

LEGAL PROFESSION ACT 1976
SOLICITORS' REMUNERATION ORDER 2006

IN exercise of the powers conferred by subsection 113(3) of the Legal Profession Act 1976 [Act 166], the Solicitors Cost Committee makes the following order:

Citation and commencement

1. (1) This order may be cited as the **Solicitors' Remuneration Order 2006**.
- (2) This Order comes into operation on 1 January 2006.

Remuneration

2. The remuneration of a solicitor in respect of non-contentious business shall be-
 - (a) in respect of sales, purchases or other forms of conveyances for completing any transaction involving immovable properties-
 - (i) the remuneration of the solicitor having the conduct of the transaction whether acting for the vendor, purchaser, transferor or transferee shall be in accordance with the First Schedule;
 - (ii) in the case of any transaction where no individual document of title or strata title had been issued when the transaction was first completed, the remuneration of the solicitor having the conduct of drawing up and completing the subsequent instrument of

transfer shall be in accordance with rule 2 or 3 of the Sixth Schedule, as the case may be; and

- (iii) in the case of any transaction where there is no written sale and purchase agreement, or where the sale and purchase agreement is not prepared by the solicitor and the solicitor is not required to explain or advise the client on the terms and conditions of the agreement, or where a transfer is effected in consideration of love and affection or for no consideration or pursuant to a declaration of trust or other similar instrument, the remuneration of the solicitor having the conduct of drawing up and completing the instrument of transfer shall be in accordance with rule 4 of the Sixth Schedule;

- (b) in respect of tenancies or leases, agreements for tenancies or leases and agreements reserving rent, the remuneration of the solicitor having the conduct of and completing the transaction shall be in accordance with the Second Schedule;

- (c) in respect of charges or mortgages, agreements for charges or mortgages, agreements for financing under the Islamic banking business as defined in the Islamic Banking Act 1983 [Act 276], debentures by way of a fixed or floating charge, and other instruments executed by way of security-

- (i) the remuneration of the solicitor having the conduct of and completing the transaction whether for the financier, chargee, borrower or chargor shall be in accordance with the Third Schedule; and
 - (ii) in the case of any transaction where no individual document of title or strata title had been issued when the transaction referred in subparagraph (i) was first completed, the remuneration of the solicitor having the conduct of drawing up and completing the subsequent instrument of charge shall be in accordance with rule 2 or 3 of the Sixth Schedule, as the case may be;
- (d) in respect of discharges of charges or deeds of reassignment pertaining to charged or assigned properties, the remuneration of the solicitor having the conduct of and completing the transaction shall be in accordance with the Fourth Schedule;
- (e) in respect of preparing, filing or witnessing of miscellaneous documents, the remuneration of the solicitor having the conduct of such matters shall be in accordance with the Fifth Schedule; and
- (f) in respect of non-contentious work for which there are no provision made to regulate the remuneration of a solicitor by means of a scale or

fixed fee, the remuneration of the solicitor shall be in accordance with rule 1 of the Sixth Schedule and in respect of non-contentious work which is not completed, the remuneration of the solicitor shall be in accordance with rule 5 of the Sixth Schedule.

Composition of remuneration

3. (1) The remuneration specified in the Schedules shall not include any of the following:

- (a) fees payable on the registration of documents requiring registration;
- (b) stamp duties or fees;
- (c) counsel's fees, auctioneer's or valuer's fees;
- (d) travelling or accommodation expenses;
- (e) fees paid on searches;
- (f) costs of extracts from any register or record;
- (g) other disbursements reasonably and properly paid and incurred (which shall be itemized in any bill of costs rendered by the solicitor to the client);
- (h) the cost of any extra work;
- (i) fees relating to any business of a contentious nature;
- (j) fees relating to any proceeding in any court; and
- (k) miscellaneous expenses not exceeding RM50.

(2) Notwithstanding subparagraph (1), the remuneration specified in the Schedules shall include-

- (a) allowances for the time of the solicitor and his clerk and all usual and necessary attendances; and
- (b) charges for normal copying and stationary.

Special exertion

4. In respect of any non-contentious business which is required to be carried through by special exertion in an exceptionally short space of time, a solicitor may charge additional remuneration for the special exertion according to the circumstances.

