

## Explanatory Note for Proposed Regulatory Arrangements

We have set out below a summary of the regulatory arrangements contained within this annex.

The following should be noted:

1. Whilst our policy position will not change, it is possible that we may seek further minor changes to these regulatory arrangements during implementation to deal with practical issues which may arise as our understanding of how the existing rules are applied by CRL develops.
2. As set out in consultation<sup>1</sup>, transitional arrangements will be required if the re-delegation goes ahead. This will include saving provisions to ensure we can appropriately deal with matters which cross both regimes. We will work with CRL to agree these and return to the Board for approval.
3. We will return to the Board with further rules relating to Associate Prosecutors. This may include alterations to these regulatory arrangements. Before doing so we will liaise with the Crown Prosecution Service to ensure the scheme operates correctly and also meets future requirements which may arise from any new Government.

SRA Regulatory Arrangement	Summary
Glossary	This document contains the additions and amendments which will be required to the glossary to be able to implement the new and amended regulatory arrangements.
SRA CILEX Code of Conduct	These rules describe the standards that we, the SRA, and the public expect of CILEX members. It includes the Code as consulted upon in 2023 with the required changes consulted upon in 2024 to ensure <i>non-authorised CILEX members</i> are also included.
Authorisation of CILEX Members	These rules set out the SRA's requirements relating to the authorisation of individuals as <i>authorised CILEX members</i> . This document was consulted upon in 2023.

<sup>1</sup> If redelegation goes ahead, we will work with CRL to agree appropriate arrangements for the transition of all: • authorisation applications • investigations and disciplinary proceedings • other regulatory casework that are live at the point of transfer. In respect of enforcement cases, subject to discussion with CILEX and CRL we consider that an appropriate approach would be: • unless a hearing is part heard or a matter referred for a hearing before a CRL panel, all new sanction decisions will be made under our new rules • we will allow appropriate lead-in time to ensure that wherever possible, currently listed and part heard hearings can complete under the current regime We will take on the investigation of all cases that are ongoing and will review them to ensure that any charges appropriately protect the public interest.

Authorisation of Firms	<p>These rules set out the SRA's arrangements for the authorisation of firms. We have made changes to these rules to provide for:</p> <ol style="list-style-type: none"> <li>1. The authorisation of firms known as <b>authorised CILEX bodies</b> i.e. a body in which all of the managers and interest holders are <b>authorised CILEX members</b>; and</li> <li>2. The link to SRA-CILEX-ACCA Firms dealt with separately in the SRA-CILEX-ACCA Handbook</li> </ol>
Application, Notice, Review and Appeal	<p>These rules make provision for all notices given by the SRA and applications made to it under the SRA's rules and regulatory arrangements. We have made changes to these to provide for the review and appeal rights linked to CILEX specific matters.</p>
Character and Suitability	<p>These provisions set out the kind of factors we will take into account when considering character and suitability. We have made appropriate amendments to ensure these incorporate CILEX members.</p>
Indemnity Insurance Rules	<p>These rules set out the insurance requirements for SRA authorised firms. We have made appropriate amendments to ensure these encompass <b>authorised CILEX lawyers</b>.</p>
Regulatory and Disciplinary Rules	<p>These rules set out how we investigate and take disciplinary and regulatory action, for breaches of our rules and regulatory requirements. We have made appropriate amendments to provide for the investigation of CILEX members and any subsequent disciplinary and regulatory action we may take.</p>
Transparency Rules	<p>These rules set out the information authorised firms, and individuals providing services to the public from outside authorised firms, should make available to clients and potential clients. We have made appropriate amendments to add reference to <b>authorised CILEX lawyers</b>.</p>
Overseas and Cross-border Practice Rules	<p>These rules set out provisions for those who have established to provide legal services outside of England and Wales. We have made appropriate amendments to add reference to <b>authorised CILEX lawyers</b>.</p>
Roll, Registers and Publication Regulations	<p>These regulations set out the nature and contents of the registers and the roll that the SRA is required to keep. We have made appropriate amendments to provide for the maintenance of CILEX related registers, both in respect of individuals and firms.</p>
SRA-CILEX-ACCA Handbook	<p>This handbook sets out the regulations which apply to ACCA entities and individuals which CRL became responsible for following ACCA's decision to no longer be designated as an Approved Regulator. In line with our consultation position, this document contains those changes required to bring these individuals and entities within the SRA's remit whilst maintaining the existing overarching requirements. Whilst ACCA are no longer an Approved Regulator, we will also continue to liaise with them to ensure our changes are appropriate given the link to ACCA regulated accountancy practices.</p>

## Consequential amendments to the SRA Glossary

Term	Means
<i>authorised body</i>	After “ <i>recognised sole practice</i> ” add:  (c) a body that has been authorised by the <i>SRA</i> to practise as an <i>authorised CILEX body</i>
<i>associate prosecutor</i>	a person authorised by the <i>SRA</i> pursuant to the <i>Associate Prosecutor Rights of Audience and Litigation Certification Rules</i>
<i>authorised CILEX member</i>	a person authorised by the <i>SRA</i> pursuant to the SRA Authorisation of CILEX Members Regulations
<i>authorised CILEX body</i>	a body authorised by the <i>SRA</i> pursuant to Rules 1.1(d) of the SRA Authorisation of Firm Rules
<i>CILEX member</i>	A person who is registered with the Chartered Institute of Legal Executives in accordance with the Royal Charter and Bye-Laws of the Chartered Institute of Legal Executives
<i>Non-authorised CILEX member</i>	A person who is registered with the Chartered Institute of Legal Executives in accordance with the CILEX Royal Charter and is not an <i>authorised CILEX member</i> or <i>associate prosecutor</i>
<i>CILEX qualifying experience</i>	at least 2300 hours of work that contributes to the provision of legal services, which may include a period of up to 644 hours spent in attendance on a <i>Legal Practice Course</i> recognised by the Law Society of England and Wales in connection with qualification as a solicitor or the Bar Training Course recognised by the Bar Council in connection with qualification as a barrister
<i>CILEX Royal Charter</i>	The Royal Charter and Bye-Laws of the Chartered Institute of Legal Executives
<i>fellow</i>	a person admitted as a fellow pursuant to Regulation 2 of the SRA Authorisation of CILEX Lawyers Regulations or a person admitted as a Fellow of Chartered Institute of Legal Executives
<i>lawyer</i>	after paragraph (a) add:  (aa) an <i>authorised CILEX member</i>
<i>Lawyer of England and Wales</i>	after paragraph (a) add:  (aa) an <i>authorised CILEX member</i>

<b><i>Membership requirements</i></b>	The general conditions for CILEX membership pursuant to the CILEX Royal Charter
<b><i>practising overseas</i></b>	<i>amend sub-paragraph (c) to state:</i>  (c) of a <b><i>solicitor</i></b> or <b><i>authorised CILEX member</i></b> established outside England and Wales for the purpose of providing legal services in an <b><i>overseas</i></b> jurisdiction; and
<b><i>practising rights certificate</i></b>	a certificate awarded pursuant to Regulation 3 of the SRA Authorisation of CILEX Members Regulations
<b><i>private legal practice</i></b>	In paragraph (i) add “or <b><i>authorised CILEX member</i></b> ” after “ <b><i>solicitor</i></b> or <b><i>REL</i></b> ”
<b><i>register</i></b>	<i>After “the LSA” add:</i>  (e) the register of <b><i>authorised CILEX members</i></b> (f) the register of <b><i>SRA-ACCA Probate entities</i></b>
<b><i>regulated individual</i></b>	<i>After “overseas practice” add:</i>  (d) an <b><i>authorised CILEX member</i></b>
<b><i>SRA-ACCA Probate entity</i></b>	a body authorised by the <b><i>SRA</i></b> pursuant to Rules 1A of the SRA Authorisation of Firm Rules

## SRA CILEX Code of Conduct

### Introduction

The SRA Principles and Code of Conduct for CILEX members describes the standards that we, the SRA, and the public expect of CILEX members.

These rules apply to a person who is a non-authorized CILEX member as if they were an authorized CILEX member, to the extent the context allows in accordance with the membership requirements of CILEX.

They apply to conduct and behaviour relating to your practice and comprise a framework for ethical and competent practice which applies irrespective of your role or the environment or organisation in which you work (subject to the Overseas Rules which apply to your practice overseas). Although paragraphs 8.1 to 8.11 apply only when you are providing your services to the public or a section of the public.

Conduct does not need to take place in a workplace in order to relate to your practice – these requirements capture conduct which touches realistically upon your practice of the profession, in a way that is demonstrably relevant.

You must exercise your judgement in applying these standards to the situations you are in and deciding on a course of action, bearing in mind your role and responsibilities, areas of practice, and the nature of your clients (which in an in house context will generally include your employer and may include other persons or groups within or outside your employer organisation).

You are personally accountable for compliance with the Principles and Code - and our other regulatory requirements that apply to you - and must always be prepared to justify your decisions and actions.

