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Bar Council Malaysia**

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**Circular No 247/2013  
Dated 19 Nov 2013**

To Members of the Malaysian Bar

**New Ruling: Prohibition of Providing Guarantee in Favour of Clients or Third Parties**

Pursuant to section 57(a) of the Legal Profession Act 1976, the Bar Council has, at its recent meeting, adopted the following ruling proposed by the Legal Profession Committee:

**Bar Council Ruling 14.28 Prohibition of Providing Guarantee in Favour of Clients or Third Parties**

*An Advocate and Solicitor practising as such, shall not sign any document nor give any undertaking that has the effect of guaranteeing or of indemnifying clients or third parties, as a form of indemnity, against any loss suffered.*

This ruling is put in place to protect the interests of advocates and solicitors. It prohibits them from providing any form of guarantee in favour of clients or third parties as it may void the Professional Indemnity Insurance ("PII") policy, thereby resulting in the advocate and solicitor not being protected nor covered by the PII under the circumstances enumerated in item (1) of [Circular No 023/2013](#) dated 23 Jan 2013, entitled "General Information on Matters Discussed at the 11<sup>th</sup> BC Meeting Held on 5 Jan 2013".

This ruling came about when it came to the attention of the Bar Council that several advocates and solicitors had been approached by their clients to provide a letter of guarantee and/or undertaking to fully indemnify their clients against any loss suffered in the course of their engagement as advocates and solicitors.

In light of the above, the Bar Council has taken the position that in the interest of Members of the Bar, it is objectionable for an advocate and solicitor to provide such an undertaking.

Please be informed that the ruling will take effect immediately.

Thank you.

**Richard Wee Thiam Seng  
Secretary  
Malaysian Bar**