law that correspond to that section; or
 - (ii) section 35AZZE or under provisions of a corresponding law that correspond to that section,

and is acting in the management of the incorporated legal practice.

"(5) If a corporation is disqualified under this section, the Law Society must promptly notify each interstate regulatory authority.

"(6) If a corporation is disqualified from providing legal services in another jurisdiction under a corresponding law, the Law Society may determine that the corporation is disqualified from providing legal services in the Territory for the same period, but nothing in this subsection prevents the Law Society from instead applying for an order under this section.

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"(7) A corporation that provides legal services in contravention of a disqualification under this section commits an offence.

Penalty: 500 penalty units.

"(8) A corporation that is disqualified under this section ceases to be an incorporated legal practice.

"(9) The Regulations may provide for the publication and notification of orders made under this section, including notifying each interstate regulatory authority.

"35AZE. Disqualification from managing incorporated legal practice

"(1) The Court may, on its own motion or on the application of the Attorney-General or Law Society, make an order disqualifying a person from managing a corporation that is an incorporated legal practice for the period the Court considers appropriate.

"(2) If the Court is satisfied that –

- (a) the person is a person who could be disqualified under section 206C, 206D, 206E or 206F of the Corporations Act 2001 from managing corporations; and
- (b) the disqualification is justified,

the Court must make an order under subsection (1).

"(3) The Court may, on the application of a person subject to a disqualification order under subsection (1), revoke the order.

"(4) A disqualification order under subsection (1) has effect for the purposes only of this Act and does not affect the Corporations Act 2001.

"(5) The Regulations may provide for the publication and notification of orders made under this section.

"(6) A person who is disqualified from managing a corporation under the provisions of a corresponding law that correspond to this section is taken to be disqualified from managing a corporation under this section.

"35AZF. Review of incorporated legal practices

"(1) The Law Society may conduct a review of the compliance of an incorporated legal practice and its officers and employees with this Act and the Regulations in providing legal services.

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"(2) The Law Society may conduct a review under subsection (1) whether or not a complaint has been made in respect of legal services provided by the incorporated legal practice.

"(3) In conducting the review, the Law Society may exercise the powers conferred on it in sections 35AZ and 35AZA and section 35AZB applies in relation to the exercise of those powers for the purposes of this section.

"(4) On completing a review of the compliance of an incorporated legal practice, the Law Society must provide a report of the review to –

(a) the incorporated legal practice; and

(b) the Attorney-General.

"(5) A report of a review under this section may be taken into account in connection with the issue of a practising certificate under Part IV or in any disciplinary proceedings under Part VI.

"35AZG. Disclosure of information to ASIC

"(1) The Law Society may disclose to ASIC information concerning an incorporated legal practice or a former incorporated legal practice that it has acquired in the course of the operation of this Act or the Regulations.

"(2) Subsection (1) has effect despite sections 74 and 78 and any other law relating to secrecy or confidentiality.

"35AZH. External administration proceedings under Corporations Act 2001

"(1) In this section –

'proceedings' means proceedings in any court under Chapter 5 of the Corporations Act 2001 that relate to –

(a) a corporation that is or was an externally-administered body corporate under that Act; or

(b) a corporation becoming an externally-administered body corporate under that Act.

"(2) The Law Society is entitled to be a party to proceedings, unless the court determines that the proceedings do not concern or affect the provision of legal services by the incorporated legal practice concerned.

"(3) In any proceedings, a court may have regard to the interests of the clients of the incorporated legal practice concerned who have been, are being or are to be provided with legal services by the incorporated legal service (even if those interests conflict with the interests of creditors or shareholders).

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"(4) Subsection (3) does not authorise a court to make a decision that is contrary to a specific provision of the Corporations Act 2001.

"(5) Subsections (2) and (3) are declared to be Corporations legislation displacement provisions for the purposes of section 5G of the Corporations Act 2001 in relation to the provisions of Chapter 5 of that Act.

"35AZI. External administration proceedings under other legislation

"(1) This section applies to proceedings for the external administration (however expressed) of an incorporated legal practice, but does not apply to proceedings to which section 35AZH applies.