A serious failure to meet our standards or a serious breach of our regulatory requirements may result in our taking regulatory action against you. A failure or breach may be serious either in isolation or because it comprises a persistent or concerning pattern of behaviour. In addition to the regulatory requirements set by us in the Principles and Code, and our rules and regulations, we directly monitor and enforce the requirements relating to referral fees set out in section 56 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, and provisions relating to anti money laundering and counter terrorist financing, as set out in regulations made by the Treasury as in force from time to time. In relation to SRA-CILEX-ACCA entities, supervision of matters relating to anti money laundering and counter terrorist financing is the responsibility of the ACCA.

All these requirements are underpinned by our Enforcement Strategy. That strategy explains in more detail our views about the issues we consider to be serious, and our approach to taking regulatory action in the public interest.

### CILEX Principles

The Principles comprise the fundamental tenets of ethical behaviour that we expect CILEX members to uphold.

Should the Principles come into conflict, those which safeguard the wider public interest (such as the rule of law, and public confidence in a trustworthy CILEX profession and a safe and effective market for regulated legal services) take precedence over an individual client's interests. You should, where relevant, inform your client of the circumstances in which your duty to the court and other professional obligations will outweigh your duty to them.

1. You uphold the rule of law and the impartial administration of justice;
2. You maintain high standards of professional and personal conduct and justify public trust in you, your profession and the provision of legal services;
3. You act with honesty
4. You act with integrity;
4. You comply with your legal and regulatory obligations;
5. You act competently, in the best interests of your client and respect client confidentiality;
6. You treat everyone fairly and without prejudice;
7. You ensure your independence is not compromised;
8. You act effectively and in accordance with proper governance and sound financial and risk management principles;
9. You protect client money and assets.

### Maintaining trust and acting fairly

- 1.1 You do not unfairly discriminate by allowing your personal views to affect your professional relationships and the way in which you provide your services.
- 1.2 You do not abuse your position by taking unfair advantage of **clients** or others.
- 1.3 You do not hold out an **undertaking** to be a solicitors' **undertaking** and, where giving an **undertaking** on behalf of a firm or employer organisation, you ensure you are appropriately authorised by the firm or organisation to do so.
- 1.4 You perform all **undertakings** given by you, and do so within an agreed timescale or if no timescale has been agreed then within a reasonable amount of time.
- 1.5 You do not mislead or attempt to mislead your **clients**, the **court** or others, either by your own acts or omissions or allowing or being complicit in the acts or omissions of others (including your **client**).
- 1.6 You treat colleagues fairly and with respect. You do not bully or harass them or discriminate unfairly against them. If you are a **manager** you challenge behaviour that does not meet this standard.

### Dispute resolution and proceedings before courts, tribunals and inquiries

- 2.1 You do not misuse or tamper with evidence or attempt to do so.
- 2.2 You do not seek to influence the substance of evidence, including generating false evidence or persuading witnesses to change their evidence.
- 2.3 You do not provide or offer to provide any benefit to witnesses dependent upon the nature of their evidence or the outcome of the case.
- 2.4 You only make assertions or put forward statements, representations or submissions to the **court** or others which are properly arguable.
- 2.5 You do not place yourself in contempt of **court**, and you comply with **court** orders which place obligations on you.
- 2.6 You do not waste the **court's** time.
- 2.7 You draw the **court's** attention to relevant cases and statutory provisions, or procedural irregularities of which you are aware, and which are likely to have a material effect on the outcome of the proceedings.

### Service and competence

- 3.1 You only act for **clients** on instructions from the **client**, or from someone properly authorised to provide instructions on their behalf. If you have reason to suspect that the instructions do not represent your **client's** wishes, you do not act unless you have satisfied yourself that they do. However, in circumstances where you have legal authority to act notwithstanding that it is not possible to obtain or ascertain the instructions of your **client**, then you are subject to the overriding obligation to protect your **client's** best interests.
- 3.2 You ensure that the service you provide to **clients** is competent and delivered in a timely manner.
- 3.3 You maintain your competence to carry out your role and keep your professional knowledge and skills up to date.
- 3.4 You do not act in matters where you are not authorised to act, or in an area of law where you have insufficient knowledge or experience
- 3.5 You consider and take account of your **client's** attributes, needs and circumstances.
- 3.6 You ensure that, as appropriate in the circumstances, you and your business, its processes and practices adequately:
  - (a) assist consumers and **clients** to access justice and the full range of legal services; and
  - (b) provide each **client** with equal opportunity to secure a favourable outcome in their matter, taking into account their vulnerability or susceptibility to discrimination.
- 3.7 Where you supervise or manage others providing legal services:

- (a) you remain accountable for the work carried out through them; and
- (b) you effectively supervise work being done for **clients**.

3.8 You ensure that the individuals you manage are competent to carry out their role, and keep their professional knowledge and skills, as well as understanding of their legal, ethical and regulatory obligations, up to date.

### Client money and assets

- 4.1 You properly account to **clients** for any **financial benefit** you receive as a result of their instructions, except where they have agreed otherwise.
- 4.2 You safeguard money and **assets** entrusted to you by **clients** and others.
- 4.3 You do not personally hold **client money** unless you work in an **authorised body**, or in an organisation of a kind **prescribed** under this rule on any terms that may be **prescribed** accordingly.

### Business requirements

#### Referrals, introductions and separate businesses

- 5.1 In respect of any referral of a **client** by you to another **person**, or of any third party who introduces business to you or with whom you share your **fees**, you ensure that:
  - (a) **clients** are informed of any financial or other interest which you or your business or employer has in referring the **client** to another **person** or which an **introducer** has in referring the **client** to you;
  - (b) **clients** are informed of any fee sharing arrangement that is relevant to their matter;
  - (c) the fee sharing agreement is in writing;
  - (d) you do not receive payments relating to a referral or make payments to an **introducer** in respect of **clients** who are the subject of criminal proceedings; and
  - (e) any **client** referred by an **introducer** has not been acquired in a way which would breach the **SRA's regulatory arrangements** if the **person** acquiring the **client** were regulated by the **SRA**.
- 5.2 Where it appears to the **SRA** that you have made or received a **referral fee**, the payment will be treated as a **referral fee** unless you show that the payment was not made as such.
- 5.3 You only:
  - (a) refer, recommend or introduce a **client** to a **separate business**; or



- (b) divide, or allow to be divided, a *client's* matter between you and a *separate business*;

where the *client* has given informed consent to your doing so.

### Other business requirements

- 5.5 You must complete and deliver to the *SRA* an annual return in the *prescribed* form.
- 5.6 If you are carrying on *reserved legal activities* in a *non-commercial body*, you must ensure that:
  - (a) the body takes out and maintains indemnity insurance; and
  - (b) this insurance provides adequate and appropriate cover in respect of the services that you provide or have provided, whether or not they comprise *reserved legal activities*, taking into account any alternative arrangements the body or its *clients* may make.

### Conflict, confidentiality and disclosure

#### Conflict of interests

- 6.1 You do not act if there is an *own interest conflict* or a significant risk of such a conflict.
- 6.2 You do not act in relation to a matter or particular aspect of it if you have a *conflict of interest* or a significant risk of such a conflict in relation to that matter or aspect of it, unless:
  - (a) the *clients* have a *substantially common interest* in relation to the matter or the aspect of it, as appropriate; or
  - (b) the *clients* are *competing for the same objective*,and the conditions below are met, namely that:
  - (i) all the *clients* have given informed consent, given or evidenced in writing, to you acting;
  - (ii) where appropriate, you put in place effective safeguards to protect your *clients'* confidential information; and
  - (iii) you are satisfied it is reasonable for you to act for all the *clients*.

#### Confidentiality and disclosure

- 6.3 You keep the affairs of current and former *clients* confidential unless disclosure is required or permitted by law or the *client* consents.

- 6.4 Where you are acting for a **client** on a matter, you make the **client** aware of all information material to the matter of which you have knowledge, except when:
- (a) the disclosure of the information is prohibited by legal restrictions imposed in the interests of national security or the prevention of crime;
  - (b) your **client** gives informed consent, given or evidenced in writing, to the information not being disclosed to them;
  - (c) you have reason to believe that serious physical or mental injury will be caused to your **client** or another if the information is disclosed; or
  - (d) the information is contained in a privileged document that you have knowledge of only because it has been mistakenly disclosed.
- 6.5 You do not act for a **client** in a matter where that **client** has an interest adverse to the interest of another current or former **client** of you or your business or employer, for whom you or your business or employer holds confidential information which is material to that matter, unless:
- (a) effective measures have been taken which result in there being no real risk of disclosure of the confidential information; or
  - (b) the current or former **client** whose information you or your business or employer holds has given informed consent, given or evidenced in writing, to you acting, including to any measures taken to protect their information.

