TO APPLY FOR EXEMPTION BY SUBMITTING BANK STATEMENTS OF THE FIRMS’ TRUST BANKING ACCOUNT IN LIEU OF AN AUDITORS’ REPORT IN TERMS OF RULE 54.26 OF THE RULES (LEGAL PRACTICE ACT 28 OF 2014, AS AMENDED)

You are required to complete the annexed form and depose to an affidavit in terms of which you are to state the reason for such application (refer to annexure). Please note that only in the instance whereby your trust account is, for all intents and purposes, dormant may your office submit bank statements.

The bank statements will only be considered, once we have received the following documentation:

- the original application form and affidavit as per annexure;
- the required original/bank stamped trust account bank statements for the correct period;
- proof of payment of an examination fee in the amount of R575.00 (vat included). The following methods can be used to make the payment:
  1. electronic payment / cash deposit into the account of the LPC:
     
     Bank: ABSA  
     Branch code: 632005  
     Account number: 4097954105  
     Reference number: [Invoice/LP Number/Rule 54.26];
  - completed information page with regards to FICA (for enquiries about FICA – please contact the FICA center at 012-641-6000)

**PLEASE NOTE THAT** -

- only on receipt of all of the above, will we be able to consider your application for exemption to submit bank statements in lieu of a trust audit report;
- should this office not accept the bank statements, will we inform you of same, in which instance you will be required to appoint an Independent Registered Auditor to conduct an audit;
- the examination fee is not refundable in the event of the application not being granted;
- only after an internal review has approved the application, will our system be updated to reflect as RECEIVED; and
- documents should therefore be submitted to this office before the due date; and
an administration levy of **R575.00** will be imposed on your firm should your completed application, together with the supporting documentation, not be received by the due date.

**PLEASE ENSURE THAT YOU HAVE COMPLIED WITH ALL THE REQUIREMENTS AS SET OUT ABOVE. THE ORIGINAL DOCUMENTS MAY BE DELIVERED TO 44 PEARCE STREET, BEREA, EAST LONDON, EASTERN CAPE.**
EXEMPTION APPLICATION
IN TERMS OF RULE 54.26

FIRMS DETAILS

Name:

Address:

Tel:

Email:

AUDIT INFORMATION

Period for which this application is made for:

(period start date) to (period end date)

APPLICATION FOR EXEMPTION

1. The applicant must request exemption from submitting an Auditors’ Report in terms of Rule 54.26 of the Rules of the Legal Practice Council by way of affidavit [see attached affidavit].

2. It should be specified why an Auditors’ report has not been submitted and why the bank account is inactive/dormant.

3. Exemption will only be considered after the necessary documentation is received and this office has examined the statements.

WHICH TRUST ACCOUNT STATEMENTS TO BE ATTACHED

- Opening audit report: From the date of opening the trust account to cover at least (4) four month period thereafter.
- Yearly audit report: 12-month period.
- Closing audit report: From the first day of the financial year to the day the trust account was closed.
a) The firm was issued with a valid fidelity fund certificate for the calendar year ended [insert financial period end i.e. the calendar year preceding the financial period/year of this report] in the name of [insert the name of the attorney’s firm], as required by the Act.

b) The firm [insert name of firm] ensured that the trust funds were safeguarded through the design and implementation of adequate internal controls in compliance with Rule 54.14.7.

c) The firm [insert name of firm] reported to the relevant Legal Practice Council Provincial Office any dishonesty or irregular conduct on the part of another practitioner in relation to the handling or accounting for trust money on the part of that other practitioner, as required in terms of Rule 54.36.

d) The firm [insert name of firm] registered as an Accountable Institution, in accordance with Section 43B of the Financial Intelligence Centre Act, Act No. 38 of 2001, with an Org ID registration reference number of [insert ORG ID number] that was issued by the Financial Intelligence Centre.

e) The firm [insert name of firm] complied with the requirements of Section 21 (of the Financial Intelligence Centre Act, Act No. 38 of 2001), with regard to the identification and verification of clients.

f) The firm [insert name of firm] complied with the requirements of Section 22 of the Financial Intelligence Centre Act, Act No 38 of 2001, with regard to the keeping of records of business relationships and transactions.

g) The firm [insert name of firm] reported [insert number of transactions] cash transactions (received or paid) above the prescribed limit to the Financial Intelligence Centre for the period reported on, in accordance with the requirements of Section 28 (of the Financial Intelligence Centre Act, Act No. 38 of 2001), in circumstances where the firm [insert number of transactions] an obligation to report cash transactions.

h) The firm [insert name of firm] reported [insert number of reports] property associated with terrorist and related activity reports to the Financial Intelligence Centre for the period, in accordance with the requirements of Section 28A of the Financial Intelligence Centre Act, Act No. 38 of 2001, in circumstances where the firm [insert number of transactions] an obligation to report property associated with terrorist and related activity reports.

i) The firm [insert name of firm] reported [insert number of transactions] suspicious and unusual transactions to the Financial Intelligence Centre for the period, in accordance with the requirements of Section 29 of the Financial Intelligence Centre Act, Act No. 38 of 2001, in circumstances where the firm [insert number of transactions] an obligation to report suspicious and unusual transactions.
j) The firm [__] formulated and implemented internal rules in terms of Section 42 of the Financial Intelligence Centre Act, Act No. 38 of 2001.

k) The firm [__] appointed a compliance officer in terms of Section 43 of the Financial Intelligence Centre Act, Act No. 38 of 2001.

l) The firm [__] provided training to its employees in terms of Section 43 of the Financial Intelligence Centre Act, Act No. 38 of 2001.
AFFIDAVIT IN SUPPORT OF AN APPLICATION FOR EXEMPTION OF SUBMITTING AN AUDIT REPORT

I, the undersigned, ____________________________ (name) an adult do hereby make oath and state that:

I am the sole proprietor of the firm ____________________________ (firm name) operating from ____________________________ (physical address) and herewith make application for the exemption from submitting an audit report in terms of Rule 54.26 of the Legal Practice Council Rules.

I confirm that there are ____________________________ (insert number of trust transactions) trust transaction(s) on my trust account, number ____________________________ (account name and number), held at ____________________________ (insert name of bank) ____________________________ (branch name and branch number) for the audit period ending on ____________________________ (date).

I confirm that I have ____________________________ (insert number of trust account/s) trust account(s).

[If you have more than one trust account a separate application form and affidavit needs to be completed for each one.]

Please explain the following:

- why an audit report has not been submitted;
- why the account is inactive;
- and the nature of your practice activities:

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Signed before me at: ___________________ on this ___ day of __________ 20___

I certify that the deponent has acknowledged that he/she knows and understands the contents of this declaration that was sworn before me and the deponent’s signature was placed thereon in my presence.

COMMISSIONER OF OATHS: FULL NAMES: ___________________ ___________________

ADDRESS: ____________________________________________

DEPONENT: ___________________ ___________________