"(2) The Law Society is entitled to be a party to the proceedings, unless the court determines that the proceedings do not concern or affect the provision of legal services by the incorporated legal practice.

"(3) The court may, when exercising its jurisdiction in the proceedings, have regard to the interests of the clients of the incorporated legal practice who have been or are to be provided with legal services by the practice, as well as to the creditors and shareholders of the practice.

"(4) Subsection (3) does not authorise the court to make any decision that is contrary to a specific provision of any legislation applicable to the incorporated legal practice.

"35AZJ. Incorporated legal practice that is subject to receivership under this Act and Corporations Act 2001

"(1) This section applies if an incorporated legal practice is the subject of both –

- (a) the appointment of a Part IX receiver; and
- (b) the appointment of a Corporations Act administrator.

"(2) The Part IX receiver is under a duty to notify the Corporations Act administrator of the appointment of the Part IX receiver, whether the appointment precedes, follows or is contemporaneous with the appointment of the Corporations Act administrator.

"(3) Either or both of the receivers may apply to the Supreme Court for the resolution of issues arising from or in connection with the dual appointments and their respective powers, except if proceedings referred to in section 35AZH have been commenced.

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"(4) The Supreme Court may make any orders it considers appropriate, and the receivers are discharged from any liability if they act in accordance with the orders.

"(5) The Law Society is entitled to be a party to the proceedings, unless the court determines that the proceedings do not concern or affect the provision of legal services by the incorporated legal practice.

(6) The provisions of subsections (3) and (4) are declared to be Corporations legislation displacement provisions for the purposes of section 5G of the Corporations Act 2001 in relation to the provisions of Chapter 5 of that Act.

"(7) In this section –

'Corporations Act administrator' means a receiver, receiver and manager, liquidator (including a provisional liquidator), controller, administrator or deed administrator appointed under the Corporations Act 2001;

'Part IX receiver' means a receiver appointed under Part IX.

"35AZK. Incorporated legal practice that is subject to receivership under this Act and external administration under other local legislation

"(1) This section applies if an incorporated legal practice is the subject of both –

- (a) the appointment of a Part IX receiver; and
- (b) the appointment of an external administrator.

"(2) The Part IX receiver is under a duty to notify the external administrator of the appointment of the Part IX receiver, whether the appointment precedes, follows or is contemporaneous with the appointment of the external administrator.

"(3) The Part IX receiver or the external administrator (or both of them jointly) may apply to the Supreme Court for the resolution of issues arising from or in connection with the dual appointments and their respective powers.

"(4) The Supreme Court may make any orders it considers appropriate, and the Part IX receiver and the external administrator are discharged from any liability if they act in accordance with the orders.

"(5) The appropriate authority and the Regulator are entitled to be a party to the proceedings, unless the court determines that the proceedings do not concern or affect the provision of legal services by the incorporated legal practice.

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"(6) In this section –

'external administrator' means a person who is appointed to exercise power under other legislation of this jurisdiction and who is prescribed, or of a class prescribed, by the Regulations for this definition;

'Part IX receiver' means a receiver appointed under Part IX.

"35AZL. Relationship of Part to Corporations legislation and certain other instruments

"(1) In this section –

'matter' includes an act, omission, body, person and thing.

"(2) The provisions of this Part or the Regulations that apply to or in respect of an incorporated legal practice prevail, to the extent of any inconsistency, over the constitution or other constituent documents of the incorporated legal practice.

"(3) The Regulations may declare a provision of this Part or the Regulations to be a Corporations legislation displacement provision for the purposes of section 5G of the Corporations Act 2001.

"(4) The Regulations may declare any matter relating to an incorporated legal practice that is prohibited, required, authorised or permitted by or under this Act or the Regulations to be an excluded matter for the purposes of section 5F of the Corporations Act 2001 in relation to –

- (a) the whole of the Corporations legislation;
- (b) a specified provision of the Corporations legislation;
- (c) the Corporations legislation other than a specified provision; or
- (d) the Corporations legislation other than to a specified extent.

