



**Extracts from Enactment n°. 91-1197 of  
November 27, 1991, amended  
organizing the law profession**

Article 240

The funds, bills or assets mentioned in Article 53-9° of the aforementioned law of December 31, 1971, received by lawyers, are deposited into an account opened in the name of the CARPA (Fund for Lawyers' Pecuniary Payments ) in the books of a bank or the Deposit and Consignment Office.

Article 240-1

The entries pertaining to each lawyer's activity are recorded in an individual account opened in his name.

Each individual account is divided into as many sub-accounts as there are cases handled by the lawyer.

Movements of funds between sub-accounts are prohibited, without special, prior and motivated permission of the fund's president.

No sub-account shall show an adverse balance.

Article 241

No withdrawals from the account mentioned in Article 240-1 shall be made without the prior control of the CARPA, performed according to the procedures defined in the decree mentioned in Article 241-1

No levying of lawyer's fees shall be carried out without the client's prior written authorization;

Article 241-1

A decree by the Minister of Justice, pronounced with the approval of the National Bar Association's Board, establishes the rules governing deposits and the handling of funds, bills or assets mentioned in para. 9° of Article 53 of the aforementioned law of December 31, 1971.

Article 241-2

The Bar Council(s) for which the fund has been created appoint(s), for a six-year term, an auditor selected among those on the list mentioned in Article 219 of law n°. 66-537 of July 24, 1966 governing trade companies and satisfying the selection conditions required under Article 30 of the aforementioned law of July 10, 1991.

The checks performed by the appointed auditor involve the fund's respect of all the rules and obligations established in this enactment and in the decree mentioned in Article 241-1.

The Auditor is entitled to access to all documents and information useful for performing his task.

He drafts a report each year.

The Commission stipulated in Article 241-3, the Public Prosecutor at the Court of Appeal in whose the district the fund's offices are located, the President(s) of the Bar Association for which the fund has been created, are the recipients thereof.

#### Article 241-3

A Control Commission is created which is responsible for seeing to it that the CARPAs respects all the rules and obligations set forth in this enactment and in the decree mentioned in Article 241-1.

This Commission is composed of the President of the National Bar Association, the President of the Paris Bar Association, the Chairman of the Presidents' Conference, the President of the Unca. Each of them appoints a substitute selected within the organization he represents.

The Commission elects its Chairman as well as its member called upon to replace the Chairman if he is absent or unable to attend.

In the event of a tie, the Chairman's vote is the casting vote.

The Commission receives, on request, the technical assistance of any persons appointed by decree of the Minister of Justice.

The Commission drafts its internal regulations.

#### Article 241-4

At any time the Commission can issue, on the basis in particular of the reports prepared by the Auditors, opinions or recommendations for the funds.

It can also have the funds controlled at any time, by one or several lawyers it appoints for this purpose, either as a matter of routine, or at the request of the President or Public Prosecutor at the Court of Appeal in whose district the fund's offices are located.

The lawyers appointed for this task cannot be members of the bar association(s) for which the fund has been created.

They may be assisted, with the Commission's approval, by one or several persons of their choice.

The funds are required to communicate to them all the documents they deem necessary for the performance of their task.

Following their investigations, they draft a report.

The Commission stipulated in Article 241-3, the Public Prosecutor at the Court of Appeal in whose district the fund's offices are located, the President(s) of the Bar Associations for which the fund is created, are the recipients of this report.

#### Article 241-5

When the report reveals failures to comply with the rules and obligations stipulated in this enactment, or in the decree mentioned in Article 241-1, the Commission may, either as a matter of routine or by referral to the Public Prosecutor at the Court of Appeal in whose district the fund's offices are located, take one of the measures stipulated in Article 241-6.

The President(s) of the Bar Associations and the President of the fund are asked by registered letter with return receipt to submit their comments. They are allowed one month to do so.

#### Article 241-6

The Control Commission may issue opinions and recommendations. It may also order the funds to see to it that the failures mentioned in Article 241-5 are made to cease.

It sees to the execution of the obligation stipulated in paragraph 2 of Article 237-1.

In the event of a failure to act on the part of the fund's management bodies, the risk of a non-representation of funds, bills and assets deposited or a failure to comply with the rules governing the allocation of financial proceeds stipulated in Article 235-1, the Control Commission may appoint a lawyer to assist the fund's President for a maximum period of one year, renewable once.

The appointed lawyer cannot be a member of the association(s) for which the fund was created.

He may provide all opinions, advice and admonishments to the President of the fund. He keeps the Public Prosecutor and the Control Commission regularly informed.

If urgent conditions so require, the Control Commission may suspend the fund's operations and organize its provisional administration;

#### Article 241-7

The Commission pronounces its decisions after having heard the President of the Fund and, as the case may be, the President(s) of the Bar Associations and all persons whom it feels it is necessary to hear.

The President of the Fund may be assisted by any counsel of his choice.

The Commission's decisions are motivated and provisionally enforceable. They are notified to the President of the Fund by registered letter with request for return receipt. They may be

appealed before the Paris Court of Appeal within one month of the notification thereof. A stay of execution may be pronounced.

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**Extract from the Enactment of July 5, 1996, amended**  
**establishing the rules governing deposits and the handling of funds,**  
**bills or assets received by lawyers for their clients' account**

Article 8

The CARPA must be able to control, in particular on the occasion of the operations mentioned in Article 241 of the aforementioned enactment of November 27, 1991 :

- 1° The banking and accounting position of case sub-accounts;
- 2° The description & nature of the cases;
- 3° The origin of the funds deposited on the case sub-accounts;
- 4° The identity of the beneficiaries of the payments;
- 5° The cases for which the amount in credits exceeds the limit of the insurance guaranteeing the representation of the funds;
- 6° The proof of the link between the lawyers' pecuniary settlements and the legal or judicial acts performed by them in their professional practice;
- 7° The absence of movements on the case sub-accounts