

Electronic Funds Transfers

Guidelines for trust
account operations

July 2025

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The material in this Guideline has been formulated in consultation with the Professional Conduct Committee.

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1. Legislative Requirements

Unless otherwise stated, references to the Act are references to the *Legal Profession Act 2007* and references to the Regulation are references to the *Legal Profession Regulation 2017*.

A law practice may withdraw trust money from a law practice trust account, by way of Electronic Funds Transfer (EFT) if authorised by the Queensland Law Society (QLS) in accordance with s250(1)(b) of the Act.

The same rules apply for the withdrawal of money from a controlled money account (s252 of the Act).

Section 38(2) of the Regulation prescribes who may effect an EFT.

Sections 38(3) and (4) of the Regulation requires a law practice to retain a written record of the required particulars of each EFT payment.

Section 38(5) of the Regulation lists the required particulars as:

- (a) The date and number of the transaction*;
- (b) The amount transferred;
- (c) The name and number of the account to which the amount was transferred and relevant BSB number;
- (d) The name of the person to whom the payment was made or, for a payment to an ADI, the name or BSB number of the ADI and the name of the person receiving the benefit of the payment;
- (e) Details clearly identifying the name of the person on whose behalf the payment was made and the matter reference;
- (f) Details clearly identifying the ledger account to be debited;
- (g) Particulars sufficient to identify the purpose for which the payment was made.

** The number of the transaction is referred to as the EFT reference number.
The EFT reference number must be entered into the payment number field.*

Section 38(6) of the Regulation requires the written record to be kept in the order in which the transfers were made.

Section 50 of the Regulation sets out the equivalent requirements for controlled money.

“Appendix B” of the Guidelines is a sample written record of payment by EFT form (written record). The law practice can choose to adopt the QLS written record or utilise its own written record form. The law practice may choose to produce a physical form or keep the form in an electronic format.

2. Making an Application

Law practices intending to make EFT payments from a trust account must apply to QLS for authorisation.

“Appendix A” of the Guidelines is a template application letter to be used when seeking authorisation.

Authorisation to make payments by EFT includes payments by direct debit authority through an Electronic Lodgment Network (ELN) such as PEXA or Sympli, QRO Online, Titles Queensland eLodgement or similar direct debit platforms.

3. Payment Methods

Section 250(2) of the Act states that cash withdrawals, ATM withdrawals or transfers, telephone banking withdrawals or transfers, are prohibited.

Section 38(5) of the Regulation requires a law practice to enter into the trust records the name and number of the account to which the amount was transferred and relevant BSB number for each EFT payment. This requirement had prevented law practices from using other available forms of electronic payment. QLS has the power under s298 of the Act and s68 of the Regulation to exempt a law practice from complying with all or any of the stated requirements in Part 3.3 of the Regulation. A law practice may apply to QLS for an exemption to comply with the requirements of s38(5) of the Regulation. The exemption may only be provided by QLS to an individual law practice upon application for exemption.

Effect of exemption

A law practice that has been granted an exemption by QLS to comply with the requirements of s38(5) of the Regulation will not be required to record the name and account number and relevant BSB into the trust records when making an EFT payment, where the EFT payment does not disclose those details. This allows the law practice to utilise other available methods of electronic payments such as Bpay, PayID and PayTo.

Trust accounting records

Where a law practice makes an EFT payment and enters the account number and BSB to enable the payment to be made, these particulars are to be recorded in the trust records as per s38(5) of the Regulation.

Where a law practice makes an EFT payment and does not enter the account number and BSB to enable the payment (excluding PEXA direct debits), the following additional trust records and procedures are required, dependent on the method used.

Bpay payment

For a payment made using Bpay, the law practice is to enter the Biller Code and Customer Reference number into the trust accounting records. This can either appear in the field which would normally contain the BSB and account number, or it may appear in the 'reason for payment' field. The details must appear in the trust account payments cash book and individual trust account ledger. The law practice is also required to retain a copy of the invoice/notice that shows the Biller Code and Customer Reference number applicable to the payment.

PayID payment

For a payment made using PayID, the law practice is to enter the mobile phone number, email address or ABN/ACN to which the payment was made into the trust accounting records. This can either appear in the field which would normally contain the BSB and account number, or it may appear in the 'reason for payment' field. The details must appear in the trust account payments cash book and individual trust account ledger. The law practice is also required to confirm that it has verified the authenticity of the mobile phone number, email address or ABN/ACN to which the payment was made.

PayTo payment

For a payment made using PayTo, the law practice is to enter the payment agreement number into the trust accounting records. This can either appear in the field which would normally contain the BSB and account number, or it may appear in the 'reason for payment' field. The details must appear in the trust account payments cash book and individual trust account ledger. The law practice is also required to retain the notification of request finalisation or a screen capture of the confirmation of payment agreement.

The law practice should ensure that it carefully considers any payment agreement request before providing authorisation.

**** If a law practice wishes to use an electronic payment method not listed above, it is recommended to contact the QLS trust account investigations department.***

4. Electronic Lodgment Networks (PEXA and Sympli)

When using an Electronic Lodgment Network (ELN), if trust money is required to be debited from the law practice trust account, the law practice must keep the required particulars as set out in s38(5) of the Regulation. The name, account number and the relevant BSB number to which the payment was made can be located on the PEXA Trust Authorisation Record (or the equivalent Sympli record).