"35AZM. Undue influence

"A person (whether or not an officer or employee of an incorporated legal practice) must not cause or induce a lawyer director, or any other lawyer who provides legal services on behalf of an incorporated legal practice, to contravene or fail to comply with this Act, the Regulations, the general principles of professional conduct under section 44(1), the professional conduct rules or his or her professional obligations as a lawyer.

Penalty: 400 penalty units or imprisonment for 2 years.

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"Division 3 – Multi-disciplinary partnerships

"35AZN. Application of Division

"This Division does not affect or apply to the provision by a multi-disciplinary partnership of legal services in a participating State under the corresponding law of the participating State.

"35AZO. Conduct of multi-disciplinary partnerships

"(1) A lawyer may be in partnership with a person who is not a lawyer.

"(2) The Regulations may prohibit a lawyer from being in partnership with a person providing a service or conducting a business in the Territory of a kind specified in the Regulations.

"(3) This section applies only if the business of the partnership concerned includes providing legal services.

"35AZP. Notice of intention to commence practice in multi-disciplinary partnership

"(1) A lawyer partner must, before commencing to provide legal services in the Territory as a member of a multi-disciplinary partnership, notify the Law Society in writing of his or her intention to do so.

"(2) The notice is to contain the prescribed particulars.

"35AZQ. General obligations of lawyer partners

"(1) Each lawyer partner of a multi-disciplinary partnership is, for the purposes only of this Act, responsible for the management of the legal services provided in the Territory by the partnership.

"(2) Each lawyer partner must ensure that appropriate management systems are implemented and maintained to enable the provision of legal services by the multi-disciplinary partnership –

- (a) in accordance with the professional obligations of lawyers and the other obligations imposed by this Act, the Regulations and the professional conduct rules; and
- (b) so that the professional obligations of lawyer partners and employees of the multi-disciplinary partnership who are lawyers are not affected by other partners and employees of the multi-disciplinary partnership.

"(3) A contravention of subsection (2) by a lawyer partner is capable of constituting professional misconduct.

"35AZR. Obligations of lawyer partner related to misconduct

"(1) Each of the following is capable of constituting professional misconduct by a lawyer partner of a multi-disciplinary partnership:

- (a) professional misconduct of a lawyer employed by the multi-disciplinary partnership;
- (b) conduct of any other partner of the multi-disciplinary partnership (not being a lawyer) that adversely affects the provision of legal services by the partnership;
- (c) the unsuitability of any other partner of the multi-disciplinary partnership (not being a lawyer) to be a member of a partnership that provides legal services.

"(2) A lawyer partner of a multi-disciplinary partnership must ensure that all reasonable action available to the lawyer partner is taken to deal with any professional misconduct of a lawyer employed by the partnership.

"(3) It is professional misconduct if a lawyer partner contravenes or fails to comply with subsection (2).

"35AZS. Actions that may be taken by non-legal partner

"A partner of a multi-disciplinary partnership who is not a lawyer does not contravene or fail to comply with this Act, the Regulations or the professional conduct rules only because of any of the following:

- (a) the partner is a member of a partnership whose business includes the provision of legal services;
- (b) the partner receives a fee, gain or reward for business of the partnership that is the business of a lawyer;
- (c) the partner holds out, advertises or represents himself or herself as a member of a partnership whose business includes providing legal services;
- (d) the partner shares with another partner the receipts of business of the partnership that is the business of a lawyer.

"35AZT. Application of general principles of professional conduct and professional conduct rules to multi-disciplinary partnerships

"(1) Subject to subsection (2), the general principles of professional conduct specified in section 44(1) and the professional conduct rules apply to lawyers who are lawyer partners or employees of a multi-disciplinary partnership.

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"(2) The general principles of professional conduct under section 44(1) and the professional conduct rules are not to apply to or regulate or prohibit any of the following matters:

- (a) services that members of a multi-disciplinary partnership may provide or conduct (other than the provision of legal services or other services in circumstances where a conflict of interest relating to providing legal services may arise);
- (b) the conduct of partners or employees of a multi-disciplinary partnership (other than in connection with providing legal services or other services in circumstances where a conflict of interest relating to providing legal services may arise).