### Cooperation and accountability

- 7.1 You keep up to date with and follow the law and regulation governing the way you work.
- 7.2 You are able to justify your decisions and actions in order to demonstrate compliance with your obligations under the **SRA's regulatory arrangements**.
- 7.3 You deal openly, promptly and co-operatively with the **SRA**, other regulators, ombudsmen, and those bodies with a role overseeing and supervising the delivery of, or investigating concerns in relation to, legal services.
- 7.4 You respond promptly to the **SRA** and:
- (a) provide full and accurate explanations, information and documents in response to any request or requirement; and
  - (b) ensure that relevant information which is held by you, or by third parties carrying out functions on your behalf which are critical to the delivery of your legal services, is available for inspection by the **SRA**.
- 7.5 You do not attempt to prevent anyone from providing information to the **SRA** or any other body exercising regulatory, supervisory, investigatory or prosecutory functions in the public interest.
- 7.6 You notify the **SRA** promptly if:

- (a) you are subject to any criminal charge, conviction or caution, subject to the Rehabilitation of Offenders Act 1974;
- (b) a **relevant insolvency event** occurs in relation to you; or
- (c) if you become aware:
  - (i) of any material changes to information previously provided to the **SRA**, by you or on your behalf, about you or your practice, including any change to information recorded in the **register**; and
  - (ii) that information provided to the **SRA**, by you or on your behalf, about you or your practice is or may be false, misleading, incomplete or inaccurate.

- 7.7 You report promptly to the **SRA** or another **approved regulator**, as appropriate, any facts or matters that you reasonably believe are capable of amounting to a serious breach of their **regulatory arrangements** by any **person** regulated by them (including you).
- 7.8 Notwithstanding paragraph 7.7, you inform the **SRA** promptly of any facts or matters that you reasonably believe should be brought to its attention in order that it may investigate whether a serious breach of its **regulatory arrangements** has occurred or otherwise exercise its regulatory powers.
- 7.9 You do not subject any **person** to detrimental treatment for making or proposing to make a report or providing or proposing to provide information based on a reasonably held belief under paragraph 7.7 or 7.8 above, or paragraph 3.9, 3.10, 9.1(d) or (e) or 9.2(b) or (c) of the SRA Code of Conduct for Firms, irrespective of whether the **SRA** or another approved regulator subsequently investigates or takes any action in relation to the facts or matters in question.
- 7.10 You act promptly to take any remedial action requested by the **SRA**. If requested to do so by the **SRA** you investigate whether there have been any serious breaches that should be reported to the **SRA**.
- 7.11 You are honest and open with **clients** if things go wrong, and if a **client** suffers loss or harm as a result you put matters right (if possible) and explain fully and promptly what has happened and the likely impact. If requested to do so by the **SRA** you investigate whether anyone may have a claim against you, provide the **SRA** with a report on the outcome of your investigation, and notify relevant persons that they may have such a claim, accordingly.
- 7.12 Any obligation under this section or otherwise to notify, or provide information to, the **SRA** will be satisfied if you provide information to your firm's **COLP** or **COFA**, as and where appropriate, on the understanding that they will do so.

## When you are providing services to the public or a section of the public

### Client identification

- 8.1 You identify who you are acting for in relation to any matter.

## Complaints handling

- 8.2 You ensure that, as appropriate in the circumstances, you either establish and maintain, or participate in, a procedure for handling complaints in relation to the legal services you provide.
- 8.3 You ensure that *clients* are informed in writing at the time of engagement about:
- (a) their right to complain to you about your services and your charges;
  - (b) how a complaint can be made and to whom; and
  - (c) any right they have to make a complaint to the *Legal Ombudsman* and when they can make any such complaint.
- 8.4 You ensure that when *clients* have made a complaint to you, if this has not been resolved to the *client's* satisfaction within 8 weeks following the making of a complaint they are informed, in writing:
- (a) of any right they have to complain to the *Legal Ombudsman*, the time frame for doing so and full details of how to contact the *Legal Ombudsman*; and
  - (b) if a complaint has been brought and your complaints procedure has been exhausted:
    - (i) that you cannot settle the complaint;
    - (ii) of the name and website address of an alternative dispute resolution (ADR) approved body which would be competent to deal with the complaint; and
    - (iii) whether you agree to use the scheme operated by that body.
- 8.5 You ensure that complaints are dealt with promptly, fairly, and free of charge.

## Client information and publicity

- 8.6 You give *clients* information in a way they can understand. You ensure they are in a position to make informed decisions about the services they need, how their matter will be handled and the options available to them.
- 8.7 You ensure that *clients* receive the best possible information about how their matter will be priced and, both at the time of engagement and when appropriate as their matter progresses, about the likely overall cost of the matter and any *costs* incurred.
- 8.8 You ensure that any *publicity* in relation to your practice is accurate and not misleading, including that relating to your charges and the circumstances in which *interest* is payable by or to *clients*.

- 8.9 You do not make unsolicited approaches to members of the public, with the exception of current or former *clients*, in order to advertise legal services provided by you, or your business or employer.
- 8.10 You ensure that *clients* understand whether and how the services you provide are regulated. This includes:
- (a) explaining your professional status, that you are an authorised CILEX member, how you are regulated by the SRA, and the areas of law in which you have rights to practise;
  - (b) explaining which activities will be carried out by you, as an *authorised person*;
  - (c) explaining which services provided by you, your business or employer, and any *separate business* are regulated by an *approved regulator*; and
  - (d) ensuring that you do not represent any business or employer which is not authorised by the *SRA*, including any *separate business*, as being regulated by the *SRA*.
- 8.11 You ensure that *clients* understand the regulatory protections available to them.
- 8.12 You do not hold yourself out as having a qualification or professional status that you do not possess.

### Supplemental notes

Made by the SRA Board on [ ].

Made under [insert relevant delegation provisions once confirmed]

# SRA Authorisation of CILEX Members Regulations

## Introduction

These regulations set out the SRA's requirements relating to the authorisation of individuals as authorised CILEX members. They set out the effect of SRA authorisation in terms of practising rights, the requirements for and how the SRA will decide applications for authorisation, the conditions that apply to authorised practise, and how authorisation may be revoked.

They also set out the education and training requirements in place for those seeking to become authorised CILEX members.

## Part 1: Authorisation

### Regulation 1: Core Requirements

- 1.1 To be an *authorised CILEX member* you must:
- a) be a *CILEX member* and have paid all *prescribed* subscriptions or fees payable in respect of your membership;
  - b) (unless indicated otherwise in these regulations) be a *fellow*;
  - c) hold a *practising rights certificate*; and
  - d) satisfy the *SRA* as to your *character and suitability*.

### Regulation 2: Fellowship

- 2.1 You will be eligible to be admitted as a *fellow* if the *SRA* is satisfied you have met the following requirements:
- a) you have completed *CILEX qualifying experience*;
  - b) you have provided a certificate from your employer signed by an *authorised person*, which confirms the nature of that work and that you have met the *prescribed* competences or learning outcomes to be a *fellow*, as appropriate, in accordance with sub-paragraph (c)(i) or (ii) below;
  - c) you have held the professional status of Graduate Member or *CILEX Member* – Advanced paralegal for one year; and either:
    - i. you have met the knowledge and competence requirements *prescribed* by the *SRA*; or
    - ii. where your application is made prior to 31 December 2028, you have met the work-based learning outcomes *prescribed* by the *SRA*.

### Regulation 3: Practising Rights Certificates

- 3.1 You will be eligible to apply for:
- a) an Immigration Certificate if you meet the requirements set out in Annex 1.
  - b) a Conveyancing Certificate if you meet the requirements set out in Annex 2.
  - c) a Probate Certificate if you meet the requirements set out in Annex 3.
  - d) an Employment Certificate if you meet the requirements set out in Annex 4.
  - e) a Business Certificate if you meet the requirements set out in Annex 5.
  - f) a General Certificate if you meet the requirements set out in Annex 6.

- g) a Right to Conduct Litigation Certificate (with either Civil, Family or Criminal specialism) and a Rights of Audience Certificate (with the corresponding Civil, Family or Criminal specialism) if you meet the respective requirements set out in Annex 7.
- 3.2 You will be eligible for a certificate to practise as an **associate prosecutor** you must meet the requirements set out in the **Associate Prosecutor Rights of Audience and Litigation Certification Rules**.

#### Regulation 4: Determination of applications

- 4.1 An application for admission as a **fellow** and an application for a **practising rights certificate** must each be submitted in the **prescribed** form and accompanied by the **prescribed** fee.

