

Closing an ACT law practice



Checklist: Information to consider when closing a law practice in the ACT

Your clients

- Notify clients of the intended closure and provide them with a list of practitioners who may be able to assist with future matters.
- Undertake a risk analysis of all current files, and advise clients of any critical dates.
- Arrange for the transfer of open files.
- Where the practice is the solicitor on record, make arrangements to file the appropriate form to withdraw from the record. This should be done with the knowledge of the client/s in order for new legal representation to go on the record as the client's new solicitors as soon as possible.
- Arrange for retention, transfer or destruction of closed client files, ensuring compliance with Rule 14 of the Conduct Rules.
- Arrange for collection or transfer of safe custody documents.

Your practice

- Check obligations in relation to employee entitlements.
- Check obligations in relation to all leases and supply agreements.
- Cancel any business name owned by the practice.
- Seek advice about obligations to the ATO and/or ASIC.
- Check with the Professional Indemnity Insurer regarding run-off insurance and possible top-up insurance.
- Notify the ACT Law Society of intention to cease practice (refer to section 79(1) of the LPR).
- Ensure all undertakings given by the practice have been honoured.
- Where the practice operates a trust account refer to section 244 of the LPA and section 79(2) of the LPR, and consider obligations to the financial institution where

your practice's account is held.

- Where the practice is an Incorporated Legal Practice, the corporation must give notice to the ACT Law Society within 14 days after the corporation stops engaging in legal practice. Refer to section 106 of the LPA and complete the required notification form (Notification of establishment of and/or any change to an Incorporated Legal Practice in the ACT).

Other

You should also consider whether:

- You are an executor for any client
- You are a donee of a power of attorney
- Your practice is the registered office of any client company

and if necessary, make appropriate arrangements.

Questions?

If you have any questions about this topic, please contact the Law Society on (02) 6274 0300 or email mail@actlawsociety.asn.au

This document refers to the *Legal Profession Act 2006* ('LPA'), the *Legal Profession Regulation 2007* ('LPR'), and the *Legal Profession (Solicitors) Conduct Rules 2015* ('Conduct Rules').