

SCHEDULES

SCHEDULE 2

Section 36.

THE COMPENSATION FUND

- 1 The fund shall be maintained and administered by the Society and shall be held by the Society on trust for the purposes provided for in section 36 and this Schedule.
- 2 (1) Subject to sub-paragraph (2), every solicitor—
- (a) shall on each occasion on which he applies for a practising certificate pay to the Society with the fee payable in respect of that certificate under section 11a contribution (in this Schedule referred to as an "annual contribution") of such amount as the Council may from time to time determine; and
 - (b) where it appears from his application for a practising certificate that he has held or received clients' money at any time during the period specified in the application, shall also, if so required by the Society, pay to the Society, before the issue of the certificate, a further contribution (in this Schedule referred to as a "special levy") of such amount not exceeding £50 as the Council may from time to time determine.
- (2) An annual contribution and a special levy—
- (a) shall not be payable in respect of the first three practising certificates to be issued to a solicitor after his admission; and
 - (b) shall be payable in the reduced amount mentioned in sub-paragraph (3) in respect of the next three certificates to be so issued.
- (3) The reduced amount referred to in sub-paragraph (2)(b) is one-half of the amount which would otherwise be payable.
- (4) All annual contributions and special levies received by the Society under this paragraph shall be paid into the fund.
- 3 The Society may invest in securities in which trustees are authorised by law to invest trust funds in their hands any money which forms part of the fund.
- 4 Subject to the provisions of section 1 of the Borrowing (Control and Guarantees) Act 1946 and of any order under that section for the time being in force, the Society may borrow for the purposes of the fund from any lender and may charge any investments of the fund by way of security for any such loan; but the aggregate sum owing at any one time in respect of such loans shall not exceed £100,000.
- 5 The Society may insure with authorised insurers for such purposes and on such terms as the Council may deem expedient in relation to the fund.
- 6 There shall be carried to the credit of the fund—
- (a) all annual contributions and special levies paid to the Society in pursuance of paragraph 2;
 - (b) all interest, dividends and other income and accretions of capital arising from the investment of the fund or any part of it;

Status: This is the original version (as it was originally enacted).

- (c) the proceeds of any realisation of any investments of the fund;
- (d) all money borrowed for the purposes of the fund ;
- (e) all sums received by the Society under any insurance effected by the Society under paragraph 5 ;
- (f) all sums received by the Society under section 36(4); and
- (g) any other money which may belong or accrue to the fund or be received by the Society in respect of the fund.

7 All money from time to time forming part of the fund and all investments of the fund shall be applicable—

- (a) for payment of any costs, charges and expenses of establishing, maintaining, administering and applying the fund;
- (b) for payment of any premiums on insurances effected by the Society under paragraph 5 ;
- (c) for repayment of any money borrowed by the Society for the purposes of the fund and for payment of interest on any money so borrowed;
- (d) for payment of any grants which the Society may make under section 36 ;
- (e) for payment of all costs, charges and expenses incurred by the Society by virtue of paragraph 1(1)(a) of Schedule 1 and of any costs or damages incurred by the Society or its employees or agents as a result of proceedings against the Society or its employees or agents for any act or omission done or made by it or them in good faith and in the execution or purported execution of the powers conferred by Part II of Schedule 1 ;
- (f) for payment of any other sums properly payable out of the fund by virtue of section 36 or this Schedule.