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LEGAL PRACTITIONERS ACT
(CAP. L11 LFN, 2004)

RULES OF PROFESSIONAL CONDUCT FOR LEGAL PRACTITIONERS, 2023

ARRANGEMENT OF RULES

Rules :

LEGAL PRACTITIONERS ACT
(CAP. L11 LFN, 2004)

RULES OF PROFESSIONAL CONDUCT FOR LEGAL PRACTITIONERS, 2023

In exercise of the powers conferred on it by section 12(4) of the Legal Practitioners Act Cap. L11 Laws of the Federation of Nigeria, 2004, as amended, and of all other powers enabling it in that behalf, the General Council of the Bar ("Bar Council") makes the following Rules —

[1*st Day of January*, 2024] Commencement.

CHAPTER I — CONDUCT

PART I —PRACTICE AS A LEGAL PRACTITIONER

General responsibility of a lawyer.

1. A lawyer shall uphold and observe the rule of law, promote, and foster the course of justice, maintain a high standard of professional conduct, and shall not engage in any conduct which is unbecoming of a legal practitioner.

Duty as to admission into the legal profession.

2. A lawyer shall not knowingly do any act or make any omission or engage in any conduct designed to lead to the admission into the legal profession of a person who is unsuitable for admission by reason of his moral character, or insufficient qualification or for any other reason.

Aiding the unauthorized practice of the law.

3.—(1) A lawyer shall not—

(*a*) aid a non-lawyer in the unauthorized practice of the law ;

(*b*) permit his professional services or his name to be used in aid of, or to make possible, the unauthorized practice of law by any person not qualified to practice or disqualified from practice ; or

(*c*) share legal fees with a non—lawyer except as provided in rule 53.

(2) A lawyer shall not, in return for a fee, write or sign his name or permit his name to be written or signed on a document prepared by a non—lawyer as if prepared by him.

Avoidance of intermediary in the practice of the law.

4. A lawyer shall not permit his professional services to be controlled or exploited by any lay agency, personal or corporate, which intervenes between him and the client, provided that charitable societies or other institutions rendering aid to the indigent are not deemed to be intermediaries.

Association for legal practice.

5.—(1) A lawyer shall not form a partnership with a non-lawyer or with a lawyer who is not admitted to practice law in Nigeria, if any of the activities of the partnership consists of the practice of law.

(2) The name of a deceased or former partner may continue to be used as part of the name of a law firm provided it does not lead to any imposition or deception through the continued use of the name.

(3) Where a member of a law firm becomes a Judge his name, if it appears, shall be removed from the partnership name.

(4) Where a lawyer practices alone, he shall not hold himself out as a partner in a firm of lawyers by using a firm name such as "A, B and Co" or such other name as may suggest that he is in partnership with others.

(5) It shall be unlawful to carry out legal practice as a corporation.

Retirement from judicial position or public employment.

6.—(1) A lawyer shall not accept employment as an advocate in any matter upon the merits of which he had previously acted in a judicial capacity.

(2) A lawyer having once held public office or having been in the public employment shall not, after his retirement, accept employment in connection with a matter in respect of which he had previously acted in a judicial capacity, or on the merit of which he had advised or dealt with in such office or employment.

(3) A judicial officer who has retired shall not practice as an advocate in any Court of Law or Judicial tribunal in Nigeria.

(4) A judicial officer who has retired shall not sign any pleading in any court.

(5) A judicial officer who has retired may continue to use the word "Justice" as part of his name.

Engagement in business.

7.—(1) Unless permitted by the Bar Council, a lawyer shall not practice as a legal practitioner at the same time as he practices any other profession.

(2) A lawyer shall not practice as a legal practitioner while personally engaged in—

(*a*) the business of buying and selling commodities ;

(*b*) the business of a commission agent ; or

(*c*) such other trade or business which the Bar Council may from time to time declare to be incompatible with practice as a lawyer, or as tending to undermine the high standing of the profession.

(3) For the purpose of this rule, "trade or business" includes all forms of participation in any trade or business, but does not include—

(*a*) membership of the Board of Directors of a company which does not involve either executive, administrative or clerical functions ;

(*b*) being Secretary of a company ; or

(*c*) being a shareholder in a company.

Lawyers in salaried employment.

8.—(1) A lawyer, whilst a servant or in a salaried employment of any kind, shall not appear as an advocate in a court or judicial tribunal for his employer, except where the lawyer is employed as a legal officer in a Government department.

(2) A lawyer, whilst a servant or in a salaried employment shall not prepare, sign, or frank pleadings, applications, instruments, agreements, contracts, deeds, letters, memoranda, reports, legal opinions or similar instruments or processes or file any such documents for his employer except as provided under these Rules.

(3) A director of a registered company shall not appear as an advocate in court or judicial tribunal for his company.

(4) A lawyer in full-time salaried employment may represent his employer as an officer or agent in cases where the employer is permitted by law to appear by an officer or agent, and in such cases, the lawyer shall not wear robes.

(5) An officer in the Armed Forces who is a lawyer may discharge any duties devolving on him as such officer and may appear at a Court Martial as long as he does so in his capacity as an officer and not as a lawyer.

Practicing fees.

9.—(1) A lawyer shall pay his annual practicing fees not later than 31st March in every year, provided that a lawyer enrolled during the year shall pay his practicing fee within one month of enrolment.

(2) A lawyer shall not claim in any court or before any judicial tribunal that he has paid his annual practicing fees where he is in default.

(3) A lawyer shall not sign documents, including pleadings, affidavits, depositions, applications, instruments, agreements, letters, deeds, memoranda, reports, legal opinions and process or file any such documents as a legal practitioner, legal officer or adviser of any governmental department or Ministry or any corporation where he is still in default of payment of his Annual Practicing Fees.

Seal and stamp.

10.—(1) A lawyer, acting in his capacity as a legal practitioner, legal officer or adviser of any government department or Ministry or any corporation, shall not sign or file a legal document unless there is affixed on any such document a seal and stamp approved by the Nigerian Bar Association.

(2) For the purpose of this rule, legal documents include pleadings, affidavits, depositions, applications, instruments, agreements, deeds, letters, memoranda, reports, legal opinions, or any similar documents.

(3) Where a lawyer signs or files any legal document as defined under paragraph (2) of this rule, and in any of the capacities mentioned in paragraph (1) of this rule, the document so signed or filed shall be deemed not to have been duly or properly signed or filed.

Mandatory Continuing Professional Development (CPD).

11.—(1) A lawyer who wishes to carry on practice as a legal practitioner shall participate in and satisfy the requirements of the mandatory Continuing Professional Development (CPD) Programme operated by the Nigerian Bar Association.

(2) The activities in which a lawyer is required to participate for the purpose of the CPD Programme of the Nigerian Bar Association shall include—

(*a*) attendance and participation in accredited courses ;

(*b*) lectures, seminars, workshops and conferences on law approved by the Nigerian Bar Association.

(*c*) writing on the law and its practice in books or Journals and Newspapers approved by the Nigerian Bar Association.

(*d*) study towards professional qualifications approved by the Nigerian Bar Association ; and

(*e*) other approved means of acquiring legal professional knowledge and experience.

(3) A lawyer shall be certified as having satisfied the requirement of the CPD Programme if, and only if, during the relevant year he earns the number of credit hours of participation in the programme which is required under the rules or guidelines made by the Nigerian Bar Association.

(4) Except as may be provided in the rules or guidelines of the Nigerian Bar Association, the number of credit hours required for each year shall be as follows—

(*a*) for lawyers from Admission up to 5 years - 24 hours ;

(*b*) for lawyers just over five years up to ten years - 18 hours ; and

(*c*) for lawyers above ten years - 12 hours.

(5) The Nigerian Bar Association shall establish a Continuing Professional Development Department in its office for the operation of the Programme.

(6) The Nigerian Bar Association shall make rules or guideline for regulating the operation of the CPD Programme and such rules or guideline may provide for—

(*a*) the number of credit hours of participation required of a legal practitioner ;

(*b*) the types of activities and studies that are acceptable for earning the credit ;

(*c*) persons that may be exempted from the requirements of the Programme ; and

(*d*) other matters which in its opinion are necessary for the proper operation of the Programme

Annual Practicing Certificate.

12.—(1) The Nigerian Bar Association shall, in every year and not later than a date specified by it—

(*a*) publish a list of legal practitioners to be entitle to practice as a legal practitioner in that year, after complying with the requirements of the Continuing Professional Development Programme and payment of their practicing fees (in these Rules referred to as the Annual Practicing List) ; and

(*b*) issue a Practicing Certificate to a legal practitioner whose name is on the Annual Practicing List, certifying that he has paid his Practicing Fee for the specified year and complied with the requirement of the Continuing Professional Development Programme for the year under the rules made for that purpose by the Nigerian Bar Association.

(2) A lawyer shall obtain an Annual practicing certificate issued under this rule by the Nigerian Bar Association certifying that he has fulfilled the approved

Continuing Professional Development Programme under rules made for that purpose by the Nigerian Bar Association.

(3) A lawyer, unless he holds an Annual Practicing Certificate issued by the Nigerian Bar Association under this rule, shall not, as a legal practitioner –

(*a*) conduct or take part in any proceedings in the court, judicial tribunal, or panel of enquiry ;

(*b*) sign any documents, pleadings, affidavits, depositions, application, instruments, agreements, deeds, letters, memoranda, reports, legal opinions or similar documents and processes ; or

(*c*) file any such documents as a legal practitioner legal officer or adviser of any Government Department or Ministry or any company or corporation.

Notification of legal practice.

13.—(1) A person who commences private legal practice either alone or in association or partnership with another or others shall, not later than 30 days after commencement of such legal practice and, if he continues to carry on the practice, deliver a notice in the prescribed form to the Branch of the Nigerian Bar Association within whose jurisdiction the law office is situated.

(2) The Notice referred to in paragraph (1) of this rule shall state the—

(*a*) name of the legal practitioner ;

(*b*) address where the legal practice is carried on ;

(*c*) date the legal practitioner was called to the Bar in Nigeria ; and

(*d*) date his name was entered in the Roll of Legal Practitioners in Nigeria.

(3) The Branch of the Nigerian Bar Association to which the Notice is delivered shall enter the particulars in the notice in a register or database kept for that purpose.

(4) A legal practitioner who after having been registered under paragraph (3) of this rule, changes his name or address for legal practice, shall deliver to the Branch where he is so registered a notice in the prescribed form showing particulars of the changes made.

Part II—Relation with Clients

Dedication and devotion to the cause of the client.

14.—(1) A lawyer shall devote his attention, energy and expertise to the service of his client and, subject to any rule of law, act in a manner consistent with the best interest of his client.