Interests

5. A solicitor may charge interest at eight per centum per annum on his disbursements and fees, whether fixed by scale or otherwise, from the expiration of one month from a demand made on the client and in cases where the same are payable by an infant or out of a fund not presently available, such demand may be made on the parent, guardian, trustee or other person liable.

No discount

6. There shall be no discount on fees specified in this Order.

No acting for more than one party

7. (1) In any transaction referred to in the First, Second, Third and Fourth Schedules, a solicitor shall not act for more than one party in a particular transaction.

(2) Notwithstanding subparagraph (1), a solicitor may, where there is no conflict of interest, prepare, file or witness the miscellaneous documents specified in the Fifth Schedule for another party to the transaction.

Revocation

8. The Solicitors' Remuneration Order 1991 [*P.U. (A) 475/1991*] is revoked.

Saving provision

9. Notwithstanding the coming into operation of this Order, any non-contentious business commenced before the coming into force of this Order shall be governed by the provisions of the Solicitors' Remuneration Order 1991.

FIRST SCHEDULE

[Paragraph 2(a)]

Sale and Transfer

<u>Consideration or Adjudicated Value</u>	<u>Scale of Fees</u>
For the first RM150,000	1.0% (subject to a minimum fee of RM300)
For the next RM850,000	0.7%
For the next RM2,000,000	0.6%
For the next RM2,000,000	0.5%
For the next RM2,500,000	0.4%
Where the consideration or adjudicated value is in excess of RM7,500,000	Negotiable on the excess (but shall not exceed 0.4% of such excess)

Notwithstanding the above rates, in the case of any transaction governed by the Housing Development (Control and Licensing) Act 1966 [Act 118] or any subsidiary legislation made under that Act, the remuneration of the solicitor having the conduct of and completing the transaction, whether acting for the vendor or the purchaser, shall be-

(a) RM250, if the consideration is RM45,000 or below;

- (b) 75% of the applicable scale fee specified, if the consideration is in excess of RM45,000 but not more than RM100,000;
- (c) 70% of the applicable scale fee specified, if the consideration is in excess of RM100,000 but not more than RM500,000; or
- (d) 65% of the applicable scale fee specified, if the consideration is in excess of RM500,000.

RULES UNDER THE FIRST SCHEDULE

1. A solicitor shall act only for the vendor/transferor or the purchaser/transferee and the remuneration of the solicitor shall be in accordance with the applicable scale fee specified based on the consideration for, or the adjudicated value of, the transaction.
2. A solicitor acting for the purchaser may also act for his client in the subsequent sale.
3. A solicitor acting for the purchaser may also act for his client in the financing transaction.
4. In a transaction involving a property put up by a solicitor for sale by public auction on behalf of his client-
 - (a) if the property is sold-

- (i) the remuneration of the vendor's solicitor for conducting the sale (including drafting and settling conditions of sale) shall be the full scale fee specified based on the sale price of the property;
 - (ii) if the same solicitor thereafter acts for the vendor to complete the transaction (including investigating the title, preparing, perusing and completing the instrument of transfer), his additional remuneration shall be 50% of the full scale fee specified based on the sale price of the property;
 - (iii) the remuneration of the purchaser's solicitor shall be the full scale fee specified based on the sale price of the property; and
 - (iv) where a property held under the same title is divided into lots for convenience of sale and the same purchaser buys several such lots and one transfer is effected in respect of such lots, the remuneration of the solicitor specified in subparagraphs 4(a)(i), (ii) and (iii) shall be based on the aggregate prices of such lots;
- (b) if the property is not sold, the remuneration of the vendor's solicitor (including drafting and settling conditions of sale) shall be-
- (i) 50% of the full scale fee specified based on the reserve price;
 - (ii) if there is no reserve price, 50% of the full scale fee specified based on the highest bid as certified in writing by the auctioneer;
or
 - (iii) if there is no reserve price and no bid, in accordance with rule 1 of the Sixth Schedule;

- (c) if the property is not sold at the first attempt but is sold at a subsequent attempt, the remuneration of the vendor's solicitor for the first attempt shall be in accordance with subparagraph 4(b)(i), (ii) or (iii), and for the subsequent successful attempt, the remuneration of the vendor's solicitor shall be the full scale fee based on the sale price of the property; and if the property is not sold after two or more attempts, the remuneration of the vendor's solicitor for the first attempt shall be in accordance with subparagraph 4(b)(i), (ii) or (iii) and for each subsequent unsuccessful attempt, the remuneration of the vendor's solicitor shall be in accordance with rule 1 of the Sixth Schedule; and
- (d) where a property held under the same title is divided into lots for convenience of sale, the remuneration of the vendor's solicitor specified in subparagraph 4(b)(i) and (ii) shall be based on the aggregate of the reserve prices, or if there are no reserve prices, the aggregate of the highest bids as certified in writing by the auctioneer.