"35AZU. Professional obligations and privileges of lawyers who are partners or employees of multi-disciplinary partnerships

"(1) A lawyer who provides legal services in the capacity of a partner or an employee of a multi-disciplinary partnership is not excused from compliance with the professional obligations of a lawyer, or any other obligations of a lawyer under any law, and does not lose the professional privileges of a lawyer.

"(2) To avoid doubt, the law relating to client legal privilege or other legal professional privilege is not excluded or otherwise affected because a lawyer who provides legal services is acting in the capacity of a partner or employee of a multi-disciplinary partnership.

"35AZV. Conflicts of interest

"(1) For the purposes of the application of a law (including the general principles of professional conduct specified in section 44(1) and the professional conduct rules) relating to conflicts of interest to the conduct of a lawyer partner, or a lawyer who is an employee of a multi-disciplinary partnership, the interests of –

- (a) a partner of the multi-disciplinary partnership; or
- (b) an employee of the partnership (whether or not a lawyer),

are also taken to be those of the lawyer concerned (in addition to any interests that the lawyer has apart from this subsection).

"(2) Professional conduct rules may be made for or in respect of additional duties and obligations in connection with conflicts of interest arising out of the conduct of a multi-disciplinary partnership.

"35AZW. Disclosure obligations

"(1) If a person engages a multi-disciplinary partnership to provide legal services, each lawyer partner of the partnership, and any lawyer employee of the partnership who provides the legal services on behalf of the partnership, must ensure that a disclosure, complying with the requirements of this section, is made to the person in connection with the provision of the legal services.

Penalty: 100 penalty units.

"(2) The disclosure must be made by giving the person a notice in writing –

(a) setting out –

(i) the legal services to be provided; and

(ii) the non-legal services (if any) to be provided in connection with the provision of legal services;

(b) stating whether or not all the legal services will be provided by an Australian lawyer;

(c) if some or all of the legal services will not be provided by an Australian lawyer – identifying those services and indicating the status or qualifications of the person or persons who will provide the services; and

(d) stating that this Act applies to the provision of legal services but not to the provision of the non-legal services.

"(3) The Regulations may provide for or with respect to the following:

(a) the manner in which disclosure is to be made;

(b) additional matters required to be disclosed in connection with the provision of legal services or non-legal services by a multi-disciplinary partnership.

"(4) Without limiting subsection (3), the additional matters may include the kind of services provided by the multi-disciplinary partnership and whether those services are or are not covered by the insurance or other provisions of this Act.

"(5) A disclosure under this section to a person about the provision of legal services may relate to the provision of legal services on one occasion or on more than one occasion.

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"35AZX. Effect of non-disclosure of provision of certain services

"(1) If –

- (a) a legal service provided by a multi-disciplinary partnership is of a kind that may legally be provided by a person other than a lawyer; and
- (b) no disclosure is made under section 35AZW that the partner or employee providing the service is not a lawyer,

the standard of care owed by the partnership and each partner in respect of the service is the standard that would be applicable if the service had been provided by a lawyer.

"(2) The reference in subsection (1) to a legal service includes a legal service that the person who engaged the multi-disciplinary partnership to provide the service might reasonably assume to be a legal service.

"35AZY. Advertising with respect to legal services

"(1) Any restrictions imposed by or under this Act in respect of advertising by legal practitioners applies to advertising by a multi-disciplinary partnership that relates to the provision of its legal services in the Territory.

"(2) For the purposes of disciplinary proceedings under this Act, any advertising by a multi-disciplinary partnership is taken to have been authorised by each lawyer partner of the partnership.

"35AZZ. Compliance with provisions relating to indemnity and other insurance

"(1) Part IVA and any other provisions of or under this Act dealing with insurance apply to each lawyer partner and lawyer who is an employee of a multi-disciplinary partnership providing legal services in the Territory as if he or she were a legal practitioner referred to in that Part or those provisions.

