



RECOVERABLE AND NON-RECOVERABLE BANK CHARGES

EXPOSITION OF THE VARIETY OF BANK CHARGES LEVIED ON PRACTITIONER TRUST ACCOUNTS

1. BANK CHARGES THAT ARE RECOVERABLE

1.1. MONTHLY BASIC FEE

Some banks charge a minimal monthly fee, sometimes described as an administrative fee. This fee has traditionally been regarded as recoverable by practitioners from the LPFF.

RECOVERABLE FROM THE LPFF

1.2. ELECTRONIC PAYMENT FEE

The banks charge a fee for processing each payment. The fee is a banded structure dependent upon the quantum of each payment. This fee has traditionally been regarded as recoverable by practitioners from the LPFF.

RECOVERABLE FROM THE LPFF

1.3. ELECTRONIC PAYMENT SYSTEMS-MONTHLY SUBSCRIPTION

The four large banks offer sophisticated electronic banking systems. In addition to the normal per item processing fee (see 1.2 above), clients are charged a monthly subscription. In many instances the banks levy a single subscription to cover services provided on both the trust and business accounts. The trust portion of the subscription cost would be recoverable from the LPFF. **Banks to be engaged in order to develop a more accurate way of allocating charges to the trust account.**

RECOVERABLE FROM THE LPFF

1.4. UNIDENTIFIABLE DEPOSITS-TRACING FEE

Practitioners often experience a problem identifying deposits made over the counter into their trust accounts by unknown entities. The banks charge a fee

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when assisting practitioners to establish the source of the funds. Some banks offer a system which requires depositors to complete the reference section on the deposit slip correctly, for a monthly additional fee (payable by the recipient).

RECOVERABLE FROM THE LPFF

1.5. CASH DEPOSIT FEES

Cash deposits is almost inevitable especially for practitioners with large collection practices. The reality is that a lot of debtors can only afford small monthly payments towards the outstanding debt and most of them do not have bank accounts, which leaves the practitioner with no other choice as to accept the cash payment.

In general, cash deposit fees are recoverable from the LPFF.

RECOVERABLE FROM THE LPFF

1.6. BANK CHARGES SPECIFICALLY RELATED TO THE HANDLING OF CASH

The banks have significantly increased their charges for transactions involving the handling of cash. This has had a significant impact upon certain practitioners who are obliged, because of the nature of their practices, to pay out and receive large amounts of cash. This cost should be recoverable from the LPFF . **In principle, charges related to the handling of cash should be regarded as recoverable from the LPFF.**

RECOVERABLE FROM THE LPFF

2. BANK CHARGES THAT ARE NON – RECOVERABLE

2.1. BANK GUARANTEES

The banks charge for each guarantee issued and practitioners should recover the cost of guarantees from their clients.

NOT RECOVERABLE FROM THE LPFF



2.2. CARD MACHINES

The use of card machines to facilitate the receiving of money from clients by practitioners, has become increasingly more common.

The subscription fee and the commission levied for the use of the card machine are not recoverable from the LPFF .

NOT RECOVERABLE FROM THE LPFF

2.3. FOREIGN EXCHANGE TRANSACTIONS

2.3.1. Commission on FOREX transactions.

Charge a commission for converting currency to another denomination.

2.3.2. Fees payable for FOREX applications

Banks charge a fee of offshore remittances

NOT RECOVERABLE FROM THE LPFF. NO SWIFT OR FOREX FEES ARE RECOVERABLE

This list of recoverable and non-recoverable bank charges, was originally approved by the Board of Control of the Attorneys' Fidelity Fund on 30 April 2009 and now updated to exclude bank charges pertaining to cheques which are no longer issued.

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