(2) Without prejudice to the generality of paragraph (1) of this rule, a lawyer shall—

(*a*) consult with his client in all questions of doubt which do not fall within his discretion ;

(*b*) keep the client informed of the progress and any important development in the cause or matter as may be reasonably necessary ;

(*c*) warn his client against any particular risk which is likely to occur in the course of the matter ;

(*d*) respond as promptly as reasonably possible to request for information by the client ; and

(*e*) where he considers the client's claim or defence to be hopeless, inform him accordingly.

(3) When representing a client, a lawyer may, where permissible, exercise his independent professional judgment to waive or fail to assert a right or position of his client.

(4) A lawyer employed in respect of a court case shall be personally present or be properly represented throughout the proceedings in court.

(5) Any negligence by a lawyer in handling a client's affairs may amount to professional misconduct.

Representing client within the bounds of the law.

15.—(1) In his representation of a client, a lawyer may refuse to aid or participate in conduct that he believes to be unlawful even though there is some support for an argument that the conduct is legal.

(2) In his representation of his client, a lawyer shall—

(*a*) keep strictly within the law notwithstanding any contrary instruction by his client, and where the client insists on a breach of the law, the lawyer shall withdraw his service ; and

(*b*) use his best endeavours to restrain and prevent his client from committing misconduct or breach of the law with particular reference to judicial officers, witnesses and litigants and if the client persists in his action or conduct, the lawyer shall terminate their relations.

(3) In his representation of his client, a lawyer shall not –

(*a*) give service or advice to the client which he knows or ought reasonably to know is capable of causing disloyalty to, or breach of the law, or bringing disrespect to the holder of a judicial office, or involving corruption of holders of any public office ;

(*b*) file a suit, assert a position, conduct a defence, delay a trial, or take over an action on behalf of his client when he knows or ought reasonably to know that such action would serve merely to harass or maliciously injure another ;

(*c*) knowingly advance a claim or defence that is unwarranted under existing law, but he may advance such claim or defence where it can be supported by argument in good faith for an extension, modification, or reversal of existing law ;

(*d*) fail or neglect to inform his client of the option of alternative dispute resolution mechanisms before resorting to or continuing litigation on behalf of his client ;

(*e*) conceal or knowingly fail to disclose that which he is required by law to reveal ;

(*f*) knowingly use perjured or false evidence ;

(*g*) knowingly make a false statement of law or fact ;

(*h*) participate in the creation or preservation of evidence when he knows or ought reasonably to know that the evidence is false ;

(*i*) counsel or assist his client in conduct that the lawyer knows to be illegal or fraudulent ; or

(*j*) knowingly engage in other illegal conduct or conduct contrary to any of the rules.

(4) Where in the course of his representation of his client a lawyer receives clearly established information that the client has perpetrated a fraud upon a person, court or tribunal, he shall promptly call on his client to rectify it, and if his client refuses or is unable to do so, he shall reveal the fraud to the affected person or tribunal, except when the information is a privileged communication, but where the person who perpetrated the fraud is not his client, the lawyer shall promptly reveal the fraud to the tribunal, or court.

(5) A lawyer shall not assert in argument his personal belief in the integrity of his client or of his witnesses or in the justice of his cause, but he may make a fair analysis of the evidence touching on those matters.

Representing client competently.

16. A lawyer shall not—

(*a*) handle a legal matter which he knows or ought reasonably to know that he is not competent to handle, without associating with him a lawyer who is competent to handle it, unless the client objects ;

(*b*) handle a legal matter without adequate preparation ;

(*c*) neglect a legal matter entrusted to him ; or

(*d*) attempt to exonerate himself from or limit his ability to his client for his personal malpractice or professional misconduct

Conflict of interest

17.—(1) A lawyer shall, at the time of a retainer, disclose to the client all the circumstances of his relations with the parties, and any interest in or connection with the controversy which might influence the client in the selection of the lawyer.

(2) Except with the consent of his client after full disclosure, a lawyer shall not accept a retainer if the exercise of his professional judgment on behalf of his client will be or may reasonably be affected by his own financial, business, property, or personal interest.

(3) A lawyer shall not acquire a proprietary interest in a cause of action or subject matter of litigation which he is conducting for a client, except that he may—

(*a*) acquire a lien granted by law to secure his fees and expenses, or

(*b*) contract with a client for a reasonable contingent fee in a civil case.

(4) A lawyer shall not accept a proffered employment where the exercise of his independent professional judgment on behalf of a client will be or is likely to be adversely affected by the acceptance of the proffered employment, or if it is likely to involve him in representing differing interests, unless it is obvious that the lawyer can adequately represent the interest of each, and each consents to the representation after full disclosure of the possible effect of such representation on the exercise of his independent professional judgment on behalf of each.

(5) A lawyer shall not appear as counsel for a client in a legal proceeding in which the lawyer is himself a party.

(6) Where a lawyer is required to decline employment or to withdraw from employment under this rule, no partner, associate or any other lawyer affiliated with him or his firm may accept or continue such employment.

Agreement with client.

18.—(1) A client shall be free to choose his lawyer and to dispense with his services as he deems fit, provided that nothing in this rule shall absolve the client from fulfilling any agreed or implied obligations to the lawyer including the payment of fees.

(2) A lawyer shall ensure that important agreements between him and the client are, as far as possible reduced into writing, and it shall be deemed a misconduct for the lawyer to avoid performance of a contract fairly made with his client whether reduced into writing or not.

Privilege and confidence of a client.

19.—(1) Except as provided under paragraph (3) of this rule—

(*a*) all oral or written communications made by a client to his lawyer in the normal course of professional employment are privileged ; and

(*b*) a lawyer shall not knowingly –

(*i*) reveal a confidence or secret of his client,

(*ii*) use a confidence or secret of his client to the disadvantage of the client, or

(*iii*) use a confidence or secret of his client to the advantage of himself or of a third person unless the client consents after full disclosure.

(2) A lawyer may reveal —

(*a*) a confidence or secret with the consent of the client or clients affected, after full disclosure to the client ;

(*b*) confidence or secret when permitted under these rules or required by law or a court order ;

(*c*) confidence or secret necessary to establish or collect his fee or to defend himself or his employees or associates against an accusation of wrongful conduct ; and

(*d*) the intention of his client to commit a crime and the information necessary to prevent the crime.

(3) A lawyer shall exercise reasonable care to prevent his employees, associates, and others whose services are utilized by him from disclosing or using confidences or secrets of a client, but a lawyer may reveal the information allowed under paragraph (2) of this rule through an employee.

(4) A lawyer shall—

(*a*) not in any way communicate on the subject of controversy or negotiate or compromise the matter with the other party who is represented by a lawyer ; and

(*b*) deal only with the lawyer of the other party in respect of the matter.

(5) A lawyer shall avoid anything that may tend to mislead an opposing party who is not represented by a lawyer and shall not undertake to advise him as to the law.

Lawyer as witness for client.

20.—(1) Subject to paragraph (2) of this rule, a lawyer shall not accept to act in any contemplated or pending litigation where he knows or ought reasonably to know that he or a lawyer in his firm may be called or ought to be called as a witness.

(2) A lawyer may undertake an employment on behalf of a client and he or a lawyer in his firm may testify for the client—

(*a*) where the testimony will relate solely to an unconnected matter ;

(*b*) where the testimony will relate solely to a matter of formality and there is no reason to believe that substantial evidence will be offered in opposition to the testimony ;

(*c*) where the testimony will relate solely to the nature and value of legal services rendered in the case by the lawyer or his firm to the client ; or

(*d*) as to any matter, if refusal would work a substantial hardship on the client because of the distinctive value of the lawyer or his firm as lawyer in the case.

(3) Where a lawyer knows, prior to trial that he would be a necessary witness except as to merely formal matters, neither he nor his firm may conduct the trial.

(4) Where after undertaking employment in contemplated or pending litigation, a lawyer learns or it is obvious that he or a lawyer in his firm –

(*a*) ought to be called as witness on behalf of his client, he shall withdraw from the conduct of the trial and his firm, if any, shall not continue representation in the trial, but he or a lawyer in his firm may testify in the circumstances enumerated in paragraph (2) of this rule ; and

(*b*) may be called as a witness other than on behalf of his client, he may continue the representation until it is apparent that his testimony is or may be prejudicial to the client.

(5) Where during the trial, the lawyer discovers that the ends of justice require his testimony, he shall from that point, if feasible and not prejudicial to the client's case, leave further conduct of the trial to other counsel, but if circumstances do not permit this, the lawyer shall not argue the credibility of his own testimony.

Withdrawal from employment.

21.—(1) A lawyer shall not abandon or withdraw from an employment once assumed, except for good cause.

(2) For the purpose of paragraph (1) of this rule, "good cause" for which the lawyer may be justified in withdrawing from the client's employment includes the following—

(*a*) conflict of interest between the lawyer and the client ;

(*b*) where the client insists on an unjust or immoral course in the conduct of his case ;

(*c*) where the client persists against the lawyer's advice and remonstrance in pressing frivolous defences ; or

(*d*) where the client deliberately disregards an agreement or obligation as to payment of fees or expenses.

(3) Where the lawyer is justified in withdrawing from the employment, he shall give reasonable notice to the client to allow him time to engage another lawyer.

(4) Where the lawyer withdraws from an employment after a fee has been paid, he shall refund such part of the fee which has not been clearly earned.

Calling at client's house or place of business.

22. A lawyer shall not call at a client's house or place of business for the purpose of giving advice to, or taking instruments from the client, except in special circumstances or for some other urgent reason preventing his client from coming to his law office.

Dealing with client's property.

23.—(1) A lawyer shall not do any act where for his personal benefit or gain he abuses or takes advantage of the confidence reposed in him by his client.

(2) Where a lawyer collects money for his client or is in position to deliver property on behalf of his client, he shall promptly report, and account for it, and shall not mix such money or property with or use it as, his own.

Responsibility for litigation.

24.—(1) A lawyer shall accept any brief in the Court in which he professes to practice, provided the proper professional fee is offered, unless there are special circumstances which justify his refusal.

(2) It is the responsibility of a lawyer to decide what cases he will bring into court for the Plaintiff and what cases he would contest in court for the Defendant.

(3) A lawyer is not absolved from bringing questionable action, arguing questionable defences or giving questionable advice on the ground that he is only following his client's instructions.

(4) A lawyer shall not conduct a civil case or make defence in a civil case when he knows or ought reasonably to know that it is intended merely to harass or to injure the opposite party or to work oppression or wrong.

(5) A lawyer shall be responsible for taking decisions in respect of incidental matters not affecting the merit of the case or operating to prejudice substantively the right of a client and he shall not be bound to do or refrain from doing anything contrary to his sense of honour or propriety simply because his client demands that he should do it.

(6) In matters not directly affecting the merit of a case or operating to prejudice the rights of the client, the lawyer may, to the exclusion of his client, determine the accommodation to be granted to the opposing lawyer.

(7) For the purpose of this rule, the expression "incidental matters" includes matters such as fixing time for trial for the opposing lawyer, and applying for or resisting adjournment, account being taken of the circumstances of the opposing lawyer.

Investigation of facts and Production of witnesses, etc.