"(2) For the purposes of subsection (1), a reference in Part IVA to a legal practitioner includes a reference to a lawyer partner or a lawyer who is an employee of a multi-disciplinary partnership.

"35AZZA. Requirements relating to trust money: compliance with Part VII

"(1) Subject to this section, Part VII applies to lawyers who are lawyer partners or employees of a multi-disciplinary partnership providing legal services in the Territory as if they were legal practitioners.

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"(2) For the purposes of subsection (1) –

- (a) Part VII applies to a lawyer who is a lawyer partner or employee of a multi-disciplinary partnership only in connection with the provision of legal services by the multi-disciplinary partnership; and
- (b) money received by a legal practitioner on behalf of another person in the course of his or her legal practice includes money received by a lawyer who is a lawyer partner or employee of a multi-disciplinary partnership on behalf of another person in the course of providing legal services.

"(3) The Regulations may further modify the application of Part VII to lawyers who are lawyer partners or employees of multi-disciplinary partnerships.

"(4) If the application of Part VII is modified under subsection (3), each lawyer who is a lawyer partner or employee of a multi-disciplinary partnership must comply with Part VII as modified.

"(5) The Attorney-General or Law Society may lay a charge of professional misconduct against a lawyer who is a lawyer partner or employee of a multi-disciplinary partnership for failing to comply with Part VII as applied or modified by or under this section and Part VI, Division 6 applies to and in relation to the charge as if a reference in that Division to a legal practitioner includes a reference to a lawyer who is a lawyer partner or employee of a multi-disciplinary partnership.

**"35AZZB. Requirements relating to fidelity fund: compliance with
Part VIII**

"(1) Subject to this section, Part VIII applies to and in relation to the provision of legal services in the Territory by a multi-disciplinary partnership.

"(2) For the purposes of subsection (1) –

- (a) a failure to account by a legal practitioner includes a failure to account by a partner or an employee of a multi-disciplinary partnership, whether or not he or she is a lawyer, but only to the extent that the failure to account occurs in connection with the provision of legal services;
- (b) a dishonest default by a lawyer includes a dishonest default by a partner or an employee of a multi-disciplinary partnership, whether or not he or she is a lawyer, but only if the dishonest default occurs in connection with the provision of legal services; and

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- (c) a reference to a firm of legal practitioners includes a reference to a multi-disciplinary partnership.

"(3) The amounts payable to the fidelity fund by the lawyer partners of a multi-disciplinary partnership may be determined on the basis of the number of lawyers who are lawyer partners or employees of the multi-disciplinary partnership and other relevant matters.

"(4) The Regulations may further modify the application of Part VIII to and in relation to the provision of legal services by multi-disciplinary partnerships.

"(5) If the application of Part VIII is modified under subsection (4), each lawyer who is a lawyer partner or an employee of a multi-disciplinary partnership must comply with Part VIII as modified.

"(6) This section does not affect any obligation or a lawyer who is a partner or employee of a multi-disciplinary partnership to comply with the provisions of this Act or any professional conduct rule relating to the fidelity fund.

"35AZZC. Requirements relating to legal costs

"(1) The provisions of any law or professional conduct rule relating to legal fees and costs apply (subject to this section) to legal services provided by lawyer partners or lawyers who are employees of a multi-disciplinary partnership in the same way that they apply to legal services provided by a legal practitioner.

"(2) The Regulations may provide for the application (with or without modification) of the provisions of this Act relating to legal fees and costs for the purposes of this section.

"35AZZD. Disqualified lawyers

"It is professional misconduct if a lawyer who is a partner of a multi-disciplinary partnership –

- (a) is a partner of a disqualified person in the multi-disciplinary partnership;
- (b) shares with a disqualified person the receipts of the provision of legal services by the multi-disciplinary partnership; or
- (c) employs or pays a disqualified person in connection with the provision of legal services by the multi-disciplinary partnership.

"35AZZE. Prohibition on partnerships with certain non-legal partners

"(1) In this section –

'specified person' means a person who –

- (a) is not a lawyer; and
- (b) is or was a partner of a lawyer.