#### Regulation 5: Determination of applications, conditions and suspension

- 5.1 If the **SRA** considers it to be in the public interest to do so, it must:
- (a) refuse your application for a **practising rights certificate**;
  - (b) at any time, suspend your **practising rights certificate** or impose such conditions on your **practising rights certificate** as it thinks fit in accordance with regulations 5.2 and 5.3.
- 5.2 The **SRA** may suspend your **practising rights certificate** or impose conditions under regulation 5.1(b), as appropriate, if it is satisfied for any reason, including health issues, lack of competence or misconduct, that you:
- a) are unsuitable to undertake certain activities or engage in certain business or practising arrangements;
  - b) are putting, or are likely to put, at risk the interests of clients, third parties or the public;
  - c) will not comply, or are unable to comply, with the **SRA's regulatory arrangements** (which includes your ability to engage with your regulator on any matter that may require investigation and take part in any regulatory or disciplinary process) or require monitoring of compliance with the **SRA's regulatory arrangements**; or
  - d) should take specified steps conducive to the regulatory objectives.
- 5.3 The conditions imposed by the **SRA** under regulation 5.1(b) may:
- a) specify certain requirements that must be met or steps that must be taken;
  - b) restrict the carrying on of particular activities or holding of particular roles; or
  - c) prohibit the taking of specified steps without its approval.
- 5.4 The **SRA** may vary or revoke any conditions and may revoke any suspension of a **practising rights certificate**.
- 5.5 Before suspending your **practising rights certificate** or imposing or varying any conditions, the **SRA** shall give you no less than 28 days' notice of its intention to do so, inviting representations regarding the issues giving rise to the proposed conditions.
- 5.6 The **SRA** may shorten or dispense with the 28 days' notice under regulation 5.5 where conditions are imposed on grant of your **practising rights certificate**, or otherwise if it is satisfied that it is in the public interest to do so.

#### Regulation 6: Commencement and Periodical Fees

- 6.1 The commencement date for the *practising rights certificate* shall be the date specified by the *SRA* on the *practising rights certificate* or the *register*.
- 6.2 You shall pay to the *SRA* an annual periodical fee in the amount, and by the date *prescribed*, in respect of the retention of your *practising rights certificate*.

## Regulation 7: Revocation, Expiry and Restoration

- 7.1 The *SRA* may revoke a *practising rights certificate* at any time, if the *SRA* is satisfied:
- that the *practising rights certificate* was granted as a result of error, misleading or inaccurate information, or fraud;
  - that you have failed to pay the periodical fee required under regulation 6.2.
- 7.2 The *SRA* must not revoke a *practising rights certificate* unless it has first given the person no less than 28 days' notice of its intention to do so, inviting representations regarding the issues giving rise to the proposed revocation.
- 7.3 Subject to regulation 7.6, the *SRA* shall revoke a *practising rights certificate* on the application of the person concerned.
- 7.4 A *practising rights certificate* will expire:
- on the death of the *authorised CILEX member*;
  - on an *authorised CILEX member* ceasing to be a *fellow* or a *CILEX member* as a result of a decision pursuant to the *SRA Regulatory and Disciplinary Procedure Rules*.
- 7.5 You may apply to the *SRA* for your *practising rights certificate* to be restored and the *SRA* may, if it considers it appropriate to do so in order to reach a decision on your application, assess your *character and suitability* to be an *authorised CILEX member*.
- 7.6 The *SRA* may decide not to revoke or restore your *practising rights certificate* under this regulation if you are subject to any proceedings, investigation, or consideration of your conduct or practice by the *SRA* or the *Tribunal*.

## Part 2: What authorisation entitles you to do

### Regulation 8: Title and Practice Rights

- 8.1 An individual who:
- has been admitted as a *fellow* and awarded an Immigration Certificate will be known as a Chartered Legal Executive (Immigration) and is able to provide Immigration Work.
  - has been admitted as a *fellow* and awarded a Conveyancing Certificate will be known as a Chartered Legal Executive (Conveyancing) and is authorised to exercise Reserved Instrument Rights.
  - is not admitted as a *fellow* and is awarded a Conveyancing Certificate will be known as a CILEx Practitioner (Conveyancing) and is authorised to exercise Reserved Instrument Rights.
  - has been admitted as a *fellow* and awarded a Probate Certificate will be known as a Chartered Legal Executive (Probate) and is able to prepare any probate



- papers for the purposes of the law of England and Wales or in relation to any proceedings in England and Wales.
- e) has been admitted as a **fellow** and awarded an Employment Certificate will be known as a Chartered Legal Executive (Employment) and is authorised to exercise rights to administer oaths.
  - f) has been admitted as a **fellow** and awarded a Business Certificate will be known as a Chartered Legal Executive (Business) and is authorised to exercise rights to administer oaths.
  - g) has been admitted as a **fellow** and awarded a General Certificate will be known as a Chartered Legal Executive and is authorised to exercise rights to administer oaths.
  - h) has been admitted as a **fellow** and is awarded a Litigation and Advocacy (Civil Proceedings) Certificate will be a Chartered Legal Executive Litigator and Advocate (Civil Litigation) and is able to exercise the rights set out in Annex 7 Part 2.
  - i) has been admitted as a **fellow** and is awarded a Litigation and Advocacy (Criminal Proceedings) Certificate will be a Chartered Legal Executive Litigator and Advocate (Criminal Litigation) and is able to exercise the rights set out in Annex 7 Part 2.
  - j) has been admitted as a **fellow** and is awarded a Litigation and Advocacy (Family Proceedings) Certificate will be a Chartered Legal Executive Litigator and Advocate (Family Litigation) and is able to exercise the rights set out in Annex 7 Part 2.

### **Part 3: Decision Making**

#### **Regulation 9: Use of External Advisers**

9.1 The **SRA** may appoint external advisers to advise it as to whether or not an application or an application of a certain type meets the prescribed requirements.

Regulations made by the SRA Board on [ ].

Made under [ ].

## **Annex 1: Immigration Certificate**

- 1.
2. You will be eligible for an Immigration Certificate in the following circumstances:
  - a) where your application is made alongside an application for admission as a **fellow** under these regulations and you:
    - i. are admitted as a **fellow**;
    - ii. have three years' legal experience, including immigration practice experience in the two years preceding the application; and
    - iii. have met the relevant knowledge and competence requirements **prescribed** by the **SRA**;
  - b) where you are already a **fellow**, and you demonstrate that you meet the knowledge, skills and experience requirements set out in the **SRA's prescribed**:
    - i. skills and experience guidelines;
    - ii. portfolio and assessment criteria; and
    - iii. competency framework.

## **Annex 2: Conveyancing Certificate**

1. You will be eligible for a Conveyancing Certificate in the following circumstances:
  - a) where your application is made alongside an application for admission as a **fellow** under these regulations and you:
    - i. are admitted as a **fellow**;
    - ii. have three years' legal experience, including conveyancing practice experience in the two years preceding the application; and
    - iii. have met the relevant knowledge and competence requirements **prescribed** by the **SRA**.
  - b) where you are already a **fellow**, and you demonstrate that you meet the knowledge, skills and experience requirements set out in the **SRA's prescribed**:
    - i. skills and experience guidelines;
    - ii. portfolio and assessment criteria; and
    - iii. competency framework.
  - c) otherwise, where you:
    - i. have three years' legal experience, including conveyancing practice experience in the two years preceding the application; and
    - ii. have met the relevant knowledge and competence requirements **prescribed** by the **SRA**.

## **Annex 3: Probate Certificate**

1. You will be eligible to apply for a Probate Certificate in the following circumstances:
  - a) where your application is made alongside an application for admission as a **fellow** under these regulations and you:
    - i. are admitted as a **fellow**;
    - ii. have three years' legal experience, including probate practice experience in the two years preceding the application; and

- iii. have met the relevant knowledge and competence requirements *prescribed* by the *SRA*.
- b) where you are already a *fellow* you demonstrate that you meet the knowledge, skills and experience requirements set out in the *SRA's prescribed*:
    - i. skills and experience guidelines;
    - ii. portfolio and assessment criteria; and
    - iii. competency framework.
  - c) otherwise, where you:
    - i. have three years' legal experience, including probate practice experience in the two years preceding the application; and
    - ii. have met the relevant knowledge and competence requirements *prescribed* by the *SRA*.

#### **Annex 4: Employment Certificate**

- 1. You will be eligible to apply for an Employment Certificate in the following circumstances:
  - a) Where you are applying for and obtain admission as a *fellow* under Part 1 of these regulations you:
    - i. become a *fellow* under Part 1 of these regulations;
    - ii. have three years' legal experience, including employment practice experience in the two years preceding the application; and
    - iii. have met the relevant knowledge and competence requirements *prescribed* by the *SRA*.

#### **Annex 5: Business Certificate**

- 1. You will be eligible to apply for a Business Certificate in the following circumstances:
  - a) Where you are applying for and obtain admission as a *fellow* under Part 1 of these Regulations you:
    - i. become a *fellow* under Part 1 of these regulations;
    - ii. have three years' legal experience, including business practice experience in the two years preceding the application; and
    - iii. have met the relevant knowledge and competence requirements *prescribed* by the *SRA*.

#### **Annex 6: General Certificate**

- 1. You will be eligible to apply for a General Certificate in the following circumstances:
  - a) Where you are applying for and obtain admission as a *fellow* under Part 1 of these regulations you:
    - i. become a *fellow* under Part 1 of these regulations;
    - ii. have three years' legal experience including experience in a distinct area of practice in the two years preceding the application; and

- iii. have met the relevant knowledge and competence requirements *prescribed* by the **SRA**.