25.—(1) Subject to the provisions of these Rules on communications with the other party, it shall be lawful for a lawyer to interview any witness or prospective witness for the opposing side in any action without the consent of the opposing counsel or party, but he shall not take any action calculated to secrete a witness.

(2) A lawyer shall not participate in a bargain with a witness, either by contingent fee or otherwise as a condition for giving evidence, but this does not preclude payment of reasonable expenses incurred for the purpose of giving the evidence.

(3) A lawyer may advertise for witnesses to testify to a particular event or transaction but not for witnesses to testify to a particular version of the event or transaction.

(4) A lawyer shall not—

(*a*) be unfair, abusive or inconsiderate to adverse witnesses or opposing litigants or ask any question only to insult or degrade the witness ; and

(*b*) allow the unfair suggestions or demands of his clients to influence his action.

PART III—RELATION WITH OTHER LAWYERS

Fellowship and precedence.

26.—(1) Lawyers shall treat one another with respect, fairness, consideration, and dignity, and shall not allow any ill-feeling between opposing clients to influence their conduct and demeanour towards one another or towards the opposing clients.

(2) Lawyers shall observe among one another the rules of precedence as laid down by the law, and subject to this, all lawyers are to be treated based on equality of status.

Good faith and fairness among lawyers.

27.—(1) A lawyer shall observe good faith and fairness in dealing with other lawyers.

(2) Without prejudice to the generality of paragraph (1) of this rule, a lawyer shall—

(*a*) observe strictly all promises or agreements with other opposing lawyers whether oral or in writing and whether in or out of court, and shall adhere in good faith to all agreements implied by the circumstances of the case ;

(*b*) promptly honour his undertaking, where he gives a personal undertaking and does not expressly or clearly disclaim personal liability ; and

(*c*) not take undue advantage of the predicament or misfortune of the opposing lawyer or client.

(3) A lawyer shall not hand over his brief to another lawyer to hold, and that other lawyer shall not accept the brief, unless the brief is handed over in reasonable time for the receiving lawyer to acquire adequate grasp of the matter.

(4) Where a lawyer is aware, or ought reasonably to be aware, that a person is already represented by another lawyer in a particular matter, he shall not have any dealing with that person in respect of the same matter without giving prior notice to the other lawyer, and the lawyer accepting the instruction shall use his best endeavours to ensure that all fees due to the other lawyer in the matter are paid.

(5) During the course of his representation of a client, a lawyer shall not —

(*a*) communicate, or cause another to communicate, on the subject of the representation with the party he knows to be represented by a lawyer in that matter unless he has the prior consent of the lawyer representing such party or is authorized by law to do so ; or

(*b*) give advice to a person who is not represented by a lawyer in the matter or cause.

Associating in matter.

28.—(1) A client has the right to procure, either on his own, or on the advice of his lawyer, the services of an additional lawyer in a matter.

(2) Where a lawyer is employed by a client to join the original lawyer, the latter lawyer shall decline if it is objectionable to the original lawyer, but if the original lawyer is relieved of his retainer by the client or he withdraws, the later lawyer may come into the matter, provided that he shall use his best endeavour to ensure that all the fees due to the other lawyer in the matter are paid.

(3) Where lawyers jointly associated in a course cannot agree as to any matter vital to the interest of the client, the conflict of opinion shall be frankly stated to the client for his determination, and his decision shall be final provided that where the nature of the differences makes it impracticable for the lawyer whose judgment has been overruled to cooperate effectively, he shall withdraw from the employment.

Change of lawyer.

29.—(1) Where a client changes his lawyer on a pending matter, the new lawyer shall—

(*a*) promptly give notice to the former lawyer ; and

(*b*) use his best endeavours to ensure that the former lawyer is paid his earned fees.

(2) Where in litigation, a client changes his lawyer both the old lawyer and new lawyer shall give notice of the change to the court.

(3) Where a client changes his lawyer—

(*a*) the client is entitled to –

(*i*) all letters written by the lawyer to other persons at the direction of the client,

(*ii*) copies of letters written by the lawyer to other persons at the direction of the client,

(*iii*) drafts and copies made in the course of business, and

(*iv*) documents prepared from such drafts ; and

(*b*) the lawyer is entitled to—

(*i*) all letters written by the client to the lawyer ;

(*ii*) copies of letters addressed by the lawyer to the client ; and

(*iii*) a lien on the papers or documents of his client in respect of unpaid fees.

(4) The provisions of this rule shall be subject to any applicable rule of court.

PART IV—RELATIONS WITH THE COURT

Lawyer as officer of court.

30. A lawyer is an officer of the court and, accordingly, he shall not do any act or conduct himself in any manner that may obstruct, delay or adversely affect the administration of justice.

Duty of lawyer to court and conduct in court.

31.—(1) A lawyer shall always treat the court with respect, dignity and honour.

(2) Where the lawyer has a proper ground for complaint against a judicial officer, he shall make his complaint to the appropriate authorities.

(3) A lawyer who fails to comply with any undertaken given by him, either personally or on behalf of his client to a court is prima facie guilty of professional misconduct.

(4) Except where the opposing lawyer fails or refuses to attend and the Judge is advised of the circumstances, a lawyer shall not discuss a pending case with a judge trying the case, unless the opposing lawyer is present.

(5) Except as provided by a rule or order of court, a lawyer shall not deliver to the judge any letter, memorandum, brief or other written communication without concurrently delivering a copy to the opposing lawyer.

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Candid and fair dealing.

32.—(1) In appearing in his professional capacity before a court or tribunal, a lawyer shall not deal with the court otherwise than candidly and fairly.

(2) In presenting a matter to a court, a lawyer shall disclose —

(*a*) any legal authority in the jurisdiction known to him to be directly adverse to the position of his client and which is not disclosed by the opposing lawyer ; and

(*b*) the identities of the clients he represents and of the persons who employed him unless such disclosure is privileged or irrelevant.

(3) In appearing in his professional capacity before a court or tribunal, a lawyer shall not —

(*a*) state or allude to any matter that he has no reasonable basis to believe is relevant to the case or that will not be supported by admissible evidence ;

(*b*) ask any question that he has no reasonable basis to believe is relevant to the case and that is intended to degrade a witness or other person ;

(*c*) assert his personal knowledge of the facts in issue, except when testifying as a witness, or assert his personal opinion as to the justness of a cause, credibility of a witness, culpability of a civil litigant or guilt or innocence of an accused, but he may argue, on his analysis of the evidence, for any position or conclusion with respect to the matters stated herein ;

(*d*) fail to comply with known local customs of courtesy or practice of the Bar or of a particular tribunal ;

(*e*) intentionally or habitually violate any established rule of procedure or of evidence ;

(*f*) knowingly misquote the content of a paper, the testimony of a witness, the language of the argument of the opposing counsel, or the language of a decision or a textbook ;

(*g*) with knowledge of its invalidity, cite as authority a decision that has been overruled, or a statute that has been repealed with intent to mislead the court or tribunal ;

(*h*) in argument, assert as a fact that which has not been proved, or in those jurisdictions where a side has the opening and closing argument, to mislead his opponent by concealing or withholding in his opening argument, positions upon which his side intends to rely ;

(*i*) produce evidence which he knows the court should reject ;

(*j*) promote a case which to his knowledge is false, or

(*k*) in any other way do or perform any act which may amount to an abuse of court process, or which is dishonourable and unworthy of an officer of the law charged, as the lawyer, with the duty of aiding in the administration of justice.

Trial publicity.

33. A lawyer or law firm engaged in or associated with the prosecution or defence of a criminal matter, or associated with a civil action shall not, while litigation is anticipated or pending in the matter, make or participate in making any extra-judicial statement that is calculated to prejudice or interfere with, or is reasonably capable of prejudicing or interfering with, the fair trial of the matter or the judgment or sentence.

Relation with judges.

34. A lawyer shall not do anything, or conduct himself in such a way, as to give the impression, or allow the impression to be created, that his act or conduct is calculated to gain, or has the appearance of gaining special personal consideration or favour from a judge.

Lawyer and tribunals.

35. A lawyer appearing before a judicial tribunal shall accord due respect to it and shall treat the tribunal with courtesy and dignity.

Courtroom decorum.

36. When in the courtroom, a lawyer shall —

(*a*) be attired in a proper and dignified manner and shall not wear any apparel or ornament calculated to attract attention to himself ;

(*b*) conduct himself with decency and decorum, and observe the customs, conduct and code of behaviour of the court and custom of practice at the bar with respect to appearances, dress, manners and courtesy ;

(*c*) rise when addressing or being addressed by the judge ;

(*d*) address his objections, requests, arguments, and observations to the judge and shall not engage in the exchange of banter, personality display, arguments or controversy with the opposing lawyer ;

(*e*) not engage in undignified or discourteous conduct which is degrading to a court or tribunal ; and

(*f*) not remain within the Bar or wear the lawyer's robes when conducting a case in which he is a party or giving evidence.

Employment in criminal cases.

37.—(1) Where a lawyer undertakes a defence of a person accused of a crime, he shall—

(*a*) exert himself, by all fair and honourable means, to put before the Court all matters that are necessary in the interest of justice ; and

(*b*) not stand or offer to stand bail for a person for whom he or a person in his law firm is appearing.

(2) Where a lawyer accepts a brief for the defence in a murder trial, he shall be deemed to have given a solemn undertaking, subject to any sufficient unforeseen circumstances, that he will personally conduct the defence provided his fee is paid.

(3) Where an accused person discloses facts which clearly and credibly show his guilt, the lawyer shall not present any evidence inconsistent with those facts and shall not offer any testimony which he knows to be false.

(4) The primary duty of a lawyer engaged in public prosecution is not to convict but to see that justice is done.

(5) A public prosecutor shall not institute or cause to be instituted a criminal charge, if he knows or ought reasonably to know that the charge is not supported by the probable evidence.

(6) A lawyer engaged in public prosecution shall—

(*a*) not suppress facts or secrete witnesses capable of establishing the innocence of the accused person ; and

(*b*) make timely disclosure to the lawyer for the defendant, or to the defendant if he has no counsel, of the existence of evidence known to the prosecution or other government lawyer that tends to negate the guilt of the accused, mitigate the degree of the offence, or reduce the punishment.

Lawyer for an indigent accused.

38. A lawyer assigned to defend an indigent accused shall not ask to be excused except for substantial reason, but shall exert his best effort in the defence of the accused.

PART V—IMPROPER ATTRACTION OF BUSINESS

Advertising and soliciting.

39.—(1) Subject to paragraphs (2) and (3) of this rule, a lawyer may engage in any advertising or promotion in connection with his practice of the law, provided it —

(*a*) is fair and proper in all the circumstances ; and

(*b*) complies with the provisions of these Rules.

