



Trust Account Information

BPAY withdrawals from trust accounts

BPAY and EFT

Section 42 of the *Legal Profession Regulation 2007* (the Regulations) allows payments from the trust account by electronic funds transfer (EFT). Although BPAY transactions would generally be considered an EFT, they have not complied with the legislation. Parts of Sections 42(5), 45(2) and 46(6) require a BSB and account number to be entered.

The Society has responded to information from our members who advise that there have been instances in recent times whereby they can only remit using BPAY.

Some law firms may process BPAY payments out of the office account and then transfer funds from trust to office to cover the disbursement. However, this would not be required if BPAY transactions were allowed to be processed directly out of the trust account.

Effective from 16 April 2019, the ACT Council have invoked Section 81 of the Regulations to waive the BSB and account number recording

requirements contained in Sections 42(5)(c), 45(2)(c) and 46(6)(c) of the Regulations, so as to permit the use of BPAY subject to conditions listed below.

Conditions

1. The waiver of the BSB and account number requirements contained in Sections 42(5)(c), 45(2)(c) and 46(6)(c) only applies to withdrawals from trust using BPAY.
2. BPAY can only be used for withdrawals from trust via internet banking.
3. The BPAY biller code and customer reference numbers must be recorded in the same way that the BSB and account numbers are required to be recorded pursuant to Sections 42(5)(c), 45(2)(c) and 46(6)(c).
4. Payments made by BPAY are considered EFTs and trust records should reflect payment has been made by EFT.
5. Manual records must record the BPAY biller code and customer reference numbers in the same way that the BSB and account numbers are required to be recorded pursuant to Sections 42(5)(c), 45(2)(c) and 46(6)(c).
6. Computerised accounting systems will request the input of a BSB and account number when the EFT method is selected. Where the BPAY Biller Code and reference number does not satisfy the computerised accounting program EFT field, users are permitted to insert 000-000 000000000, but must ensure the BPAY biller code and customer reference number is fully recorded in the payment narrative field instead.

Questions?

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