5. The scale of fees in this Schedule shall also apply to transfers of charges and leases, based on the consideration for such transfers or the adjudicated value.

6. In addition to any other fees payable to a solicitor under this Order, a solicitor who arranges-

(a) a sale for a vendor (other than a sale by public auction in which event rule 4 of this Schedule shall apply); or

(b) a purchase by a purchaser,

and negotiates the price and terms and conditions thereof, shall be entitled to an additional negotiating fee equivalent to the full scale fee specified in this Schedule.

7. The remuneration specified in this Schedule shall be inclusive of all normal and necessary attendances up to the completion of the transaction, including the drawing up of a sale and purchase agreement and the preparation and registration of the instrument of transfer or the deed of assignment where no individual document of title or strata title has been issued.

SECOND SCHEDULE

[Paragraph 2(b)]

Lease and Tenancy

Lease

Monthly rent

Scale of Fees

For the first RM10,000

50% (subject to a minimum fee of RM600)

For the next RM90,000

20%

Where the rent is in excess of RM100,000	Negotiable on the excess (but shall not exceed 20% of such excess)
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Tenancy

Monthly rent

Scale of Fees

For the first RM10,000	25% (subject to a minimum fee of RM300)
For the next RM90,000	10%
Where the rent is in excess of RM100,000	Negotiable on the excess (but shall not exceed 10% of such excess)

RULES UNDER THE SECOND SCHEDULE

1. A solicitor shall act only for the lessor/landlord or the lessee/tenant and the remuneration of the solicitor shall be in accordance with the applicable scale fee in this Schedule.
2. Any consideration in the lease or tenancy agreement expressed to be payable other than by way of rent (e.g. service charge, hire of furniture and fixtures) shall be deemed to be rent for the purposes of this Schedule.
3. Where a varying rent is payable, the remuneration of the solicitor shall be based on the highest amount of rent payable.

4. Where the consideration for a lease or tenancy agreement is expressed to be partly for a money payment or premium and partly for a rent, the remuneration of the solicitor shall be the aggregate of-

- (a) the scale fees for a sale or purchase agreement based on the amount equal to the money payment or premium as specified in the First Schedule; and
- (b) the scale fees based on the rent as specified in this Schedule.

5. Where a solicitor represents the lessor or landlord in respect of leases or tenancies of ten or more units in a building or part of a building in which a standard form of lease or tenancy agreement is used, or where a lease or tenancy agreement is renewed upon substantially the same terms and conditions, the remuneration of such solicitor in respect of each of such lease or tenancy shall be 50% of the applicable scale fee in this Schedule, subject to a minimum fee of RM600 for leases and RM300 for tenancies.

THIRD SCHEDULE

[Paragraph 2(c)]

Charges, Debentures and other Security or Financing Documents

<u>Amount secured or financed</u>	<u>Scale of Fees</u>
For the first RM150,000	1.0% (subject to a minimum fee of RM300)
For the next RM850,000	0.7%
For the next RM2,000,000	0.6%

For the next RM2,000,000	0.5%
For the next RM2,500,000	0.4%
Where the amount secured or financed is in excess of RM7,500,000	Negotiable on the excess (but shall not exceed 0.4% of such excess)
For the principal instrument	Full scale fee
For each subsidiary instrument within the meaning of subsection 4(3) of the Stamp Act 1949 [Act 398]	10% of scale fee (subject to a minimum fee of RM200 and a maximum fee of RM1,000)

Notwithstanding the above rates, in the case of any transaction governed by the Housing Development (Control and Licensing) Act 1966 or any subsidiary legislation made under that Act, the remuneration of the solicitor having the conduct of and completing the transaction, whether acting for the financier/chargee or the borrower/chargor, shall be-

- (a) RM250, if the consideration as well as the loan sum is RM45,000 or below;
- (b) 75% of the applicable scale fee specified, if the consideration as well as the loan sum is in excess of RM45,000 but not more than RM100,000;
- (c) 70% of the applicable scale fee specified, if the consideration as well as the loan sum is in excess of RM100,000 but not more than RM500,000; or

- (d) 65% of the applicable scale fee specified, if the consideration as well as the loan sum is in excess of RM500,000.