## **Annex 7: Litigation and Advocacy Practice Rights**

### **Part 1 – Eligibility**

1. You will be eligible to apply to be granted one or more of the following:
  - (a) Right to Conduct Litigation (Civil Proceedings) Certificate;
  - (b) Right to Conduct Litigation (Family Proceedings) Certificate;
  - (c) Right to Conduct Litigation (Criminal Proceedings) Certificate.

together the “Litigation Certificate(s)”, in the following circumstances:

- i. where you are admitted as a *fellow*;
  - ii. have three years’ legal experience, including litigation and advocacy experience in the two years preceding the application; and
  - iii. have met the relevant knowledge and competence requirements *prescribed* by the **SRA**;
2. At the same time as applying for one or more of the Litigation Certificates, you must apply to be granted the corresponding Rights of Audience Certificates, as follows:
    - (a) a Rights of Audience (Family Proceedings) Certificate in Judge’s Room or A Rights of Audience (Family Proceedings) Certificate;
    - (b) a Rights of Audience (Civil Proceedings) Certificate in Judge’s Room or A Rights of Audience (Civil Proceedings) Certificate; or
    - (c) a Rights of Audience (Criminal Proceedings) Certificate.together the “Rights of Audience Certificate(s)”.
  3. To be eligible for a Rights of Audience Certificate you must have met the relevant knowledge, competence and procedural requirements *prescribed* by the **SRA**.

### **Part 2 – Practice Rights**

4. The Rights to Conduct Litigation exercisable by a person holding a Litigation Certificate are set out below:
  - Rights to Conduct Litigation (Civil Proceedings) Certificate: To conduct litigation in all civil proceedings excluding family proceedings;
  - Rights to Conduct Litigation (Family Proceedings) Certificate: To conduct litigation in all family proceedings;
  - Rights to Conduct Litigation (Criminal Proceedings) Certificate: To conduct litigation in all criminal proceedings.
5. The rights of audience exercisable by a person holding an Advocacy Certificate are set out below:
  - (a) Rights of Audience (Civil Proceedings) Certificate in Judge’s Room: To exercise rights of audience in judge’s room hearings in the County Court and High Court in all civil proceedings excluding family proceedings.
  - (b) Rights of Audience (Civil Proceedings) Certificate:
    - i. to exercise rights of audience in Judge’s room hearings in the County Court and High Court in all civil proceedings excluding family proceedings;
    - ii. to appear in open Court in the County Court in all actions, except family proceedings;

- iii. to appear before Magistrates, District Judges (Magistrates' Court) or Justices' Legal Advisers in the Magistrates' Courts in relation to all civil and enforcement matters;
- iv. to appear before any tribunal having jurisdiction in England and Wales, which is listed in Schedule 6 of the Tribunals, Courts and Enforcement Act 2007 (as amended or substituted from time to time) where the tribunal rules provide for a non-discretionary right of audience being available to barristers, solicitors and CILEX advocates;
- v. to appear before Coroners' Courts in respect of all matters determined by those courts and to exercise rights of audience similar to those exercised by solicitors and barristers.

For the avoidance of doubt, a Civil Proceedings Certificate does not confer a right of audience in any proceedings for which a Family Proceedings Certificate is required.

- (c) Rights of Audience (Family Proceedings) Certificate in Judge's Room: To exercise rights of audience in judge's room hearings in the Family Court and High Court, except reserved proceedings, in all family proceedings.
- (d) Rights of Audience (Family Proceedings) Certificate:
  - i. to exercise rights of audience in Judge's room hearings in the Family Court and High Court, in all family proceedings;
  - ii. to appear in the Family Court in all proceedings;
  - iii. to appear before Coroners' Courts in respect of all matters determined by those courts and to exercise rights of audience similar to those exercised by solicitors and barristers.
- (e) Rights of Audience (Criminal Proceedings) Certificate:
  - i. to appear before Justices Clerks, Justices or a District Judge (Magistrates' Court) in all adult Magistrates' Courts in relation to all matters within that court's criminal jurisdiction;
  - ii. to appear before Justices Clerks, Justices or a District Judge (Magistrates' Court) in all Youth Courts in relation to all matters within that court's criminal jurisdiction;
  - iii. to appear in the Crown Court or High Court before a judge in chambers to conduct bail applications;
  - iv. to appear in the Crown Court on appeal from the Magistrates' Court, the Youth Court or on committal of an adult for sentence or to be dealt with, if they, or any approved person in the same employment as them, appeared on behalf of the defendant in the Magistrates' Court or Youth Court;
  - v. to appear before Coroners' Courts in respect of all matters determined by those courts and to exercise rights of audience similar to those exercised by solicitors and barristers.

## SRA Authorisation of Firms Rules

### Introduction

These provisions set out the SRA's arrangements for the authorisation of firms. This includes recognised bodies, licensed bodies and recognised sole practices.

The rules set out our authorisation and application requirements, the effect of authorisation by the SRA on the legal activities such bodies may provide, and how and when we may restrict or limit a firm's authorisation or bring it to an end.

If you are unsure whether you are eligible for authorisation, or need to be authorised, please see our guidance [\[link\]](#).

### Part 1: Eligibility

#### Eligibility

1.1 You will be eligible to apply for authorisation:

- (a) as a *licensed body*, if you are a *licensable body* and have at least one *manager* that is an *authorised person* (other than a *licensed body*);
- (b) as a *recognised body*, if you are a *legal services body* in which all of the *managers* and *interest holders* are *legally qualified*; or
- (c) as a *recognised sole practice*, if you are a *solicitor* or an *REL* who is the sole principal in a practice;
- (d) as an *authorised CILEX body*, if you are a body in which all of the managers and interest holders are *authorised CILEX members*;

and you intend to deliver legal services, or (if you fall within (b)) the *SRA* is satisfied that it is in the public interest for you to be eligible to apply for authorisation notwithstanding that you do not intend to deliver legal services.

1.2 The eligibility requirements in rule 1.1 are subject to the transitional arrangements set out in annex 1.

1.3 An *authorised body* must:

- (a) if you are a company, be incorporated and registered in England and Wales, Scotland or Northern Ireland under Parts 1 and 2 of the Companies Act 2006; and

**Formatted:** Font: Bold, Italic, Font color: Custom Color(139,112,168)

**Formatted:** Font: Bold, Italic, Font color: Custom Color(139,112,168)

Sensitivity: General

- (b) have at least one practising address in the **UK** or, if you are a **licensed body**, in England or Wales.

1A You will be eligible to apply for authorisation as a SRA-CILEX-ACCA firm if you meet the requirements set out in the SRA CILEX-ACCA Handbook.

## Part 2: Determination of authorisation applications, duration and validity

### Authorisation decision

- 2.1 The **SRA** may grant an application for authorisation in relation to one or more **reserved legal activity**.
- 2.2 The **SRA** will refuse an application for authorisation if it is not satisfied that, if authorisation is granted:
  - (a) the applicant's **managers, interest holders** or management and governance arrangements are suitable to operate or control a business providing regulated legal services;
  - (b) the applicant will comply with the **SRA's** requirements and **regulatory arrangements**,or, if the **SRA** considers that it would be otherwise against the public interest or incompatible with the **regulatory objectives** to grant the application.
- 2.3 In reaching a decision on the application, the **SRA** may take into account any **person** that the applicant, **manager, employee** or **interest holder** is related to, affiliated with, or acts together with that it has reason to believe may have an influence over the way in which the applicant, **manager, employee** or **interest holder** will exercise their role.

### Conditions

- 3.1 The **SRA** may at any time, whether on grant of an application for authorisation or otherwise, impose such conditions on a body's authorisation (whether indefinite or for a specified period), where it considers it appropriate in the public interest to do so and in accordance with rules 3.2 and 3.3.

Sensitivity: General

- 3.2 The **SRA** may impose conditions under rule 3.1 if it is satisfied that the **authorised body**, or a **manager, compliance officer, employee, owner, or interest holder** of the **authorised body**:
- (a) is unsuitable to undertake certain activities or engage in certain business or practising arrangements;
  - (b) is putting or is likely to put at risk the interests of **clients**, third parties or the public;
  - (c) will not comply with the **SRA's regulatory arrangements**, or requires monitoring of compliance with the **SRA's regulatory arrangements**; or
  - (d) should take specified steps conducive to the **regulatory objectives**.
- 3.3 The conditions imposed by the **SRA** under rule 3.1 may:
- (a) specify certain requirements that must be met or steps that must be taken;
  - (b) restrict the carrying on of particular activities or holding of particular roles; or
  - (c) prohibit the taking of specified steps without its approval.