(2) A lawyer shall not engage or be involved in any advertising or promotion of his practice of the law which —

(*a*) is inaccurate or likely to mislead ;

(*b*) is likely to diminish public confidence in the legal profession, or the Administration of Justice, or otherwise bring the legal profession into disrepute ;

(*c*) makes comparison with or criticizes other lawyers or other professions or professionals ;

(*d*) includes statement about the quality of the lawyer's work, the size or success of his practise or his success rate ; or

(*e*) is so frequent or obstructive as to cause annoyance to those to whom it is directed.

(3) Notwithstanding the provisions of paragraph (1) of this rule, a lawyer shall not solicit professional employment either directly or indirectly by—

(*a*) circulars, handbills, advertisement, through touts or by personal communication or interview ;

(*b*) furnishing, permitting or inspiring newspaper, radio or television comments in relation to his practice of the law ;

(*c*) procuring his photograph to be published in connection with matters in which he has been or is engaged, or concerning the manner of their conduct, the magnitude of the interest involved or the importance of the lawyer's position ;

(*d*) permitting or inspiring sound recording in relation to his practice of law ; or

(*e*) such similar self-aggrandisement.

(4) Nothing in this rule shall preclude a lawyer from publishing in a reputable Law List or Law Directory, a brief biographical or informative data of himself, including all or any of the following matters —

(*a*) his name or names of his professional association ;

(*b*) his address, telephone number, telex number e-mail address etc ;

(*c*) the schools, colleges or other institutions attended with dates of graduation, degrees and other educational or academic qualifications or distinctions ;

(*d*) date and place of birth and admission to practice law ;

(*e*) any public or quasi-public office, post of honour, legal authority, etc ;

(*f*) any legal teaching position ;

(*g*) any National Honours ;

(*h*) membership and office in the Bar Association and duties ; and

(*i*) any position held in legal scientific societies.

Note-papers, envelopes and visiting cards.

40. A lawyer may cause to be printed on his note-papers, envelopes and visiting cards —

(*a*) his name and address ;

(*b*) his academic and professional qualifications and title including the words "Barrister-at-Law", "Barrister and Solicitor", "Solicitor and Advocate", "Legal Practitioner", "Attorney-at-Law", and

(*c*) any National Honours.

Signs and notices.

41. A lawyer or a firm may display at the entrance of, or outside any building or offices in which he or it carries on practice, a sign or notice containing his or its name and professional qualifications, provided that the sign or notice shall be of reasonable size and sober design.

Books and articles.

42. Where a lawyer writes a book or an article for publication in which he gives information on the law, he may add his professional qualifications after his name.

Change of address.

43. Where a lawyer changes his address, telephone number or other circumstances relating to his practice, the lawyer may send to his clients, notice of a change and may insert an advertisement of such change in a newspaper or journal.

Associate and Consultant.

44. Where a lawyer is available to act as an associate of other lawyers, either generally or in a particular branch of the law or legal service, he may send to lawyers in his locality only and publish in his local journal, if any, a brief and dignified announcement of his availability to serve other lawyers in that

connection as long as the announcement is not designed to attract business improperly.

Lawyer's robes.

45.—(1) Except with the permission of the Court, a lawyer appearing before a High Court, the Court of Appeal or the Supreme Court shall do so in his robes.

(2) A lawyer shall not wear the Barrister's or Senior Advocate's robe—

(*a*) on any occasion other than in Court except as may be directed or permitted by the Bar Council ;

(*b*) when conducting his own case as party to a legal proceeding in court ; or

(*c*) when giving evidence in a legal proceeding in Court.

Press, radio and television.

46.—(1) A lawyer may write articles for publications, or participate in radio and television programmes in which he gives information on the law, but he shall not accept employment from any such publication or programme to advise or inquires in respect of their individual rights.

(2) A lawyer shall not —

(*a*) insert in any newspaper, periodical or any other publication, an advertisement offering as a lawyer, to undertake confidential enquiries ;

(*b*) write for publication or otherwise cause or permit to be published except in a legal periodical, any particulars of his practice or earnings in the courts or cases where the time for appeal has not expired on any matter in which he has been engaged as a lawyer ; and

(*c*) take steps to procure the publication of his photograph as a lawyer to the press or any periodical.

(3) Where a lawyer is instructed by a client to publish an advertisement or notice, the lawyer may put his name, address and his academic professional qualifications.

Instigating controversy or litigation.

47.—(1) A lawyer shall not foment strife or instigate litigation and, except in the case of close relations or of trust, he shall not, without being consulted, proffer advice to bring a law suit.

(2) A lawyer shall not—

(*a*) search the land registry or other registries for defects with a view to employment or litigation ;

(*b*) seek out claimants in respect of personal injuries or any other cause of action with a view to being employed by the prospective client ;

(*c*) engage, aid or encourage an agent or any other person to follow up on accidents with a view to employment as a lawyer in respect of any claims arising therefrom ; or

(*d*) offer or agree to offer rewards to any person who by reason of his own employment is likely to be able to influence legal work in favour of the lawyer.

PART VI—REMUNERATION AND FEES

Fees for legal service.

48.—(1) A lawyer is entitled to be paid adequate remuneration for his service to the client.

(2) A lawyer shall not enter into an agreement for, charge or collect any fee in violation of the Remuneration Order made pursuant to section 15 of the Legal Practitioners Act.

Retainer.

49.—(1) Subject to paragraph (2) of this rule, a lawyer may accept general or special retainers.

(2) Where a lawyer accepts a retainer in respect of litigation, he shall be separately instructed and separately remunerated by fees for each piece of work, provided that a lawyer shall not—

(*a*) represent or undertake to represent a client for all his litigation or a part of it on an agreed lump sum over a period of time ; or

(*b*) accept instructions from a client on terms that a particular class of court cases shall be done at a fixed fee in each case irrespective of the circumstances of each case.

(3) A lawyer who accepts a retainer shall not—

(*a*) in the case of a general retainer, advise on, or appeal in any proceedings detrimental to the interest of the client paying the retainer during the period of the retainer ; and

(*b*) in the case of a special retainer, accept instructions in any matter forming the subject matter of the retainer which will involve advising or arguing against the interest of the client paying the retainer.

(4) In this rule—

"*retainer*" means an agreement by a lawyer to give his services to a client ;

"*general retainer*" means a retainer which covers the client's work generally ; and

"*special retainer*" means a retainer which covers a particular matter of the client.

Contingent fee arrangement.

50.—(1) A lawyer may enter into a contract with his client for a contingent fee in respect of a civil matter undertaken or to be undertaken for a client whether contentious or non-contentious, provided that —

(*a*) the contract is reasonable in all the circumstances of the case including the risk and uncertainty of the compensation ;

(*b*) the contract is not—

(*i*) vitiated by fraud, mistake, or undue influence ; or

(*ii*) contrary to public policy ; and

(*c*) if the employment involves litigation, it is reasonably obvious that there is a *bonafide* cause of action.

(2) A lawyer shall not enter an arrangement to charge or collect, a contingent fee for representing a defendant in a criminal case.

(3) Except as provided in paragraph (1) of this rule, a lawyer shall not purchase or otherwise acquire directly or indirectly an interest in the subject matter of the litigation which he or his firm is conducting, but he may acquire a lien granted by law to secure his fees and expenses.

(4) A lawyer shall not enter a contingent fee arrangement without first having advised the client of the effect of the arrangement and afforded the client an opportunity to retain him under an arrangement whereby he would be compensated based on a reasonable value of his services.

(5) In this rule, "*contingent fee*" means fee paid or agreed to be paid for the lawyer's services under an arrangement whereby compensation, contingent in whole or in part upon the successful accomplishment or deposition of the subject matter of the agreement, is to be of an amount which is either fixed or is to be determined under a formula.

Payment of the expenses of litigation.

51. A lawyer shall not enter into an agreement to pay for, or bear the expenses of his client's litigation, but the lawyer may, in good, faith advance expenses —

(*a*) as a matter of convenience, and

(*b*) subject to reimbursement.

Fixing the amount of the fee.

52.—(1) The professional fees charged by a lawyer for his services shall be reasonable and commensurate with the service rendered.

(2) Notwithstanding the provisions of paragraph (2) of this rule, a reduced fee or no fee may be charged on ground of the special relationship or indigence of a client, in strict compliance with the Legal Practitioners Remuneration Order.

(3) Subject to the provisions of the Legal Practitioners Remuneration Order, in determining the amount of the fee, a lawyer may take into account all or any of the following considerations in ascertaining the value of the service rendered—

(*a*) the time and labour required, the novelty and difficulty of the questions involved and the skill required to conduct the cause properly ;

(*b*) whether the acceptance of employment in the particular case will preclude the lawyer's appearance for others in cases likely to arise out of the transaction, and in which there is a reasonable expectation that otherwise he would be employed ;

(*c*) whether the acceptance of the employment will involve the loss of other employment while employed in the particular case of antagonisms with other clients ;

(*d*) the customary charges of the Bar for similar services ;

(*e*) the amount involved in controversy and the benefits resulting to the client from the services ;

(*f*) the contingency or the certainty of the compensation ; and

(*g*) the character of the employment, whether casual or for an established or constant client.

Division of fees.

53. A lawyer shall not share the fees of his legal services except with another lawyer based upon the division of service or responsibility, provided that —

(*a*) an agreement by a lawyer with his firm, partner or association may provide for the payment of money, over a period of time after his death, to his estate or to one of more persons ;

(*b*) a lawyer who undertakes to complete unfinished legal business of a deceased lawyer, that proportion of the total compensation which fairly represents the service rendered by the deceased lawyer ; and

(*c*) law firm may include non-lawyer employees in retirement plan, even though the plan is based on profit-sharing arrangement.

Offer of compensation or gift by the other party.

54. A lawyer shall not accept any compensation, rebate, commission, gift or other advantage from or on behalf of the opposing party except with the full knowledge and consent of his client after full disclosure.

CHAPTER 2

GUIDELINES AND RULES ON ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM FOR LEGAL PRACTITIONERS

PART I—OBJECTIVES AND APPLICATION

Objectives of this Chapter.

55.—(1) The objectives of this Chapter are to—

(*a*) promote adherence to the rule of law ;

(*b*) promote the duty of confidentiality and the client-lawyer privilege toward their clients, and provide yardsticks for the overall ethics and best practices of the profession to ensure that legal services are not being misused by criminals or for legal practitioners to be unwittingly involved in Money laundering and Terrorism Financing ;

(*c*) internally self-regulate members of the legal profession and where applicable, recommend legal practitioners who are in breach to appropriate disciplinary authorities in accordance with relevant provisions of the Legal Practitioners Act ; and

(*d*) adopt the risk-based approach for legal practitioners to be able to identify money laundering, terrorism financing and proliferation financing situations and circumstances before they occur and thus provide ethical and professional advice to clients when it becomes necessary, while providing professional services as a legal practitioner.

Application of this Chapter.

56. This Chapter shall apply to all legal practitioners whose name appear on the roll and particularly as described in section 2 of the Legal Practitioners Act.