RULES UNDER THE THIRD SCHEDULE

1. A solicitor shall act only for the financier/chargee or the borrower/chargor and the remuneration of the solicitor shall be in accordance with the applicable scale fee specified based on the secured or financed amount.
2. Where additional facilities are granted on the security of any existing charge or debenture or other security document, which is being stamped additionally to cover such facilities, the remuneration of the solicitor shall be in accordance with the applicable scale fee specified based on the amount of the additional facilities.
3. In respect of the preparation of security documents and/or agreements for Islamic banking business as defined in the Islamic Banking Act 1983-
 - (a) the scale fee specified for the principal instrument or document shall be based on the principal amount provided or financed by the financier (subject to a minimum fee of RM300); and
 - (b) the fee for each of the subsidiary or other instrument prepared in relation to the financing transaction (made according to the *Syariah* principles), to secure the repayment of monies provided or financed, shall be 10% of the applicable scale fee, subject to a minimum fee of RM200 and a maximum fee of RM1,000 for each subsidiary or other instrument.

FOURTH SCHEDULE

[Paragraph 2(d)]

Discharge of Charge and Deed of ReassignmentDischarge of Charge

First title	RM300
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Each additional title in the same instrument	RM50
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Deed of Reassignment

First property	RM300
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Each additional property in the same deed	RM50
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If the Deed of Reassignment includes a Revocation of Power of Attorney, an additional fee of RM100 shall be payable to the solicitor.

RULES UNDER THE FOURTH SCHEDULE

1. The scale fees in this Schedule shall be payable only to the solicitor having the conduct of and completing the transaction.
2. In a case where a discharge of charge or a deed of reassignment is-
 - (a) prepared by the financier's/chargee's solicitor and the signature of the attorney for the financier/chargee is attested by the said solicitor, and

the instrument is thereafter forwarded to the borrower's/chargor's solicitor to complete the transaction, the remuneration of the financier's/chargee's solicitor and of the borrower's/chargor's solicitor shall each be 50% of the applicable scale fee in this Schedule; or

- (b) prepared by the borrower's/chargor's solicitor and the instrument is forwarded to the financier's/chargee's solicitor for attestation of the signature of the attorney for the financier/chargee only, the solicitor for the financier/chargee may only charge a fee for attestation as specified in the Fifth Schedule, and the remuneration of the borrower's/chargor's solicitor shall be RM300.

FIFTH SCHEDULE

[Paragraph 2(e)]

Preparing, filing or witnessing miscellaneous documents

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|-----|---------------------------------------------------------------------------------|---------------------------------------------------------|
| (a) | For witnessing execution of a document | RM50 for first and
RM10 for each
subsequent copy |
| (b) | For witnessing execution of a document
and giving an attestation certificate | RM100 for first and
RM10 for each
subsequent copy |
| (c) | Forms under sections 108-113
of the Companies Act 1965 [Act 125] | RM300 per set |
| (d) | Real Property Gains Tax form 1
(CKHT 1) | RM300 per form |

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|-----|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| (e) | Real Property Gains Tax form 2
(CKHT 2) | RM200 per form |
| (f) | Application to State Authority/Statutory
Body for consent to transfer/lease/charge | |
| | (i) for properties where the
consideration or the loan sum,
as the case may be, is RM45,000
or below | RM200 per application |
| | (ii) for properties where the
consideration or the loan sum,
as the case may be, is in excess
of RM45,000 | RM300 per application |
| (g) | Filing of any other form with an appropriate
authority | RM100 per form |
| (h) | Entry of caveat pursuant to an option
to purchase, sale and purchase agreement
or loan transaction | RM200 for first title
and RM50 for each
subsequent title |
| (i) | Withdrawal of caveat | RM150 for first title
and RM50 for each
subsequent title |

RULES UNDER THE FIFTH SCHEDULE

1. A solicitor is not entitled to witnessing or attestation fee-
 - (a) in a case where he has prepared, settled or approved the document concerned and he is being remunerated according to this Order; or
 - (b) in a case where he acts for one party in a transaction and witnesses or attests the signature of another party for whom he is not acting.