#### Duration of authorisation

- 4.1 A body's authorisation takes effect from the date the certificate of authorisation is issued to it by the **SRA**.
- 4.2 A body's authorisation shall cease to have effect:
- (a) subject to Part 5, if the body ceases to exist; or
  - (b) if the body is a **licensed body** and is issued with a licence by another **approved regulator**.
- 4.3 The **SRA** may revoke or suspend a body's authorisation, if:
- (a) it is satisfied that the authorisation was granted as a result of error, misleading or inaccurate information, or fraud;
  - (b) the body is or becomes ineligible to be authorised, or the grounds for refusal of an application under rule 2.2 are met;
  - (c) the body has failed to provide any information the **SRA** has reasonably requested;
  - (d) the body has failed to pay any **prescribed** fee to the **SRA**;



Sensitivity: General

- (e) the body makes an application to the **SRA** for its authorisation to be revoked, but the **SRA** may refuse the application if the applicant is subject to any proceedings, investigation or consideration of their conduct or practice by the **SRA** or the **Tribunal**;
  - (f) the body has failed to comply with any obligations under the **SRA's regulatory arrangements**;
  - (g) the body, or an **owner, interest holder, manager** or **employee** of the body fails to comply with any duty imposed on them by sections 90 or 176 of the **LSA**;
  - (h) a **relevant insolvency event** has occurred in relation to the body, or the sole principal is made the subject of bankruptcy proceedings or makes a proposal for an individual voluntary arrangement;
  - (i) the **SRA** has decided to exercise its powers of **intervention** in relation to the body or a **solicitor's** practice within the body; or
  - (j) for any other reason, it considers it to be in the public interest to do so.
- 4.4 In the case of a **licensed body**, the **SRA** may revoke or suspend the body's authorisation:
- (a) as a result of a **person** who holds an **interest** in the **licensed body** taking a step in circumstances where that constitutes an offence under paragraph 24(1) of Schedule 13 to the **LSA** (whether or not the **person** is charged with or convicted of an offence under that paragraph);
  - (b) where such a **person** is in breach of conditions imposed under paragraphs 17, 28 or 33 of that Schedule; or
  - (c) where a **person's** holding of an **interest** in the **licensed body** is subject to an objection by the **SRA** under paragraph 31 or 36 of that Schedule.
- 4.5 The **SRA** must not revoke or suspend a body's authorisation other than under rule 4.3(e) unless it has first given the body no less than 28 days' notice of its intention to revoke or suspend the authorisation, inviting representations regarding the issues giving rise to the proposed revocation or suspension.

### Part 3: Effect of authorisation and conditions of practice

#### Effect of authorisation

- 5.1 If you are a **recognised body** or a **recognised sole practice** authorised by the **SRA** you are entitled to carry on:

Sensitivity: General

- (a) all *reserved legal activities* except notarial activities; and
- (b) *immigration work*.

5.2 If you are a *licensed body* you are entitled to carry on the activities set out in rule 5.1, in accordance with the terms of your licence.

5.3 An *authorised body* may only carry on a *reserved legal activity* through a *person* who is entitled to do so.

5.4 If you are an authorised CILEX body you must only carry on the reserved legal activities specified in the terms of your authorisation.

### General conditions of practice

#### Restrictions on services provided by a recognised body or recognised sole practice

6.1 If you are a *recognised body* or *recognised sole practice*, your business may consist only of the provision of:

- (a) professional services of the sort provided by individuals practising as *solicitors* and/or *lawyers* of other jurisdictions; and
- (b) the services set out in annex 2 (whether or not they are also included in paragraph (a)),

and if you have a notary public as a *manager* or *employee*, then professional services of the sort provided by notaries public.

#### Payment of periodical fees

7.1 Every *authorised body* must pay to the *SRA* a periodical fee in the amount, and by the date *prescribed*.

#### Compliance officers

8.1 An *authorised body* must at all times have an individual who is designated as its *COLP* and an individual who is designated as its *COFA*, and whose designations the *SRA* has approved.

8.2 Subject to rule 8.3, an individual who is designated under rule 8.1 must:

- (a) be a *manager* or *employee* of the *authorised body*;
- (b) consent to the designation;

Sensitivity: General

- (c) not be disqualified from acting as a *HOLP* or *HOFA* under section 99 of the *LSA*; and
- (d) in the case of a *COLP*, be an individual who is authorised to carry on *reserved legal activities* by an *approved regulator*.

8.3 An *authorised body* is not required to comply with rule 8.2(a) where an individual who is designated under rule 8.1:

- (a) is currently approved by the *SRA* as a *compliance officer* for an *authorised body* with a *manager* or *owner* in common with the body; and
- (b) is a *manager* or *employee* of that related *authorised body*.

### Management, control, and supervision

- 9.1 Subject to rules 9.2 and 9.3, an *authorised body* must ensure that the *SRA* has approved any *manager* or *owner* of the *authorised body* under Part 4.
- 9.2 A sole principal whose practice has been authorised as a *recognised sole practice* is not required to be approved separately as a *manager* of that practice.
- 9.3 If the *SRA* is satisfied that a *manager* of an *authorised body* is not involved in any of the following:
  - (a) the day to day or strategic management of the *authorised body*;
  - (b) compliance by the *authorised body* with the *SRA's regulatory arrangements*; or
  - (c) the carrying on of *reserved legal activities*, or the provision of legal services in England and Wales,

the *SRA* may decide that the *authorised body* is not required to comply with rule 9.1 in respect of that *manager*.

- 9.4 An *authorised body* must have at least one *manager* or *employee*, or must procure the services of an individual, who:
  - (a) is a *lawyer* and has practised as such for a minimum of three years; and
  - (b) supervises the work undertaken by the *authorised body* (or, if the body is a *licensed body*, the work undertaken by the body that is regulated by the *SRA* in accordance with the terms of the body's licence).

### Restrictions on employment and remuneration of certain individuals

- 10.1 An *authorised body* must not employ or remunerate, or permit to be a *manager*, *owner* or *interest holder* of the body, a person:

Sensitivity: General

- (a) who is subject to an order under section 43 of the **SA**, without the **SRA's** written permission;
- (b) whose name has been struck off the roll, or who is suspended from practising as a **solicitor**, without the **SRA's** written permission;
- (c) in respect of whom there is a direction in force under section 47(2)(g) of the **SA**, without the **SRA's** written permission; ~~or~~  
(ca) who is an authorised CILEX member whose practising rights certificate is suspended or has been revoked or whose membership is suspended or has been terminated, without the SRA's written permission; or
- (d) who has been disqualified from the relevant role.

#### Information return and notification events

- 11.1 An **authorised body** must complete and deliver to the **SRA** an annual return by the date and in the form **prescribed**.

#### Modification of terms and conditions

- 12.1 The **SRA** may at any time, extend, revoke or vary any terms or conditions on a body's authorisation, imposed in accordance with rule 3 or otherwise, either on the application of the **authorised body** or on the **SRA's** own initiative.

### Part 4: Approval of role holders

#### Approval of role holders

- 13.1 Subject to rules 13.2 to 13.4, the **SRA** may approve a **person's** designation as a **COLP** or **COFA** or to be a **manager** or **owner** of an **authorised body** if it is satisfied that the individual is fit and proper to undertake the role, in accordance with the SRA Assessment of Character and Suitability Rules.
- 13.2 The **SRA** will deem a **person** to be fit and proper to be a **manager** or **owner** of an **authorised body** if the **person** is:
- (a) a **solicitor**, an **REL**, **RFL**, an authorised CILEX member or an **authorised body**; or
  - (b) a **person** who has previously been approved by the **SRA** under rule 13.1 and is:
    - (i) authorised and regulated by another **approved regulator**; or

Sensitivity: General

- (ii) authorised and regulated by a regulatory body which operates a regulatory regime recognised by the **SRA** as reasonably equivalent to that of an **approved regulator**,

and who is not subject to a regulatory or disciplinary investigation, or adverse finding or decision of the **SRA**, the **Tribunal** or another regulatory body.

- 13.3 A **person** who meets the conditions under rule 13.2, shall be deemed to be approved to be designated as a **manager** or **owner** of any **authorised body**.
- 13.4 An **authorised body** must notify the **SRA** promptly in the **prescribed** form of the designation as a **manager** or **owner** of that body of a **person** who has been deemed to be approved under rule 13.3.
- 13.5 The **SRA** will deem an individual to be fit and proper to be a **compliance officer** of an **authorised body** if:
- (a) that individual is a **lawyer** and a **manager** of the **authorised body**;
  - (b) the **authorised body** has an annual turnover of no more than £600,000;
  - (c) they are not a **compliance officer** of any other **authorised body**; and
  - (d) they are not subject to a regulatory or disciplinary investigation, or adverse finding or decision of the **SRA**, the **Tribunal** or another regulatory body.
- 13.6 An **authorised body** must notify the **SRA** promptly, in the **prescribed** form, of the identity of a **compliance officer** whose fitness and propriety has been deemed under rule 13.5, and the **SRA** shall approve their designation to undertake the role in that body accordingly.
- 13.7 Approval of a **person's** designation under rule 13.1 or 13.6:
- (a) takes effect from the date of the decision unless otherwise stated;
  - (b) remains effective only if the **person** takes up the designated role within the period specified in the notice of approval, or the period of one year if no period is specified;
  - (c) expires when the **person** ceases to carry out the designated role;
  - (d) expires when the **person** ceases to be eligible under rule 8.2.
- 13.8 The **SRA** may at any time, on granting approval for the designation of a **person** under this Part, or otherwise, make the holding of a **material interest** in a **licensed body** subject to conditions in accordance with paragraphs 17, 28 or 33 of Schedule 13 to the **LSA**.

