

Media Release

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The peak regulatory body for more than 70 per cent of the Australian Legal Profession, the Legal Services Council (LSC), today issued a new rule to adjust the provisions for the continuing disclosure of costs.

The <u>new Rule 72A</u> will remove a concern of some law practices that their costs agreements will be void if they contravene a costs disclosure requirement of the Uniform Law.

Under the new rule, the costs agreement will not be void if law practices have:

- taken reasonable steps to comply with their disclosure requirements; and
- rectified a contravention within 14 days of becoming aware of it by providing the necessary costs disclosure information.

The relevant authority - a costs assessor, court or tribunal - will also need to be satisfied:

- the contravention was not substantial; and
- it would not be reasonable to expect the client would have made a different decision had they known about the change in costs from the outset.

The Chair of the Legal Services Council, the Hon Michael Black AC QC said law practices and their clients would benefit from the change.

"The LSC has consulted extensively with the legal profession and local regulators over the past 12 months and has produced a package of measures to help lawyers comply with the important new cost disclosure obligations under the Uniform Law," Mr Black said.

"This package includes the new rule to cover cases where non-compliance has been rectified in a timely manner and a <u>Guideline and Direction</u> to assist regulators – and ultimately the legal profession and its consumers – to understand lawyers' obligations to keep clients up to date about total legal costs".

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More information: <u>http://www.legalservicescouncil.org.au/Pages/uniform-</u> framework/guidelines-directions.aspx

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