

17 September 2020

Ms Megan Pitt
Chief Executive Officer, Legal Services Council and
Commissioner for Uniform Legal Services Regulation
PO Box H326
AUSTRALIA SQUARE NSW 1215

By email: [REDACTED]
CC: [REDACTED]

Dear Ms Pitt

INTEREST RATE PAYABLE ON FIDELITY FUND CLAIMS

Thank you for your letter dated 19 August 2020 enclosing a copy of the consultation paper on the interest rate payable on fidelity fund claims made under the Legal Profession Uniform Law.

The Law Council sought comments from its constituent bodies on the consultation paper and the options for the formula to be applied. Having regard to the comments received, the Law Council supports the adoption of the RBA cash rate + 1% formula under the Uniform Law.

Comments received from constituent bodies that are not part of the Uniform Law scheme noted that the prescribed interest rate in their jurisdictions is different to the RBA cash rate + 1% formula proposed by the Legal Services Council. Adoption of the RBA cash rate +1% would mean that the interest rate on claims in NSW and Victoria would be 1.25%, whereas the prescribed interest rate in South Australia, for example, is 10%.

The Law Council's contact officer is [REDACTED]

Yours sincerely

[REDACTED]

Michal Tidball
Chief Executive Officer