Sensitivity: General

- 13.9 The **SRA** may at any time withdraw approval of a **person's** designation under rule 13.1, 13.3 or 13.6 if it is not satisfied that the **person** is fit and proper to undertake the designated role.
- 13.10 A **person** whose designation has been approved under rule 13.1, 13.3 or 13.6, must notify the **SRA** promptly of any information in relation to them which would be relevant to an assessment of their fitness and propriety under the SRA Assessment of Character and Suitability Rules, and may be required to provide a self-declaration of their fitness and propriety on request by the **SRA**.
- 13.11 In respect of a **person** whose designation has been approved under rule 13.3, the obligation to notify under rule 13.10 applies when the **person** is holding an approved post and extends to information relating to matters taking place at any time, following their approval, irrespective of whether they were holding an approved post at the time.
- 13.12 Where the **SRA** withdraws approval for the designation of a **person** who is the **director** of a **company**, the **SRA** may set separate dates for the individual ceasing to be a **director** and disposing of their shares.

## Part 5: Succession, loss of eligibility and temporary emergency authorisation

### Loss of eligibility

- 14.1 If the last remaining **legally qualified manager** of an **authorised body** whose role ensures the body's compliance with the eligibility requirements for its authorisation under rule 1:
- (a) is sentenced to imprisonment;
  - (b) becomes unable to carry on their role because of incapacity;
  - (c) abandons the business;
  - (d) is made subject to a restriction, condition or other regulatory decision by the **SRA** or another regulatory body which would prevent or restrict them acting as a **manager**; or
  - (e) is unable to fulfil the role for any other reason,

the body must inform the **SRA** within seven days of becoming aware of the relevant event and, within 28 days of becoming aware of the event, must either become eligible for authorisation (without reference to the **manager** in question), or cease to carry on **reserved legal activities** and to hold themselves out as an **authorised body**.

- 14.2 Subject to any **prescribed** application requirements, the **SRA** may:

Sensitivity: General

- (a) transfer a body's authorisation to another body where the first body ceases to exist and the second body succeeds to the whole or substantially the whole of its business;
- (b) substitute a body's authorisation for another type of authorisation where it is satisfied that the body is materially carrying on the same practice, notwithstanding a change in its management or control; and
- (c) permit any *person* previously approved as a *manager, owner*, or *compliance officer* of the body to continue to act in their designated role, notwithstanding the transfer or substitution.

#### Temporary emergency authorisation or approval

15.1 An application for temporary emergency authorisation may be made:

- (a) within seven days of any change in the management or control of an *authorised body* which brings into being a new unauthorised body or practice;
- (b) within 28 days of the death or incapacity of a *sole practitioner* by a *solicitor* or an *REL* who is:
  - (i) the *sole practitioner's* executor, personal representative, attorney under a lasting power of attorney, or Court of Protection deputy (as appropriate);
  - (ii) a practice manager appointed by the *sole practitioner's* executor, personal representative, attorney under a lasting power of attorney, or Court of Protection deputy (as appropriate); or
  - (iii) an *employee* of the practice.

15.2 An application for temporary emergency approval of a *compliance officer* may be made within seven days of an *authorised body* ceasing to have a *COLP* or *COFA* whose designation is approved under Part 4.

15.3 The *SRA* will only grant an application under rule 15.1(a) or 15.2 if it is satisfied that:

- (a) the body or its *managers* could not reasonably have commenced a substantive application for authorisation under Part 2 in advance of the events giving rise to the application;
- (b) in relation to an application under rule 15.1(a) the body meets the eligibility requirements under rule 1.1 and will comply with our *regulatory arrangements* as they apply to *authorised bodies*; or

Sensitivity: General

- (c) in relation to an application under rule 15.2, it has no reason to believe that the individual to which the application relates is not fit and proper to be a **compliance officer** of the **authorised body**.

15.4 Temporary emergency authorisation or approval:

- (a) shall be granted for an initial period of 28 days from the date specified;
- (b) may be extended for such period as the **SRA** thinks fit;
- (c) shall be extended, if a substantive application for authorisation or approval is made during the period of temporary emergency authorisation or approval, pending determination of the substantive application;
- (d) may be revoked, withdrawn, or made subject to such conditions as the **SRA** considers appropriate, in the public interest,

save that, if the **SRA** grants temporary emergency authorisation under rule 15.1(b), the authorisation will be deemed to run from the date of death or incapacity and will cease to have effect on the earliest of the date of the winding up of the estate or 12 months from the date of death or incapacity.

#### Apportionment of periodical fees on succession

16.1 An **authorised body** which:

- (a) has taken over the whole or a part of one or more **authorised bodies**; or
- (b) has split or ceded part of its practice to another **authorised body** and wishes the **SRA** to take this into account in determining its periodical fee,

must within 28 days of the change taking place deliver to the **SRA** a notice in the **prescribed** form.

#### Supplemental notes

Made by the SRA Board on 30 May 2018 [and x](#).

Made under sections 31 of the Solicitors Act 1974, sections 9 and 9A of the Administration of Justice Act 1985, and section 83 of, and Schedule 11 to, the Legal Services Act 2007.



## Annex 1: Transitional arrangements under paragraph 7(3) of Schedule 5 to the LSA

- 1 A **licensable body** will be eligible to be a **recognised body** if as at 6 October 2011, it has been recognised by the **SRA** under section 9 of the **AJA** but has an **interest holder** or **manager** that is not a **lawyer** or a legally qualified body. It shall continue to be treated as a **recognised body** for the purposes of these rules and the **SRA's regulatory arrangements** until:
  - (a) such time as it ceases to comply with the management and control requirements set out in paragraph 2 below; or
  - (b) the end of the transitional period under Part 2 of Schedule 5 to the **LSA**, or such earlier time as the body may elect,at which time it must apply for authorisation as a **licensed body**.
- 2 The management and control requirements are:
  - (a) at least 75% of the body's **managers** must be:
    - (i) individuals who are, and are entitled to practise as, **lawyers of England and Wales**, advocates or solicitors in Scotland, members of the Bar of Northern Ireland, solicitors of the Court of Judicature of Northern Ireland or **RFLs**; or
    - (ii) bodies corporate which are legally qualified bodies,although a legally qualified body cannot be a **director** of a body which is a **company**;
  - (b) individuals who are, and are entitled to practise as, **lawyers of England and Wales**, advocates or solicitors in Scotland, members of the Bar of Northern Ireland, solicitors of the Court of Judicature of Northern Ireland or **RFLs** must make up at least 75% of the ultimate beneficial ownership of the body; and
  - (c) individuals who are, and are entitled to practise as, **lawyers of England and Wales**, advocates or solicitors in Scotland, members of the Bar of Northern Ireland, solicitors of the Court of Judicature of Northern Ireland or **RFLs**, and/or legally qualified bodies, must:
    - (i) exercise or control the exercise of at least 75% of the **voting rights** in the body; and
    - (ii) if the body is a **company** with shares, hold (as registered **members** of the **company**) at least 75% of the shares.
  - (d) every **interest holder** of the **recognised body**, and every **person** who exercises or controls the exercise of any **voting rights** in the body, must be:

Sensitivity: General

- (i) an individual who is, and is entitled to practise as, a **lawyer of England and Wales**, an advocate or solicitor in Scotland, a member of the Bar of Northern Ireland, a solicitor of the Court of Judicature of Northern Ireland or an **RFL**;
  - (ii) a legally qualified body; or
  - (iii) an individual who is approved by the **SRA**, and is a **manager** of the body;
- (e) an individual who is not entitled under paragraph 2(d)(i) may be an **interest holder** of a **recognised body** without being a **manager** of the body if:
- (i) the **recognised body** is a **company** which is wholly or partly owned by a **partnership** or **LLP** which is a legally qualified body;
  - (ii) the individual is approved by the **SRA** and is a **manager** of the **partnership** or **LLP**; and
  - (iii) the individual is precluded under the **partnership** agreement or **members'** agreement from exercising or authorising any vote in relation to the **company**.

For the purposes of this annex, "legally qualified body" means a body which is:

- (A) a **recognised body**; or
- (B) an **authorised non-SRA firm** of which individuals who are, and are entitled to practise as, **lawyers of England and Wales**, advocates or solicitors in Scotland, members of the Bar of Northern Ireland or solicitors of the Court of Judicature of Northern Ireland or **RFLs** make up at least 75% of the ultimate beneficial ownership.