PART II—OBLIGATION OF LEGAL PRACTIONERS IN RELATION TO ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

Obligations of a legal practitioner.

57.—(1) For the purpose of this Chapter, the reporting and compliance obligation of a legal practitioner shall arise when—

(*a*) acting as formation agent of legal persons ;

(*b*) acting as, or arranging for another person (proxy) to act as a director or secretary of a company, a partner of a partnership, or similar position in relation to other legal persons ;

(*c*) providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement ;

(*d*) acting or arranging for another person to act as trustees of an express trust or performing the equivalent function for another form of legal arrangement ;

(*e*) acting as or arranging for another person to act as nominee shareholders for another person ; or

(*f*) conducting sales or purchase of real estate for clients or providing advisory services to clients in a real estate transaction.

(2) Where a legal practitioner fails or neglects to comply with the provisions of this Chapter, while rendering to clients' professional services, identified in paragraph (1) of this rule, such a legal practitioner will be deemed to have committed a professional misconduct and will be liable to disciplinary proceedings in accordance with the Legal Practitioners Act.

(3) A legal practitioner shall comply with the provisions of this Chapter where he is instructed by a client in a transaction to advise or assist in the planning or execution of the transaction or otherwise acting for or on behalf of a client in the transactions listed in paragraph (1) of this rule.

(4) the obligations in paragraph (1) of this rule shall not apply to a Legal practitioner who only provides Notary services or merely certifies the execution or authenticity of a Power of Attorney or another instrument (not primarily prepared by that Legal practitioner) which may facilitate —

(*a*) buying and selling of real property or business entities ;

(*b*) managing of client money, securities, or other assets ;

(*c*) opening or management of bank, savings, or securities accounts ;

(*d*) organisation of contributions necessary for the creation, operation or management of companies ; or

(*e*) creation, operation or management of trusts, companies, foundations, or similar structures.

(5) A legal practitioner shall conduct an internal risk assessment to understand, identify, assess, and mitigate the risk of money laundering, terrorism financing and proliferation financing when providing any of the professional services listed in paragraph (1) of this rule.

Record Keeping.

58.—(1) A Legal practitioner shall maintain an up-to-date record of necessary information of his clients that will aid the identification of such client and to keep or process such information in accordance with relevant data protection and client professional privilege laws and Rules applicable in Nigeria.

(2) A Legal practitioner shall ensure that information, documents, or data collected under the client's identification process are kept up-to-date and relevant by undertaking regular reviews of existing records, particularly records in respect of high-risk business relationship or categories of customers, and such records shall be kept for a minimum period of five years.

(3) A Legal practitioner shall maintain necessary records of transactions, for both domestic and international clients and transactions, for a minimum period of five years, following the completion of the transaction or termination of the business relationship.

(4) The obligation of legal practitioners to keep and preserve records shall subsist regardless of whether the transaction or business relationship is on-going or terminated.

Obligations of NBAAMLC.

59.—(1) Nigerian Bar Association Anti-Money Laundering Committee (NBAAMLC) may solely undertake compliance examination of law firms on a risk-based approach and the reports of such examination shall be forwarded to the Special Control Unit against Money Laundering (SCUML).

(2) The examination template shall be developed by the NBAAMLC.

Targeted Financial Sanction.

60.—(1) A Legal practitioner shall put in place mechanism to implement Targeted Financial Sanction related to Terrorism and Proliferation Financing.

(2) A Legal Practitioner shall monitor and screen all persons and transactions on the UN Consolidated List of persons and entities designated by the UN in accordance with UNSCR 1267(1999) and its successor resolutions.

(3) A Legal Practitioner shall monitor and screen all persons and entities against the Nigerian Sanction List as available on www.nigsac.gov.ng

(4) Where there is positive match on the UN Consolidated List of persons and entities designated by the UN in accordance with UNSCR 1267 (1999), UN and its successor resolutions, and the Nigeria Sanction List, a legal practitioner shall—

(*a*) immediately, identify and freeze, without prior notice, all funds, assets, and any other economic resources belonging to the designated person or entity in their possession and report same to NBAAMLC for onward transmission to the Sanctions Committee ;

(*b*) report to the NBAAMLC for onward transmission to the Sanctions Committee any assets frozen or actions taken in compliance with the prohibition requirements of the relevant UNSCRs, including attempted transactions ;

(*c*) immediately file a Suspicious Transactions Report to the NBAAMLC for onward transmission to the NFIU for further analysis on the financial activities of such an individual or entity ; and

(*d*) report as a Suspicious Transactions Report to the NBAAMLC for onward transmission to NFIU, all cases of name matching in financial transactions prior to or after receipt of the Nigerian Sanctions List.

PART III—RISK BASED APPROACH AND CLIENT DUE DELIGENCE

Risk based approach.

61.—(1) A legal practitioner shall identify, assess, and understand the money laundering, terrorism financing and proliferation financing risks they may be exposed to on a given transaction, and take reasonable and proportionate measures effectively and efficiently to mitigate and manage such risks.

(2) A legal practitioner shall in identifying and maintaining an understanding of the money laundering and terrorism financing risks, understand the money laundering, terrorism financing sector risks specific to its services and its client base, and create an effective control mechanism in place in mitigating any such risks.

(3) A legal practitioner and law firm shall—

(*a*) develop internal policies, procedures, and controls, including appropriate compliance management arrangements, and adequate screening procedures to ensure high standards when hiring employees ; and

(*b*) develop and provide ongoing employee training programmes commensurate with the complexity of their responsibilities.

(4) The following steps shall be adopted by legal practitioners and law firms to minimize money laundering and terrorism financing risks on every transaction they are instructed to carry out by clients.

(5) The steps referred to in paragraph (4) of this rule include—

(*a*) legal practitioners or law firms shall as far as reasonably possible —

(*i*) identify and verify the identity of their clients, whether natural or artificial, their addresses whether permanent or temporary, as well as their beneficial owners, and ascertaining true beneficiaries of the transaction being instructed to be carried out, and

(*ii*) obtain an understanding of the source of funds and source of wealth of the client and the purpose of the transaction ;

(*b*) legal practitioners or law firms shall know the exact nature of the service that they are providing and understand how that work may unwittingly facilitate the movement or obscure the proceeds of crime and take necessary mitigating steps as provided in these Rules ;

(*c*) where a legal practitioner lacks the requisite expertise to determine the nature of work and to identify money laundering risks and terrorism financing, he shall seek expert assistance to comply or may decline such client instructions without prejudice.

(*d*) a legal practitioner or law firm shall take steps to understand the commercial or personal rationale for the work to be done, provided that the legal practitioner or law firm is not obliged to objectively assess the commercial

or personal rationale of every transaction if it appears reasonable and genuine on the face of the instruction ;

(*e*) a legal practitioner or law firm shall be attentive to red flag or indicators by exercising vigilance in identifying and carefully reviewing aspects of the transaction to determine if there are reasonable grounds to suspect that funds provided in a transaction by a party may be the proceeds of a criminal activity or related to terrorist financing, and documenting this process shall suffice for the legal practitioner to be seen to have complied to assist in interpreting red flags or indicators of suspicion.

(*f*) a legal practitioner or law firm shall consider what action, if any, needs to be taken and create a plan to implement such action ;

(*g*) the outcomes of the action plans, including the comprehensive risk assessment of a particular client or transaction will dictate the level and nature of the evidence or documentation collated under a firm's Client Due Diligence (CDD) or Enhanced Due Diligence (EDD) procedures (including evidence of source of wealth or funds). ; and

(*h*) a legal practitioner shall adequately document and record steps taken under this paragraph.

Risk types or factors.

62.—(1) There is no—

(*a*) universally accepted set of risk categories, as such the examples provided in these Rules are the most identified risk categories ; and

(*b*) single methodology to apply these risk categories and the application of these risk categories is intended to provide contextualized situations for approaching the assessment and management of potential Money Laundering (ML) or Terrorism Financing (TF) risks.

(2) To identify risks for smaller law firms and sole practitioners, recourse should be made to the services they offer.

Country geographic risk.

63.—(1) A legal practitioner or law firm, involved in cross-border transactions shall carry out proper risk assessment in respect of the geographic or country risks involved, or likely to be involved in such transactions.

(2) Geographic risks of ML and TF may arise in a variety of circumstances, ranging from the domicile of the client, the location of the transaction or the source of the wealth or funds.

(3) Factors that are generally agreed to place a country in a higher risk category include —

(*a*) countries identified by credible sources as providing funding or support for terrorist activities or that have designated terrorist organizations operating within them ;

(*b*) countries identified by credible sources as having significant levels of organized crime, corruption, or other criminal activity, including source or transit countries for illegal drugs, human trafficking, smuggling and illegal gambling ;

(*c*) countries subject to sanctions, embargoes or similar measures issued by international organizations ; and

(*d*) countries identified by credible sources as having weak governance, law enforcement, and regulatory regimes, including countries identified that have weak Anti-money laundering (AML) and Countering the financing of terrorism (CFT) regimes, and for which financial and non-financial institutions alike should give special attention to business relationships and transactions.

(4) A Legal practitioner shall be deemed to have satisfied the obligation to assess the country or geographic risk if he shows by any compliance document his review and understanding of such risk in the engagement with the client.

Client risk.

64.—(1) A legal practitioner or law firm shall determine the potential ML and TF risks posed by a client or category of clients, as this is critical to the development and implementation of an overall risk-based framework.

(2) A legal practitioner or law firm may develop internal criteria to determine whether a particular client poses a higher risk and the potential impact of any mitigating factors on that assessment, and the application of risk variables may mitigate or increase the risk assessment.