"(2) The Court may, on its own motion or on application by the Attorney-General or Law Society, make an order prohibiting a lawyer from being a partner of a specified person in a business that includes a legal practice if –

- (a) the Court is satisfied that the specified person is not a fit and proper person to be a partner in the business;
- (b) the Court is satisfied that the specified person has acted in a manner that, if the specified person were a lawyer, would have constituted professional misconduct; or
- (c) the specified person is a corporation and the Court is satisfied that –
 - (i) the corporation has been disqualified from providing legal services in the Territory; or
 - (ii) there are grounds for disqualifying the corporation from providing legal services in the Territory.

"(3) An order made under subsection (2) may be revoked by the Court on application by the Attorney-General, Law Society or the specified person against whom the order was made.

"(4) The death of a lawyer does not prevent an application being made for, or the making of, an order under this section in relation to a person who was a partner of the deceased lawyer.

"(5) The Regulations may provide for the publication and notification of orders made under this section.

"35AZZF. Undue influence

"A partner or employee of a multi-disciplinary partnership must not cause or induce a lawyer partner, or an employee of a multi-disciplinary partnership who provides legal services, to contravene or fail to comply with this Act, the Regulations, the general principles of professional conduct under section 44(1), the professional conduct rules or his or her professional obligations as a lawyer.

Penalty: 400 penalty units or imprisonment for 2 years.

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"Division 4 – Miscellaneous

"35AZZG. Obligations of individual lawyers not affected

"Except as provided by this Part, nothing in this Part affects any obligation imposed on a lawyer under this or another Act, the Regulations or the professional conduct rules in the lawyer's capacity as a lawyer.

"35AZZH. Regulations relating to incorporated legal practices and multi-disciplinary partnerships

"(1) The Regulations may provide for or with respect to any of the following:

- (a) the provision of legal services by incorporated legal practices or lawyer partners or employees of multi-disciplinary partnerships;
- (b) other services provided by incorporated legal practices or lawyer partners or employees of multi-disciplinary partnerships in circumstances where a conflict of interest relating to the provision of legal services may arise.

"(2) A regulation referred to in subsection (1) may --

- (a) confer a discretion on a named person, the person who holds or occupies a specified office or position or a person from time to time holding or acting in a specified office or position; or
- (b) regulate or prohibit, or impose conditions on, a matter, whether absolutely or in relation to classes of matters and whether subject to the approval or to the satisfaction of a person (who may be a named person, the person who holds or occupies a specified office or position or a person from time to time holding or acting in a specified office or position).

"(3) A regulation may provide that a breach of a regulation constitutes professional misconduct by each or both of --

- (a) a lawyer director of an incorporated practice or the lawyer responsible for the breach; or
- (b) a lawyer partner of a multi-disciplinary partnership or the lawyer responsible for the breach.

"(4) In the event of an inconsistency between a regulation made under this section and the professional misconduct rules, the regulation prevails to the extent of the inconsistency."

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7. Payment of contributions

Section 90B of the Principal Act is amended by adding at the end the following:

"(8) If a legal practitioner fails to pay the contribution payable by the legal practitioner by the date specified in subsection (2), the Committee must notify the Law Society of the legal practitioner's failure to do so as soon as practicable after that date."

8. Payment of levy

Section 101A of the Principal Act is amended by adding at the end the following:

"(7) If a legal practitioner fails to pay the amount of levy payable by the legal practitioner by the date determined under section 101(1)(b) or, if the Committee allows the legal practitioner further time to pay under subsection (5), within the further time allowed, the Committee must notify the Law Society of the legal practitioner's failure to do so as soon as practicable after that date or the further time expires."

9. Definition

Section 101B of the Principal Act is amended by inserting before the definition of "manager" the following –

"'legal practitioner' includes an incorporated legal practice under Part IVAA;"

10. Definition

Section 102 of the Principal Act is amended –

- (a) by omitting "legal practitioner; or" from paragraph (b) of the definition of "legal practitioner" in subsection (1) and substituting "legal practitioner;" and
- (b) by omitting paragraph (c) of the definition "legal practitioner" in subsection (1) and substituting the following:
 - "(c) a locally registered foreign lawyer; or
 - (d) an incorporated legal practice under Part IVAA."

