

THE LAW SOCIETY OF SINGAPORE

GUIDANCE NOTE 3.9.1

PRACTICE TRAINING AND RELEVANT LEGAL TRAINING

1. This Guidance Note sets out the guidelines for law practices concerning the contracts for practice training and for relevant legal training ('Contracts').

A. Content of the Contracts

[Formerly GN 2013, para 8; Council's Guidance Note 3 of 2010]

2. Under the previous pupillage system, pupils (now known as practice trainees) were not considered employees of the law practices which trained them. The introduction of the new practice training contract regime in 2009 is not intended to be conceptually different from the pupillage system in this aspect.

3. Accordingly, based on discussions with the CPF Board and the Ministry of Manpower, a law practice should ensure that its practice training contract observes the following guidelines, so as to maintain the status of practice trainees as non-employees:

- (a) The practice training contract should make it clear, in letter and in spirit that it is only for the training of the practice trainee in accordance with the relevant legislation.
- (b) A standard clause should be incorporated in all practice training contracts as follows:

"This practice training contract is governed by the Legal Profession Act and the rules made thereunder. The duties and obligations of the Singapore law practice under this contract are prescribed by the Act, rules and guidelines issued thereto. The practice trainee shall perform his or her duties and obligations in accordance with the rules and guidelines."

- (c) The other clauses in the practice training contract should not, either in letter or in spirit, contradict the standard clause in paragraph 3(b) above. There should also be no derogation of the standard clause in other parts of the practice training contract. In particular, apart from the payment of any honorarium, there should be no provision of specific benefits to the practice trainee in the practice training contract. Clauses which suggest that the practice trainee is an employee of the law practice, such as provisions for specific working hours, the right to terminate the contract and the duty of the law practice to exercise effective supervision over its employees, should also be avoided.
- (d) The use of the term 'allowance' or 'remuneration' should be avoided in the practice training contract. Instead, the word 'honorarium' should be used.
- (e) The practice training contract should not state that the law practice will 'assign work, supervise and guide your work' or words to this effect. Instead, it should state that the law practice will 'give training assignments and supervise training', and that there will be a supervising legal practitioner.

B. Honorarium to be Paid under the Contracts

[Formerly GN 2014, para 1]

4. In determining the amount of honorarium to be paid under practice training contracts, a law practice should at a minimum, take into account the practice trainee's direct and basic expenses reasonably incurred in the course of carrying out his/her day-to-day duties under the practice training contract, such as transport and meals.

5. For the avoidance of doubt, such honorarium need not cover ancillary or indirect costs such as call papers, bar exams or the practice trainee's opportunity costs associated with taking up the practice training contract.

6. Nevertheless, there is no prohibition for a law practice to incentivise its practice trainee to subsequently enter into an employment contract as a qualified legal practitioner with the law practice upon the completion of his/her practice training contract and attainment of the required qualifications by the payment of a lump sum bonus under the employment contract. The lump sum bonus may be expressly designed to cover other costs incurred by the practice trainee during his/her practice training contracts which may not have been covered by the honorarium.

C. Arrangements for Contracts

[Formerly GN 2013, para 11]

7. Part C of the Guidance Note is in relation to an agreement, whether in writing or otherwise ('Agreement') which a person ('Trainee') enters into with a law practice:

- (a) to serve his/her practice training period under a practice training contract (whether or not the practice training contract has been registered with the Singapore Institute of Legal Education or any other body or authority); or
- (b) to undergo relevant legal training in order to become a qualified person.

8. Based on feedback from some law practices, there have been situations where a Trainee does not join a particular law practice despite having entered into an Agreement with that law practice. There may be various reasons why a Trainee may not join a particular law practice – eg, the Trainee may wish to join the legal service, or another law practice, or may decide on a different career altogether.

9. In the situation where a Trainee does not wish to join a particular law practice ('First-mentioned Law Practice') because he/she intends to join another law practice ('Second-mentioned Law Practice'), that Trainee may have already entered into an Agreement with the First-mentioned Law Practice.

10. This part of the Guidance Note is designed to reflect appropriate conduct by the parties to an Agreement in the situation where a Trainee, having entered into an Agreement with a law practice, intends to enter into another Agreement with another law practice.

11. The parties to an Agreement should be aware of the following:

- (a) If a Trainee enters into an Agreement with a law practice but subsequently does not wish to join that law practice, it is only common courtesy to inform the law practice as soon as practicable that he/she will not be joining the law practice.
- (b) Based on an Agreement that a Trainee has entered into with a law practice, that law practice is likely to have committed resources for purposes of the practice training or

relevant legal training for that Trainee and it may have turned down other applicants for practice training or relevant legal training.

- (c) It would not be advisable or appropriate for a Trainee to enter into an Agreement with more than one law practice solely for the purpose of securing options to pick and choose which law practice to join.

12. The Society does not express a view on the validity of an Agreement and this Guidance Note does not affect the legal rights of the parties to an Agreement.

Date: 1 June 2018

THE COUNCIL OF THE LAW SOCIETY OF SINGAPORE