(3) The categories of clients whose activities may indicate a higher risk include —

(*a*) Politically Exposed Persons (PEPs) and persons closely associated with or related to PEPs, are considered as high-risk clients, and if a PEP is otherwise involved with a client, then the nature of the risk should be considered, considering all relevant circumstances, such as—

(*i*) the nature of the relationship between the client and the PEP, and if the client is a trust, company, or legal entity, even if the PEP is not a natural person exercising effective control or the PEP is merely a discretionary beneficiary who has not received any distributions, the PEP may nonetheless affect the risk assessment,

(*ii*) the nature of the client,

(*iii*) the nature of the services sought, lower risks may exist where a PEP is not the client but a director of a client that is a public listed company or regulated entity and the client is purchasing property for adequate consideration, and higher risks may exist where a law firm or legal practitioner is involved in the movement or transfer of funds or assets, or the purchase of high value property or assets, and

(*iv*) the source of wealth and source of funds of customers and beneficial owners identified as PEPs, which is the activity that generates the funds and total net worth for a client (salary, trading revenues, or payments out of a trust) ;

(*b*) clients conducting their business relationship or requesting services in unusual or unconventional circumstances ;

(*c*) clients where the structure or nature of the entity or relationship makes it difficult to identify in a timely manner, the true beneficial owner or controlling interests or clients attempting to obscure the understanding of their business, ownership, or the nature of their transactions, such as—

(*i*) unexplained use of shell and shelf companies, front company, legal entities with ownership through nominee and corporate directors, legal persons, or legal arrangements, splitting company incorporation and asset administration over different countries, all without any apparent legal or legitimate tax, business, economic or other reason,

(*ii*) unexplained use of informal arrangements such as family or close associates acting as nominee shareholders or directors, and

(*iii*) unusual complexity in control or ownership structures without a clear explanation ;

(*d*) client companies that operate a considerable part of their business in or have major subsidiaries in countries that may pose higher geographic risk ;

(*e*) clients that are cash or cash equivalent intensive businesses, which may include—

(*i*) Money or Value Transfer Services (MVTS) businesses (remittance houses, currency exchange houses, bureau de change, money transfer agents and bank note traders or other businesses offering money transfer facilities),

(*ii*) operators, brokers, and others providing services in virtual assets, and

(*iii*) casinos, betting houses and other gambling related institutions and activities ;

(*f*) businesses that while not normally cash intensive appear to have substantial amounts of cash ;

(*g*) businesses that rely heavily on new technologies ;

(*h*) unincorporated charities and other "not for profit" organizations (NPOs) that are not subject to monitoring or supervision, especially those operating on a "cross-border" basis ;

(*i*) clients using financial intermediaries and financial institutions ;

(*j*) clients who appear to be acting on somebody else's instructions without disclosing the identity of such person ;

(*k*) clients who appear to avoid face-to-face meetings actively and inexplicably or who provide instructions intermittently without legitimate reasons and are otherwise evasive or very difficult to reach, when this would normally be expected ;

(*l*) clients who request that transactions be completed in unusually tight or accelerated time frames without a reasonable explanation for accelerating the transaction, which would make it difficult or impossible for the law firm or legal practitioner to perform a proper risk assessment ;

(*m*) clients who have no address, or who have multiple addresses without legitimate reasons ;

(*n*) clients who have funds that are obviously and inexplicably disproportionate to their circumstances (their age, income, occupation, or wealth) ;

(*o*) clients who change their means of payment for a transaction at the last minute and without justification (or with suspicious justification), or where there is an unexplained lack of information or transparency in the transaction, and this risk extends to situations where last minute changes are made to enable funds to be paid in from or out to a third party ;

(*p*) clients who offer to pay unusually high levels of fees for services that would not ordinarily warrant such a premium, but bona fide, and appropriate contingency fee arrangements, where a law firm or legal practitioner may receive a significant premium for a successful representation, should ordinarily not be considered a risk factor ;

(*q*) clients who are suspected to be engaged in falsifying activities using false loans, false invoices, and misleading naming conventions ;

(*r*) client seeking advice or implementation of an arrangement that has indicators of a tax evasion purpose, whether identified as the client's express purpose, in connection with a known tax evasion scheme or based on other indicators from the nature of the transaction ;

(*s*) the transfer of the seat of a company to another jurisdiction without any genuine economic activity in the country of destination poses a risk of creation of shell companies that might be used to obscure beneficial ownership ;

(*t*) sudden activity from a previously dormant client without clear explanation ;

(*u*) the reason for client choosing the law firm or legal practitioner is unclear, given the law firm or legal practitioner's size, location, or specialization ;

(*v*) frequent or unexplained change of professional adviser or members of management ; or

(*w*) the client's reluctance to provide all the relevant information, or the law firm or legal practitioner have reasonable doubt that the information provided is not correct or sufficient.

(4) A legal practitioner shall be deemed to have satisfied the obligation to assess client risk if he shows by any compliance document, his or her review and understanding of such risk in the engagement with the client and provides an affidavit on oath from the client attesting to the genuineness of the transaction, source of funds and other relevant information relevant to the risk assessment outcomes.

Transaction or service risk.

65.—(1) An overall risk assessment of a client should include determining the potential risks presented by the services offered by a law firm or legal practitioner.

(2) In determining the risks associated with the provision of services related to specified activities, consideration shall be given to factors such as —

(*a*) services that allow clients to deposit or transfer funds through the law firm or legal practitioner's trust account that are not tied to a transaction for which the law firm or legal practitioner is performing or carrying out ;

(*b*) services where legal practitioners or law firms are effectively acting as financial intermediaries which involves the receipt and transmission of funds through accounts, they control in the act of facilitating a business transaction ;

(*c*) services where the client may request financial transactions to occur outside of the legal practitioner's trust account (the account held by the legal professional for the client) or through the firms general account or a personal or business account held by the legal practitioner himself ;

(*d*) services where legal practitioners may in practice represent or assure the client's standing, reputation, and credibility to third parties, without a commensurate knowledge of the client's affairs ;

(*e*) services that improperly conceal beneficial ownership from competent authorities, or that have the effect of improperly concealing beneficial ownership ;

(*f*) transfer of real estate or other high value goods or assets between parties in a period that is unusually short for similar transactions with no apparent legal, tax, business, economic or other legitimate reason ;

(*g*) payments received from un-associated or unknown third parties and payments in cash where this would not be a typical method of payment ;

(*h*) services that deliberately have been provided or depend upon more anonymity in the client identity or participants than is normal under the circumstances and experience of the legal practitioner ;

(*i*) use of virtual assets and other anonymous means of payment and wealth transfer within the transaction without apparent legal, tax, business, economic or other legitimate reason ;

(*j*) transactions using unusual means of payment such as precious metals or stones ;

(*k*) contributions or transfers of goods that are inherently difficult to value, such as jewels, precious stones, objects of art or antiques, virtual assets, where this is not common for the type of client or transaction, without any appropriate explanation ;

(*l*) successive capital or other contributions in a short period of time to the same entity with no apparent legal, tax, business, economic or other legitimate reason ; or

(*m*) acquisitions of businesses in liquidation with no apparent legal, tax, business, economic or other legitimate reason.

(3) A Legal practitioner shall be deemed to have satisfied the obligation to assess transaction or service risk if he shows by any compliance document, his or her review and understanding of such risk in the engagement with the client and provides in an affidavit on oath from the client, facts attesting to the genuineness of the transaction, source of funds and other relevant information relevant to the risk assessment outcomes.

Documentation of risks.

66. The following rules shall guide the documentation of all risks assessment—

(*a*) all risk assessments shall be documented and a legal practitioners or firms shall always understand their ML and TF risks ;

(*b*) a legal practitioner or law firm shall conduct a documented risk assessment for each client ;

(*c*) a documented risk assessment may cover a range of specific risks and categorize same into geographic, clients-based, or service-based risks ;

(*d*) each of these risks may be assessed using indicators such as low risk, medium risk and high risk, and a short explanation of the reasons for each attribution should be included and an overall assessment of risk determined ;

(*e*) an action plan (if required) should be outlined to accompany the assessment and dated, and action plans may help identify potential red flags, facilitate risk assessment, and decide on CDD measures to be applied ;

(*f*) in assessing the risk profile of the client, reference shall be made to the relevant targeted financial sanctions lists to confirm that neither the client nor the beneficial owner is designated and included in any of them.

(*g*) risk assessment of this kind should not only be carried out for each specific client and service on an individual basis, but also to assess and document the risks on a firm-wide basis, and to keep risk assessment up to date through monitoring of the client relationship ;

(*h*) the internal Risk Assessment Guidelines (RAG) shall be made accessible to all legal practitioners in the law firm having to perform AML and CFT duties and proper safeguards should also be put in place to ensure privacy of clients ;

(*i*) where legal practitioners or law firms are involved in longer term transactions, risk assessments should be undertaken at suitable intervals across the lifespan of the transaction, to ensure that no significant risk factors have changed in the intervening period ; and

(*j*) a final risk assessment should be undertaken before a transaction is completed, allowing time for any required suspicious transaction report to be filed.

Risk management and mitigation.

67.—(1) Due to the nature of the kind of services legal practitioners render to society, there are certain vulnerabilities faced in the practice of the legal profession, Adopting a risk-based approach ensures that legal practitioners or law firms quickly identify such circumstances and then adopt practices that will mitigate these vulnerabilities by conducting initial CDD and ongoing monitoring, as well as a range of other internal policies, training and systems put in place so as not to be unwittingly involved or facilitate the crime of money laundering or terrorism financing.

(2) Depending on the services provided, a legal practitioner shall have policies and procedures in place to identify and verify the identities of clients by using reliable, independent source documents, data, or information and where appropriate, to obtain evidence of the veracity of such identities.

(3) The following are identified as instructions from clients that may likely expose legal practitioners to AML and TF risks—

(*a*) acting on instructions to act as a settlor ;

(*b*) instructions to act as a nominee ;

(*c*) instructions to act as a protector ;

(*d*) instructions to prepare a trust, where the legal practitional is not acting as trustee ;

(*e*) instructions to act as a trustee ;

(*f*) instructions to act as named beneficiaries or class of beneficiaries ; and

(*g*) instructions to act as any other natural person exercising effective control over the trust.

(4) Legal practitioners or law firms shall identify and assess the ML and TF risks associated with their clients or categories of clients, and certain types of work, and this will allow legal practitioners or law firms to determine and implement reasonable and proportionate measures and controls to mitigate such risks.

(5) The risks and appropriate measures will depend on the nature of the legal practitioner or law firm's role and involvement, and circumstances may vary considerably between practitioners who represent clients directly and those who are engaged for distinct purposes.

(6) Legal practitioners or law firms shall implement appropriate measures and controls to mitigate the potential ML and TF risks for those clients that, because of the internal RAG, are determined to be higher risk, and these measures shall be tailored to the specific risks faced, both to ensure the risk is adequately addressed and to assist in the appropriate allocation of finite resources for CDD.

(7) Sole practitioners, legal practitioners and appropriate staff in law firms shall be trained to identify and detect relevant changes in client activity by reference to risk-based criteria.

(8) The measures and controls that may be adopted to achieve the provision of paragraph (7) include—

(*a*) general training on ML and TF methods and risks relevant to legal profession ;

(*b*) targeted training for increased risk awareness by the legal practitioners providing specified activities to higher risk clients or to legal practitioners undertaking higher risk work ;

(*c*) training on when and how to ascertain a high-risk client and potential risk, evidence, and record of source of wealth and beneficial ownership information (if required) ;

(*d*) periodic review of the services offered by the legal practitioner or law firm, and the periodic evaluation of the AML and CFT framework applicable to the law firm or legal practitioner and the law firm's own AML and CFT procedures, to determine whether the ML and TF risk has increased, and adequate controls put in place to mitigate those increased risks ; and

(*e*) reviewing client relationships on a periodic basis to determine whether the ML and TF risk has increased.

Internal risk assessment guidelines.

68.—(1) A legal practitioner or firm shall develop Internal Risk Assessment Guidelines (RAG) which shall be used as the basis for assessing risks.