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11. Unqualified persons not to hold themselves out to be qualified etc.

Section 131 of the Principal Act is amended –

- (a) by omitting all the words before "other than a legal practitioner" and substituting "(1) Except in accordance with Part XII, a natural person"; and
- (b) by adding at the end the following:

"(2) A body corporate, other than an incorporated legal practice, must not do a thing, or act in a manner, that is calculated to imply that the body corporate is qualified to act as a legal practitioner.

Penalty: 500 penalty units.

"(3) A director, officer or employee of a body corporate, other than an incorporated legal practice, must not –

- (a) do a thing or act in a manner; or
- (b) cause the body corporate to do a thing or act in a manner,

that is calculated to imply that the body corporate is qualified to act as a legal practitioner.

Penalty: 20 penalty units.

"(4) If a person contravenes or fails to comply with this section –

- (a) no action lies for the recovery of costs in respect of anything done in the course of the contravention or failure to comply; and
- (b) where costs have been paid to the person in respect of anything done in the course of the contravention or failure to comply – the amount paid may be recovered as a debt owed by the person to the person who paid them."

12. Preparation of certain documents by unqualified persons

Section 132(1) of the Principal Act is amended by inserting "(including a legal practitioner who is an officer or employee of an incorporated legal practice)" before "shall not,".

13. Preparation of papers relating to application for probate

Section 133(1) of the Principal Act is amended by inserting "(including a legal practitioner who is an officer or employee of an incorporated legal practice)" before "shall not,".

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14. Offence against section 132 or 133 by body corporate

Section 134 of the Principal Act is amended –

- (a) by omitting from subsection (1) all the words before "the body corporate" and substituting the following:

"If a body corporate does an act which, if done by a natural person, would be an offence against section 132 or 133,"; and

- (b) by omitting from subsection (2) all the words before "every person who," and substituting the following:

"If a body corporate is guilty of an offence against section 132 or 133,".

15. Legal practitioner not to share receipts with person not practising as legal practitioner

Section 136 of the Principal Act is amended –

- (a) by omitting subsection (2)(a) and inserting the following:

"(a) if the legal practitioner is a director or shareholder of an incorporated legal practice – a person who is or was a director or shareholder of the incorporated legal practice (but not if the person is a disqualified person referred to in section 35AW);

(aa) if the legal practitioner is a lawyer partner (within the meaning of Part IVAA) of a multi-disciplinary partnership – a person who is or was a partner or employee of the partnership (but not if the person is a disqualified person referred to in section 35AZD);

(ab) a person with whom he or she formerly carried on practice in partnership as a firm of legal practitioners";

- (b) by omitting from subsection (2)(c) "practitioner; or" and substituting "practitioner";

- (c) by omitting from subsection (2)(d) "person." and substituting "person; or"; and

- (d) by adding at the end the following:

"(e) any other prescribed person.".

16. Repeal

The *Legal Practitioners (Incorporation) Act 1989* (Act No. 58, 1989) is repealed.

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17. Savings

(1) In this section –

"practising company" has the same meaning as in the repealed Act;

"repealed Act" means the *Legal Practitioners (Incorporation) Act*, and any instruments of a legislative or administrative character made under that Act, as in force immediately before the commencement of section 16.

(2) A practising company continues in existence on and after the commencement of section 16.

(3) Subject to subsection (4), on and after the commencement of section 16, the repealed Act applies to a practising company as if the repealed Act had not been repealed.

(4) If a practising company gives notice under section 35AG of the *Legal Practitioners Act* of its intention to operate as an incorporated legal practice under Part IVAA of that Act, the repealed Act ceases to apply to the company on the giving of the notice.

(5) However, subsection (4) does not affect the operation of sections 7 and 8 of the repealed Act in relation to anything done or omitted to be done under the sections before the notice is given.