2. If the witnessing or attesting solicitor is asked to explain or advise on the contents of any document not prepared by him, he shall be entitled to remuneration in accordance with rule 1 of the Sixth Schedule.

SIXTH SCHEDULE

[Paragraph 2(f)]

RULES UNDER THE SIXTH SCHEDULE

1. The remuneration of a solicitor in respect of non-contentious work for which no provision is made by means of a scale or fixed fee shall be such sum as is fair and reasonable having regard to all the circumstances of the case, and in particular the following circumstances:
 - (a) the importance of the matter to the client;
 - (b) the skill, labour, specialised knowledge and responsibility involved on the part of the solicitor;
 - (c) the complexity of the matter or the difficulty or novelty of the question raised;

- (d) where money or property is involved, the amount or value thereof;
- (e) the time expended by the solicitor;
- (f) the number and importance of the documents prepared or perused by the solicitor;
- (g) the place and the circumstances under which the services or business or any part thereof are rendered or transacted.

2. In a case where a solicitor has had the conduct of a transaction and no individual document of title or strata title had been issued when the transaction was first completed-

- (a) a fair and reasonable remuneration for the solicitor drawing up and completing the subsequent instrument of transfer or charge shall be a fee not exceeding 25% of the applicable scale fee specified in the First Schedule or the Third Schedule, as the case may be, subject to a minimum fee of RM200; and
- (b) if the said instrument of transfer or charge involves more than one individual document of title or strata title, a fair and reasonable additional remuneration for the solicitor shall be RM50 for each additional title involved.

3. In a case where a solicitor has conduct of a transaction after the issuance of the individual document of title or strata title, but he did not have conduct of the transaction when it was completed before the issuance of the individual document of title or strata title-

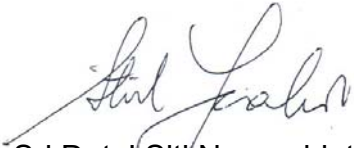
- (a) a fair and reasonable remuneration for the solicitor drawing up and completing the subsequent instrument of transfer or charge shall be a fee not exceeding 50% of the applicable scale fee specified in the First Schedule or the Third Schedule, as the case may be, subject to a minimum fee of RM200; and
- (b) if the said instrument of transfer or charge involves more than one individual document of title or strata title, the solicitor shall be entitled to an additional remuneration of RM50 for each additional title involved.

4. In the case of any transaction where there is no written sale and purchase agreement, or the sale and purchase agreement is not prepared by the solicitor and the solicitor is not required to explain or advise the client on the terms and conditions thereof, or the transfer is effected in consideration of love and affection or for no consideration or is pursuant to a declaration of trust or other similar instrument-

- (a) a fair and reasonable remuneration for the solicitor drawing up and completing the instrument of transfer shall be a fee not exceeding the applicable scale fee specified in the First Schedule, subject to a minimum fee of RM300; and
- (b) if the said instrument of transfer involves more than one individual document of title, the solicitor shall be entitled to an additional remuneration of RM50 for each additional title involved.

5. In a case where a transaction is not completed or not concluded for any reason whatsoever, a fair and reasonable remuneration for the solicitor shall be a fee not exceeding 50% of the applicable scale fee, subject to a minimum fee of RM200. However, if the work required of the solicitor has been fully or substantially performed, the solicitor shall be entitled to charge the full scale fee as his remuneration.

Made ^{12th} December 2005
[BC/S/13/2005 ; PN(PU2)314/X]



Tan Sri Dato' Siti Norma binti Yaakob
Chief Judge of Malaya



Dato' Umi Kalthum binti Abd. Majid
for the Attorney General of Malaysia



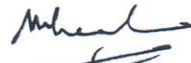
Tengku Maimun binti Tuan Mat
Chief Registrar



Ragnath Kesavan
Advocate and Solicitor



Sin Siew Kuen
Advocate and Solicitor



Cheah Poh Gek
Advocate and Solicitor



Woon Yeow Thong
Advocate and Solicitor