(2) In developing an internal RAG, the following factors on risk assessment should be considered—

(*a*) the responsibilities, status, and role of the legal practitioner or firm ;

(*b*) resources that can be allocated to implementation and management of an appropriately developed RAG and the resources available to the legal practitioner or firm, in other words, the RAG of a legal practitioner or firm is expected to be proportionate to the scope and nature of the legal practitioner or firm's practice and clients ;

(*c*) risk variables specific to a particular client or type of work ; and

(*d*) whether the client and proposed work would be unusual, risky, or suspicious for the legal practitioner or law firm, and this factor shall always be considered in the context of the legal practitioner's practice, as well as the legal profession, and ethical obligations in Nigeria.

(3) Sole practitioners may rely on publicly available records and information supplied by a client for risk assessment.

(4) The existence of a RAG in any law firm or by any legal practitioner in his or her practice, and the demonstration of compliance with same in any given case shall be prima facie proof of compliance, except the contrary is shown.

Client due diligence.

69.—(1) A law firm or legal practitioner shall put in place internal measures to establish with certainty the identity of each client, and such measures should include procedures to—

(*a*) identify and appropriately verify the identity of each client on a timely basis ;

(*b*) identify with reasonable measures the real identity of the beneficial owner on risk-sensitive basis such that the law firm or legal practitioner is reasonably satisfied that it knows who the beneficial owner is, in order to ascertain those natural persons who exercise effective influence or control over a client, whether by means of ownership, voting rights or otherwise ;

(*c*) determine the extent to which they are required to verify the identity of beneficial owner, depending on the type of client, business relationship and transaction, for the purpose of helping legal practitioners avoid conflicts of interest with other clients ;

(*d*) obtain appropriate information to understand the client's circumstances and business depending on the nature, scope and timing of the services to be provided, including, where necessary, the source of funds of the client, and this information may be obtained from clients during the normal course of their instructions to the law firm or legal practitioner ;

(*e*) conduct ongoing CDD on the business relationship and scrutiny of transactions throughout the course of that relationship to ensure that the transactions being conducted are consistent with legal practitioner's knowledge of the client, its business and risk profile, including where necessary, the source of funds ; and

(*f*) ongoing due diligence ensures that the documents, date, or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records, particularly for higher-risk categories of clients.

(2) Law firms or legal practitioners shall develop procedures to determine how the immediate client can be identified, and how the identity provided by the client may be verified.

(3) For the purposes of paragraph (2) of this rule the following procedures may be adopted—

(*a*) meeting the client in person and verifying their identity through the production of a valid identity card and documentation confirming his or her address ;

(*b*) based on documentation or information obtained from dependable, publicly available sources (which are independent of the client), where available ;

(*c*) for clients that are companies or organizations, reasonable steps shall be taken so that the law firm or legal practitioner is satisfied about the identity of the beneficial owner and takes reasonable measures to verify the beneficial owner's identity, by understanding the ownership and control of the company or organization that is the client, either through public searches or by seeking information directly from the client ;

(*d*) law firm or legal practitioner shall obtain the following information for a client that is a legal entity—

(*i*) the name of the company,

(*ii*) the company registration number,

(*iii*) the registered address and principal place of business (if different),

(*iv*) the identity of shareholders or trustees and their percentage ownership (Where applicable),

(*v*) names of the board of directors, or trustees or principal members responsible for the company's operations,

(*vi*) the law to which the company or organization is subject and its memorandum and articles of association and constitution, and

(*vii*) the objects, types of activities and transactions in which the company or organization engages ;

(*e*) Law firms or legal practitioners shall verify information, and may use sources such as the following—

(*i*) constitutional documents (such as a certificate of incorporation, memorandum and articles of association, constitution),

(*ii*) details from company registers with the company or organization and Corporate Affairs Commission,

(*iii*) shareholder agreement or other agreements between shareholders concerning control of the legal person, and

(*iv*) filed audited accounts ;

(*f*) in identifying beneficial owners, law firms or legal practitioners may use a combination of public sources and seek further confirmation from the immediate client that information from public sources is correct and up-to-date or ask for additional documentation that confirms the beneficial ownership and company structure ;

(*g*) law firms or legal practitioners may assess the risks that each client may pose taking into consideration any appropriate risk variables and any mitigating factors before making a final decision to either accept the client, reject the client, or request additional information ;

(*h*) risk assessments shall be documented and kept in the client's file, and the file should be reviewed as necessary, especially in a situation where the client looks to engage in a one-off or where new red flags arise ; and

(*i*) law firms or legal practitioners shall determine the CDD requirements appropriate to each client, which may include—

(*i*) a standard level of CDD, generally to be applied to all clients to whom specified legal services are provided,

(*ii*) in appropriate cases, a simplified level of CDD, generally a reduction of the standard level after consideration of appropriate risk variables, and in recognized lower risk scenarios, and

(*iii*) whether an enhanced CDD would be required for clients that are reasonably expected by the law firm or legal practitioner to be of higher

risk should be determined, and this may be the result of the client's business activity, ownership structure, particular service offered including work involving higher risk countries or defined by applicable law or regulation as posing higher risk.

(4) Legal practitioners or law firms in conducting CDD may also look out for the following —

(*a*) where the transaction is unusual, for example if the type of document being notarized is clearly inconsistent with the size, age, or activity of the legal entity or natural person acting ;

(*b*) where the transactions are unusual because of their size, nature, frequency, or manner of execution ;

(*c*) where there are remarkable and highly significant differences between the declared price and the approximate actual values in accordance with any reference which could give an approximate idea of this value or in the judgement of the legal practitioner ;

(*d*) where a non-profit organisation requests services for purposes or transactions not compatible with those declared or not typical for that body ;

(*e*) where the transaction involves a disproportional amount of private funding, bearer cheques or cash, especially if it is inconsistent with the socio-economic profile of the individual or the company's economic profile ;

(*f*) where the customer or third party is contributing a significant sum in cash as collateral provided by the borrower or debtor rather than simply using those funds directly, without logical explanation ;

(*g*) the source of funds is unusual ;

(*h*) the transaction is third-party funded either for the transaction or for fees or taxes involved with no apparent connection to the client nor legitimate explanation ;

(*i*) the funds received from or sent to a foreign country when there is no apparent connection between the country and the client ;

(*j*) funds are received from or sent to high-risk countries ;

(*k*) the client is using multiple bank accounts or foreign accounts without good reason ;

(*l*) the private expenditure is funded by a company, business, or government ;

(*m*) selecting the method of payment has been deferred to a date very close to the time of notarization, in a jurisdiction where the method of payment is usually included in the contract, particularly if no guarantee is available to secure the payment is established, without a logical explanation.

(*n*) an unusually short repayment period has been set without logical explanation ;

(*o*) mortgages are repeatedly repaid significantly prior to the initially agreed maturity date, with no logical explanation ;

(*p*) the asset is purchased with cash and then rapidly used as collateral for a loan ;

(*q*) there is a request to change the payment procedures previously agreed upon without logical explanation, especially when payment instruments are suggested that are not appropriate for the common practice used for the ordered transaction ;

(*r*) finance is provided by a lender, either a natural or legal person, other than a credit institution, with no logical explanation or economic justification ;

(*s*) the collateral being provided for the transaction is currently located in a high-risk country ;

(*t*) there has been a significant increase in capital for a recently incorporated company or successive contributions over a short period of time to the same company, with no logical explanation ;

(*u*) there has been an increase in capital from a foreign country, which either has no relationship to the company or is high risk ;

(*v*) the company receives an injection of capital or assets in kind that is excessively high in comparison with the business, size or market value of the company performing, with no logical explanation ;

(*w*) there is an excessively high or low price attached to the securities transferred, with regard to any circumstance indicating the excess (such as volume of revenue, trade or business, premises, size, knowledge of declaration of systematic losses or gains) or with regard to the sum declared in another operation ; and

(*x*) large financial transactions, especially if requested by recently created companies, where these transactions are not justified by the corporate purpose, the activity of the customer or the possible group of companies to which it belongs or other justifiable reasons.

(5) A Legal practitioner shall be deemed to have satisfied the obligation to assess this risk if he shows by any compliance document, his or her review and understanding of such risk in the engagement with the client and provides an affidavit on oath from the client covering the field of review and attesting to the genuineness of the transaction, and other relevant information to the risk assessment outcomes.

(6) Where the law firm or legal practitioner is unable to comply with the applicable CDD requirements, or the clients did not pass the CDD, it should not carry out the transaction nor commence business relations, or it should terminate the business relationship and consider filing a suspicious transaction report (STR) in relation to the client to the Nigerian Bar Association Anti-Money Laundering Committee NBAAMLC.

Monitoring of clients and specified activities.

70.—(1) The degree and nature of monitoring by a law firm or legal practitioner will depend on the type of legal practice, the size of the law firm, the identified ML and TF risks and the nature of the specified activity provided.

(2) A Law firm or legal practitioner will need to have a full and up-to-date understanding of their clients' business to satisfy fiduciary duties towards clients.

(3) A legal practitioner or staff in law firms should be adequately trained to have requisite understanding of those events that should trigger additional due diligence or a refreshing of existing due diligence.

(4) Monitoring is often best achieved by individuals having contact with the client, either face-to-face or by other means of communication, provided that such monitoring does not automatically convert law firms or legal practitioner to law enforcement or investigative authority *vis-à-vis* the client.

(5) Monitoring of advisory relationships cannot be achieved solely by reliance on automated systems and whether any such systems would be appropriate will depend in part on the nature of a legal practice and resources reasonably available to the law firm or legal practitioner.

(6) A law firm or legal practitioner shall assess the adequacy of systems, controls, and monitoring processes on a periodic basis, and document the results accordingly.

Reporting Obligations.

71.—(1) A legal practitioner or law firm shall have a system clearly setting out the requirements for filing Suspicious Transaction Reports (STRs) to the NBAAMLC for onward transmission to the NFIU.

(2) Once a reasonable suspicion has been formed of suspicious activity, a report shall be made promptly, failure of which amounts to a misconduct and being liable to disciplinary proceedings in accordance with the Act.

(3) STRs are not part of risk assessment, but rather reflect a response mechanism to reasonably formed suspicions.

(4) A law firm or legal practitioner shall develop an effective internal controls structure against ML and TF.

(5) For the purposes of paragraph (4) of this rule measures to be adopted include—

(*a*) the law firm or legal practitioner's practice environment should be designed considering a risk-based framework for internal controls system ;

(*b*) the type and extent of measures to be taken by a law firm or legal practitioner for each of its requirements should be appropriate having regard to the size, nature, and risk profile of the business ;

(*c*) the risk-based process shall be a part of the internal controls of the law firm or legal practitioner ; and

(*d*) legal practitioners or law firms shall ensure engagement by the principals or managers with staff in AML and CFT related matters as such engagement reinforces culture of compliance, ensuring that staff adheres to the law firm or legal practitioner's policies, procedures, and processes to effectively manage ML and TF risks.

