



Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Amendment Rules 2016

Pursuant to section 103 of the Lawyers and Conveyancers Act 2006, the New Zealand Law Society, with the approval of the Minister of Justice and after consultation in accordance with that section, makes the following rules.

Contents

		Page
1	Title	1
2	Commencement	1
3	Principal rules	1
4	Schedule amended	1
	Schedule	2
	Rules of conduct and client care for lawyers amended	

Rules

- 1 Title**
These rules are the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Amendment Rules 2016.
- 2 Commencement**
These rules come into force on 1 July 2016.
- 3 Principal rules**
These rules amend the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008 (the **principal rules**).
- 4 Schedule amended**
 - (1) In the Schedule, chapter 2, footnote to rule 2.3, replace “there is a “caveatable interest”” with “there is not a “caveatable interest””.
 - (2) In the Schedule, chapter 13, rule 13.10.8, replace “iimpliedly” with “impliedly”.

- (3) In the Schedule, chapter 15, rule 15.2, after “pursuant to a lawyer–client relationship”, insert as a footnote:
- An in-house lawyer who will provide regulated services to anyone other than his or her employer needs to ensure that he or she complies with all the requirements of these rules, including the provision of information requirements of rules 3.4 and 3.5, and the rules in chapter 5 (independence), chapter 6 (client interests), and chapter 7 (disclosure and communication of information to clients).
- (4) In the Schedule, chapter 15, replace rule 15.2.4 with the rules set out in the Schedule of these rules.

Schedule

Rules of conduct and client care for lawyers amended

r 4(4)

15.2.4 Where an in-house lawyer is engaged by—

- (a) a controlling entity, the lawyer may provide regulated services to a subsidiary entity of the controlling entity; or
- (b) a subsidiary entity, the lawyer may provide regulated services to the controlling entity and to any other subsidiary entity of the controlling entity; or
- (c) the Crown, a Crown organisation, or a statutory officer, the lawyer may provide regulated services to the Crown and to any Crown organisation or statutory officer.

15.2.5 For the purposes of rule 15.2.4(a) and (b), an entity (**entity B**) is a subsidiary of a controlling entity (**entity A**) only if,—

- (a) whether or not entity B is a company,—
 - (i) entity A controls the composition of at least one-half of the board (or governing body) of entity B; or
 - (ii) entity A is in a position to exercise, or control the exercise of, at least one-half of the maximum number of votes that can be exercised at a meeting of entity B; or
- (b) entity B is a company, and—
 - (i) entity A holds at least one-half of the issued shares of entity B, other than shares that carry no right to participate beyond a specified amount in a distribution of profits or capital; or
 - (ii) entity A is entitled to receive at least one-half of every dividend paid on shares issued by entity B, other than shares that carry no right to participate beyond a specified amount in a distribution of profits or capital; or
- (c) entity B is a subsidiary of an entity that is a subsidiary of entity A.

15.2.6 In rules 15.2.4 and 15.2.5,—

company has the meaning given to it in section 6 of the Act

Crown organisation has the meaning given to it in section 6 of the Act

entity has the meaning given to it in section 5(1) of the Financial Reporting Act 2013

statutory officer has the meaning given to it in section 6 of the Act.

Dated at Wellington this 26th day of April 2016.

Kathryn Beck,
President, New Zealand Law Society.

Explanatory note

This note is not part of the rules, but is intended to indicate their general effect.

These rules amend the Lawyers and Conveyancers Act (Lawyers: Conduct and Client Care) Rules 2008 (the **principal rules**). They come into force on 1 July 2016.

The amendments made are as follows:

- rule 15.2.4 is replaced with *new rules 15.2.4 to 15.2.6* to clarify the scope of practice for an in-house lawyer. The amendments make it clear that an in-house lawyer may work for certain organisations closely associated with the lawyer's employer:
- a footnote is added to rule 15.2 to remind in-house lawyers of their obligations to comply with other provisions of the principal rules:
- minor drafting changes are made to chapters 2 and 13 to correct errors.

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*: 30 June 2016.

These rules are administered by the Ministry of Justice.