

REGULATIONS ON HANDLING CLIENTS' OR THIRD PARTIES' FUNDS

Article 1

A lawyer must deal exclusively with the funds of a client or third party via an account to be specifically opened for that purpose at a financial institution, which is known as a 'third-party account' (or client account), and must refer to this account when asking for funds.

Article 2

A lawyer may only open a third-party account at a financial institution with which the Flemish Bar Council (or, in the absence thereof, the Bar Council where the lawyer is registered) has entered into an agreement for that purpose. This agreement must contain at least the following provisions:

- that the third-party account is a current account;
- that the third-party account may never be overdrawn (i.e. have a debit balance);
- that no form of credit is allowed with regard to the third-party account;
- that the third-party account may not serve as security in any way;
- that no set-off, merger or defined pooling of accounts between the third-party account and other bank accounts are allowed;
- that the third-party account will not generate any interest or other income for the lawyer, notwithstanding the possibility that the Flemish Bar Council and/or the Bar Council where the lawyer is registered may agree on a fee for the benefit of the Bar Council, from which the costs will then be retained;
- that the financial institution must notify the chairman of the Bar Council where the lawyer is registered of the opening and closing of a third-party account;
- that by opening the third-party account, the lawyer grants an irrevocable power of attorney to the chairman of the Bar Council where he is registered, to have full access to and obtain copies of all transactions on this third-party account from the financial institution;

Article 3

A lawyer must always request clients and third-parties to only make payments into his third-party account, except when he asks his client to pay fees and disbursements, or make an advance thereon.

If a lawyer receives payment of funds intended for clients or third parties, other than by way of direct transfer into his third-party account, he must deposit these funds immediately into his third-party account.

A lawyer must pay funds that he receives for the purpose of forwarding payment to a colleague exclusively to that colleague by way of transfer into his third-party account.

Article 4

A lawyer must pay funds that he receives and that are intended for clients or third parties within the shortest time period to that intended person.

However, whenever a lawyer cannot or may not immediately pay funds to the person for whom they are intended for reasons beyond his control, or when a lawyer is obliged by way of *kantonnement*¹ or in his capacity as a receiver appointed under the terms of a settlement to receive funds belonging to clients or third parties, he must deposit these funds within the shortest time period into a specific and, in each case, separate trust account to be opened for that purpose, the net interest of which will accrue to the intended person.

A lawyer may only retain all or part of these funds as an advance, for fees or for the reimbursement of costs after having informed the client of the amount thereof.

Article 5

The chairman of the Bar Council will supervise the correct use of the third-party account. He may take all preventative measures, including imposing a temporary ban on handling clients' or third parties' funds.

Unanimously approved at the general meeting of the Flemish Bar Council of 11.12.2002.
Notice given in accordance with Article 497 of the Belgian Judicial Code on 06.01.2003.
In force since 06.03.2003.

¹ *Kantonnement* is the custody of a sum of money at a *sekwester* (Receiver) or at the *Deposito and Consignatiekas* (the Belgian Security Deposit and Lodgement Pay Office) that serves as a *guarantee* for *debt*, i.e. the *capital sum*, *interest* and *costs* owing from one party to another.