If preferred, the law practice may use a different sequential numbering system to differentiate ELN transactions from other EFT payments e.g. PEXA1, PEXA2 etc. The PEXA/Sympli workspace number may also be used as a payment reference.

The law practice must keep a copy of the Trust Authorisation Record and the Settlement Completion Record (or the equivalent Sympli records) as a trust record. The Trust Authorisation Record and the Settlement Completion Record form the written record as required under s38(5) of the Regulation and should be retained in order of payment in accordance with s38(6) of the Regulation.

Registering a law practice trust account with an ELN

When a law practice subscribes to use an ELN, the law practice can register a law practice trust account with that ELN.

A law practice trust account must only be registered to a Subscriber in the name of the law practice. The name of the law practice includes the business name of a law practice under which the law practice engages in legal practice, but does not include a business unit.

5. QRO Online

When using QRO Online, where trust money is required to be debited from the law practice trust account, the law practice must keep the required particulars as set out in s38(5) of the Regulation. The name, account number and the relevant BSB number to which the payment was made can be located on the QRO transaction statement summary.

If preferred, a law practice may use a different sequential numbering system to differentiate QRO Online transactions from other EFT payments eg QRO1, QRO2 etc. The law practice must also record the stamping transaction number issued by QRO; which can be recorded in the 'reason for payment' field in the trust account payments cash book and in the trust ledger account.

6. Titles Queensland eLodgement

When using Titles Queensland eLodgement, where trust money is required to be debited from the law practice trust account, the law practice must keep the required particulars as set out in s38(5) of the Regulation.

If preferred, a law practice may use a different sequential numbering system to differentiate Titles Queensland eLodgement transactions from other EFT payments eg TQ1, TQ2 etc.

The law practice will need to obtain the name of the account, the BSB and account number of Titles Queensland. The law practice will also need to keep the Titles Queensland Tax Invoice/Receipt.

7. Recording EFT Payments in Trust Records

Details of an EFT payment from a trust account are to be recorded in the trust account payments cash book and the relevant trust ledger account within the period of 5 working days starting on, and inclusive of, the day the payment was made as required under s41(4) and s42(9) of the Regulation.

When the EFT payment is recorded, the EFT reference number is recorded as the payment number in the trust account payments cash book and trust ledger account.

Details of an EFT payment from a controlled money account are to be recorded in the relevant controlled money account movement record.

8. Security Measures

QLS recommends that law practices speak to their financial institution prior to applying for EFT authorisation as some financial institutions do not have the facility for trust accounts to disburse funds via EFT.

User identification information and password must be kept secure. They are not to be shared with any other person, including staff members, under any circumstances, nor are they to be stored in a way that another person may easily gain access to them.

Staff members i.e. bookkeepers, administration staff and finance officers, can be given 'read only' access to a trust account for the purpose of checking transactions recorded against the trust account and printing online bank statements. It is essential that all users have their own password and that their user account is setup correctly, according to the authorisation status i.e. user versus authoriser, sole signatory versus joint signatory.

Law practices are required to enter into arrangements with their financial institution to implement multi-factor authentication for access to the trust account and EFT functionality.

9. Breach of the EFT Guidelines

If a law practice fails to keep the required particulars this will be a breach of s38 of the Regulation.

Keeping records as required under the Act and Regulation helps protect the law practice from unauthorised payments being made. Keeping and checking the required particulars will allow the law practice to identify any discrepancies in a timely manner.

Failure to adhere to the Guidelines may result in a law practice having its authorisation to make EFT payments from the trust account revoked.

Appendix A – Application Letter

DATE

General Manager, Regulation
Queensland Law Society
Email: managertai@qls.com.au

Dear Colleague

Authorisation to withdraw trust money from a trust account by electronic funds transfer.

XYZ Law Practice hereby applies to the Queensland Law Society (QLS) for approval to make electronic funds transfer payments (EFT payments) from a trust account. The law practice also applies to the QLS for an exemption to comply with the requirements of s38(5) of the *Legal Profession Regulation 2017* in accordance with s68 of the *Legal Profession Regulation 2017*.

I (insert name of main Principal/ Law Practice Director) on behalf of (insert name of law practice) certify that:

1. The Electronic Funds Transfers – Guidelines for trust account operations issued by the QLS have been read by all authorised trust account signatories that will be involved in the making of EFT payments;
2. Where a law practice trust account is linked to a subscriber on an Electronic Lodgment Network (ELN), the subscriber on the ELN will only be in the name of the law practice. A trust account will not be linked to a business unit on an ELN that is not in the name of the law practice.
3. The law practice agrees that it must follow the current Electronic Funds Transfers – Guidelines for trust account operations that from time to time are published by the QLS.

Yours faithfully

Name of main Principal/Law Practice Director XYZ Law Practice

Appendix B – Written Record Form

Date	
EFT reference number	
Amount	
Payee details	<u>Payment to a bank account:</u> Account Name: BSB: Account Number: <u>Other payment types:</u> (Relevant particulars as listed in Item 3 of the Guidelines)
Debit trust ledger account or controlled money account	Client: Matter Description: Matter Number:
Reason/Purpose for payment	



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