(6) The nature and extent of AML and CFT controls will depend upon several factors, such as the —

(*a*) nature, scale, and complexity of a legal practitioner's business ;

(*b*) diversity of a legal practitioner's operations, including geographical diversity ;

(*c*) legal practitioner's client, service, and activity profile ;

(*d*) degree of risk associated with each area of the legal practitioner's operations ; and

(*e*) services being offered and the frequency of client contact, either by face-to-face meetings or by other means of communication.

(7) Subject to the size and scope of the legal practitioner's organization, the framework of risk-based internal controls should—

(*a*) have appropriate risk management systems to determine whether a client, potential client, or beneficial owner is a PEP or a person subject to applicable financial sanctions ;

(*b*) provide for adequate controls for higher risk clients and services as necessary (including additional due diligence, obtaining information on the source of wealth and funds of a client, escalation, or additional review and/or consultation by the legal practitioner or within a law firm) ;

(*c*) provide increased focus on a legal practitioners' operations (e.g. services, clients and geographic locations) that are more vulnerable to abuse for ML/ TF ;

(*d*) provide for periodic review of the risk assessment and management processes ;

(*e*) designate personnel at an appropriate level who are responsible for managing AML and CFT compliance ;

(*f*) provide for an AML andCFT compliance function and review programme as appropriate given the scale of the organization and the nature of the legal practitioners' practice ;

(*g*) inform the principals of compliance initiatives, identified compliance deficiencies and corrective action taken ;

(*h*) provide for programme continuity despite changes in management or employee composition or structure ;

(*i*) focus on meeting all regulatory measures for AML and CFT compliance, including record-keeping requirements and provide for timely updates in response to changes ;

(*j*) implement risk based CDD policies, procedures and processes, including review of client relationships from time to time to determine the level of ML and TF risks ;

(*k*) provide for adequate supervision and support for staff activity that forms part of the organization's AML and CFT programme ;

(*l*) incorporate AML and CFT compliance into job descriptions of relevant personnel ;

(*m*) provide for policies and procedures to ensure staff awareness of STR filing requirements ; and

(*n*) implement a documented program of ongoing staff AML and CFT awareness and training.

(8) Law firms or legal practitioners may employ same measures and controls to address more than one of the identified risks in the organization, and it is not mandatory that a legal practitioner establish specific controls targeting each risk criterion.

(9) For the purpose of paragraph (8) of this rule, following may be considered—

(*a*) law firms or legal practitioners may consider using reputable technology-driven solutions to minimize the risk of error and find efficiencies in their AML and CFT processes ;

(*b*) senior management of law firms should have a clear understanding of ML and TF risks to manage the affairs of the law firm and to ensure procedures are put in place to identify, manage, control, and mitigate risks effectively, and the RBA to AML and CFT shall be embedded in the culture of law firms and the legal profession generally ;

(*c*) law firms or legal practitioners shall monitor the effectiveness of its internal controls, by conducting a regular, independent and compliance review and where any weakness is identified, improved procedures should be designed ;

(*d*) law firm or legal practitioners should review their firm-wide risk assessments regularly and make sure that policies and procedures continue to target those areas where the ML and TF risks are highest ; and

(*e*) law firms or legal practitioners shall consider the skills, knowledge, and experience of staff in relation to AML and CFT before they are appointed to their roles on an ongoing basis.

Education, training and awareness.

72.—(1) A legal practitioner shall make adequate resources available for training on anti-money laundering and terrorism financing, preventive measures for relevant staff in the law firm who may in the course of their duties, be exposed to these risks due to the services they render in the firm.

(2) Law firms or legal practitioners shall conduct training for their staff on AML and CFT, which shall qualify as continuing legal education, and the training

may include group study where one member of staff outlines to other staff, relevant guidance, credible sources of information on legal sector risk or firm policies and provides regular email updates.

(3) Case studies, both fact-based and hypothetical may also be used in bringing the regulations to life and making them more comprehensible.

(4) In conducting these training, law firms or legal practitioners shall pay close attention to the scope of application of legal practitioner's privilege and client confidentiality in relation to AML and CFT laws.

(5) The frequency, delivery mechanisms and focus of these training shall be at the sole discretion of the law firms or legal practitioners.

(6) Law firms or legal practitioners should review their own staff and available resources and implement training programs that provide appropriate AML and CFT information that is—

(*a*) tailored to the relevant staff responsibility, for example, client contact or administration ;

(*b*) at the appropriate level of detail, such as considering the nature of services provided by the legal practitioner ; and

(*c*) at a frequency suitable to the risk level of the type of work undertaken by the law firm or legal practitioner.

CHAPTER 3

MISCELLANEOUS PROVISIONS

Self-Regulatory Body.

73.—(1) The NBA as a self-regulatory body for the legal profession shall create an *ad hoc* committee, to be described as the Nigerian Bar Association Anti Money Laundering Committee (NBAAMLC) whose duties shall be to advise the NBA on the implementation and to monitor the compliance of firms or legal practitioners with respect to this Chapter.

(2) The NBAAMLC shall consists of individuals that have received adequate training or who might have enrolled in courses on anti-money laundering and terrorist financing, who are of reputable character and have a track record of a high repute and standing in the legal profession who have not been found guilty of money laundering or any offence connected therewith.

(3) The NBA shall ensure that members of the NBAAMLC are trained to assess the quality of ML and TF risks and to consider the adequacy, proportionality, effectiveness, and efficiency of the AML and CFT policies, procedures, and internal controls of legal practitioners.

(4) The NBAAMLC shall take the lead in identifying ML and TF risks, identify the peculiarities of the legal sector, assess its risks, controls and procedures and publish them from time to time.

(5) The NBAAMLC shall develop policies and the procedure of identifying legal practitioners or classes of legal practitioners who are at great risk of being used by criminals and criminal elements to launder monies or finance terrorism and communicate its findings to the NBA.

(6) The NBAAMLC shall consider the risk profile of legal practitioners when assessing their recommendations and letters of good standing.

(7) The NBAAMLC shall create a supervisory framework, which can help in ascertaining that accurate and current basic and beneficial ownership information on legal persons and legal arrangements is maintained by legal practitioners and law firms.

(8) The legal framework created by the NBAAMLC will take cognizance of the following—

(*a*) a requirement that legal practitioners perform risk assessment at firm, client, and transactional level ;

(*b*) a requirement that legal practitioners perform appropriate risk based CDD ;

(*c*) procedures determined to ensure prompt investigation of legal practitioners' misuse of client or trust funds or alleged involvement in ML and TF schemes ;

(*d*) requirement that legal practitioners complete periodic continuing legal education in CDD and AML and CFT topics ;

(*e*) requirement that legal practitioners report suspicious transactions, comply with confidentiality requirements and internal controls requirements ; and

(*f*) a requirement that legal practitioners adequately document risk assessment, CDD and other AML related decisions and processes undertaken.

Enforcement of these Rules.

74.—(1) A lawyer who acts in contravention of the provisions of Chapter 1 of these Rules or fails to perform any of the duties imposed by that Chapter, commits professional misconduct and is liable to punishment as provided in the Legal Practitioners Act.

(2) The NBAAMLC is empowered to recommend any disciplinary proceedings in relation to Chapter 2 of these Rules to the Legal Practitioners Disciplinary Committee or take any other appropriate legal measures against a legal practitioner who fail to comply with the provisions of that Chapter.

(3) It is the duty of every lawyer to report any breach of these Rules that comes to his knowledge to the appropriate authorities for necessary disciplinary action.

Revocation.

75.—(1) The Rules of Professional Conduct for Legal Practitioners, 2007 is revoked.

(2) The revocation of the Rules specified in paragraph (1) of this rule shall become effective on 31st December, 2023.

Effective date.

76. These Rules shall become effective from 1st January, 2024.

Interpretation.

77. In these Rules —

"Act" means the Legal Practitioners Act, Cap L11, Laws of the Federation of Nigeria, 2004.

"AML/CFT" means Anti-Money Laundering, Combating the Financing of Terrorism ;

"Beneficial Owner" means natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement ;

"CDD" means Client's Due Diligence ;

"EDD" means Enhanced Due Diligence ;

"Judge" includes any officer carrying out judicial functions in a Court ;

"Lawyer" means legal practitioner as defined by the Legal Practitioners Act ;

"ML/TF" means Money Laundering, Terrorism Financing

"Money Laundering"—means when criminals 'clean' the proceeds (the financial gains) of crime. Criminals transform proceeds into assets, such as houses or businesses, or other seemingly legitimate funds, for example, money in a bank account. In some cases, laundered money is used to fund terrorism. Money laundering makes these proceeds look like genuine sources of income, which criminals can then spend freely and without raising suspicion. Such criminals often make their money from serious crimes such as fraud, or people, wildlife and drug trafficking. Solicitors' firms are attractive targets for money laundering. Passing the proceeds of crime through a firm can —

(*i*) make them appear legitimate, as a result of the regard in which solicitors are held,

(*ii*) transform funds into an asset, eg a house, shares, or a company, making it harder to trace,

(*iii*) move funds to other parties or out of the jurisdiction,

There are three acknowledged stages of Money Laundering —

(*a*) *Placement*

Cash generated from crime is placed in the financial system. This is the point when proceeds of crime are most apparent and at risk of detection. Because banks and financial institutions have developed AML procedures, criminals look for other ways of placing cash within the financial system. Independent legal professionals can be targeted because they and their practices commonly deal with client money,

(*b*) *Layering*

Once the proceeds of crime are in the financial system, layering involves obscuring the origins of the proceeds by passing them through complex transactions. These often involve different entities, for example, companies and trusts and can take place in multiple jurisdictions. An independent legal professional may be targeted at this stage and detection can be difficult,

(*c*) *Integration*

Once the origin of the funds has been obscured, the criminal is able to make the funds appear to be legitimate funds or assets. They will invest funds in legitimate businesses or other forms of investment, often, for example, using an independent legal professional to buy a property, set up a trust, acquire a company, or even settle litigation, among other activities. This is the most difficult stage at which to detect money laundering,

"NBA" means the Nigerian Bar Association ;

"NBAAMLC" means the Nigerian Bar Association Anti Money Laundering Committee ;

"PEPs" means Foreign and domestic PEPs which are —

(*a*) individuals who are or have been entrusted by a foreign country or domestically with prominent public functions, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state — owned corporations, important political party officials,

(*b*) Persons who are or have been entrusted with a prominent function by an international organisation refers to members of senior management, as directors, deputy directors and members of the board or equivalent functions,

provided that the definition of PEPs is not intended to cover middle ranking or more junior individuals in the foregoing categories ;

"SRB" means the NBA and or the NBAAMLC in the necessitating circumstance ; and

"STR" means Suspicious Transaction Report.

78. These Rules may be cited as the Rules of Professional Conduct for Legal Practitioners, 2023. Citation.

DATED this 15th day of May, 2023.

ABUBAKAR MALAMI, SAN, CON
Attorney-General of the Federation and Minister of Justice
President, General Council of the Bar