Sensitivity: General

## **Annex 2: Professional services**

The professional services referred to in rule 6.1(b) are:

1. Alternative dispute resolution.
2. Financial services.
3. Estate agency.
4. Management consultancy.
5. Company secretarial services.
6. Other professional and specialist business support services including human resources, recruitment, systems support, outsourcing, transcription and translating.
7. Acting as a parliamentary agent.
8. Practising as a lawyer of another jurisdiction.
9. Acting as a bailiff.
10. Accountancy services.
11. Education and training activities.
12. Authorship, journalism and publishing.

## SRA Application, Notice, Review and Appeal Rules

### Introduction

These rules make provision for all notices given by the SRA and applications made to it under the SRA's rules and regulatory arrangements. They also make provision for internal reviews and external appeals against our disciplinary and regulatory decisions.

### Part 1: Applications and notices

#### Applications

- 1.1 An application made under the *SRA's regulatory arrangements* must be made in writing, where appropriate, in the *prescribed* form correctly completed, and be accompanied by:
  - (a) any *prescribed* fee or charge; and
  - (b) any information and documents which may be *prescribed*, or reasonably requested by the *SRA*.
- 1.2 If you make an application to the *SRA*, you do not need to submit all payments, information, and documents simultaneously, but the application will only be made once the *SRA* has received all of the payments, information and documents relating to it.
- 1.3 You must ensure that all details provided in connection with any application you make to the *SRA* are correct and complete. You must notify the *SRA* as soon as you become aware of any changes to any information supplied.
- 1.4 As soon as reasonably practicable, the *SRA* shall give notice to the applicant of the decision made in respect of their application, and shall give notice of the decision to any other person to whom the application relates. If the application is refused, the *SRA* will provide reasons for the decision and will inform the applicant and any other person to whom the application relates, of any right they may have to apply for a review or appeal of the decision.
- 1.5 The *SRA* shall give notice to an applicant for authorisation under the SRA Authorisation of Firms Rules, of the decision in respect of their application before the end of the decision period, which is the period of 6 months beginning with the day on which the application is made.
- 1.6 The *SRA* may, on one occasion, give the applicant a notice (an "extension notice") extending the decision period in rule 1.5 by such period as may be specified in the notice but:
  - (a) an extension notice must only be given before the time when the decision period in rule 1.5 would end, but for the extension notice;

- (b) the total decision period must not exceed 9 months; and
- (c) the extension notice must set out the reasons for the extension.

1.7 If the **SRA** has not notified the applicant of its decision within the decision period in rule 1.5 or as extended by rule 1.6, then for the purpose of any rights of review or appeal under Part 2 of these rules, the application is deemed to have been refused under rule 2.2 of the SRA Authorisation of Firms Rules and that decision to have been notified to the applicant on the last day of the decision period in rule 1.5 or as extended in rule 1.6. This does not prevent the **SRA** subsequently granting or refusing the application.

## Notices

- 2.1 Any notice under the **SRA's regulatory arrangements** must be given in writing by delivering it, or sending it by post or by electronic mail, to the recipient's last notified postal or electronic mail address, as appropriate.
- 2.2 If the intended recipient of a notice is represented, the notice may instead be given by sending or delivering it to the representative's practising or business address, or electronic mail address.
- 2.3 The giving of notice will be deemed to have been effected:
- (a) if sent by electronic mail or delivered or left at an address before 4.30pm on a working day, on that day, or in any other case on the next working day after the day on which it was sent, delivered or left;
  - (b) if sent by ordinary post:
    - (i) in the case of first class post, on the second working day after the day on which it was posted, and
    - (ii) in the case of second class post, on the fourth working day after the day on which it was posted.

## Part 2: Reviews and appeals of decisions

### Power to conduct a review

- 3.1 The **SRA** may:
- (a) where an administrative error in, or in relation to any decision comes to the **SRA's** attention, correct the error without the need to undergo a review under this Part;
  - (b) review all or part of any regulatory decision reached by it, of its own initiative, under this Part.

- 3.2 Subject to rule 3.3, the **SRA** may review all or part of any of the regulatory decisions set out in annex 1 on the application of the **person** who is the subject of the decision.
- 3.3 An application cannot be made for a review of:
- (a) a decision reached following a review or appeal;
  - (b) a decision which has been made by agreement under rule 8.2 of the SRA Regulatory and Disciplinary Procedure Rules.
- 3.4 Subject to rule 3.7, the **SRA** shall not, save in exceptional circumstances, review a decision more than one year after it was made.
- 3.5 An application for a review of a decision must be made within 28 days of:
- (a) notice being given of the decision, or reasons for the decision (if later); or
  - (b) any deemed refusal under rule 1.7 or regulation 19 of the European Communities (Lawyer's Practice) Regulations 2000,
- and must explain the grounds of review and provide reasons and any evidence in support.
- 3.6 Subject to rule 3.7, if the **SRA** decides to review a decision on its own initiative, it must give any **person** who is the subject of the decision, notice of its decision to conduct a review and an opportunity to provide written representations on the appropriate outcome under rule 4.2.
- 3.7 Rules 3.4 and 3.6 do not apply where the **SRA** decides to review a decision made under rule 3.1(g) of the SRA Regulatory and Disciplinary Procedure Rules to make an application to the **Tribunal**.

## Decisions on review

- 4.1 A review will usually be determined by an **authorised decision maker** on consideration of written evidence alone. An **adjudicator** may at their sole discretion invite the relevant person to be interviewed by an **authorised decision maker** accompanied by their representative (if any).
- 4.2 Subject to rule 4.3, on a review (save for a review of a decision made under rule 3.1(h) of the SRA Regulatory and Disciplinary Procedure Rules), the **authorised decision maker**, as appropriate may, where they consider the original decision was materially flawed or there is new information which would have had a material influence on the decision:
- (a) uphold the original decision;
  - (b) overturn the decision in whole or in part;

- (c) make any other decision which could have been made by the original decision maker; or
  - (d) remit the decision for further investigation or consideration.
- 4.3 On a review of a decision made under rule 3.1(g) of the SRA Regulatory and Disciplinary Procedure Rules to make an application to the *Tribunal*, the *authorised decision maker* may also overturn the decision where they consider that the conditions in rule 6.1 of the SRA Regulatory and Disciplinary Procedure Rules are no longer met.
- 4.4 On a review of a decision made under rule 3.1(h) of the SRA Regulatory and Disciplinary Procedure Rules, the *authorised decision maker*, as appropriate may exercise any of the powers set out at rule 4.2, where they consider that:
- (a) the *person* had complied with the requirements made under rule 11.1(b) of those rules; or
  - (b) the *person* had taken all reasonable steps to ensure they receive *SRA* communications but did not receive the notification under rule 11.1 of those rules.
- 4.5 A review of a decision made by an *adjudicator* may only be carried out by another *adjudicator* or an *adjudication panel*. A review of a decision made by an *adjudication panel* may only be carried out by another *adjudication panel*.
- 4.6 A review will not be conducted by the *authorised decision maker* who made the decision under review. For avoidance of doubt this does not apply in respect of corrections under rule 3.1(a).

## Appeals to the High Court or Tribunal

- 5.1 Unless otherwise provided in the relevant statute, or rules of the *Tribunal, court* or of the Legal Services Board, any appeal to the High Court or *Tribunal* against a decision set out in annex 2 or 3, as appropriate, must be commenced within the period of 28 days from the date of notification of the decision that is subject to appeal.

### Appeals by authorised CILEX members to an adjudication appeal panel

5A.1 A CILEX member may appeal to an adjudication appeal panel against a decision set out in annex 4.

5A.2 A panel considering an appeal under this section shall not include ~~panel~~ members/individuals who made the decision which is the subject of the appeal.

5A.3 An appeal under rule 5A must be issued within the period of 28 days from the date of notification of the decision that is subject to appeal.

5A.4 The adjudication appeal panel considering an appeal may:

- (a) uphold the original decision;

- (b) overturn the decision in whole or in part;
- (c) make any other decision which could have been made by the original decision maker; or
- (d) remit the decision for further investigation or consideration.

5A.5 The SRA must appoint and maintain a list of individuals to act as members of the adjudication appeal panel.

5A.6 The adjudication appeal panel must comprise a Chair and two other members from the list maintained under rule 5A.5. There must always be at least one lay member and a legally qualified member on each panel.

5A.7 In determining an appeal, the adjudication appeal panel may admit any evidence it considers fair and relevant to the case before it, whether or not such evidence would be admissible in civil proceedings.

5A.8 An appeal made under rule 5A will be a review of the decision that is being appealed against.

5A.9 Hearings of the adjudication appeal panel are to be held in private unless a request for a hearing in public is granted by the adjudication appeal panel.

5A.10 A party may be represented at a hearing by any person, but the adjudication appeal panel may refuse to permit a particular person to assist or represent a party if the adjudication appeal panel is satisfied that there are good ~~and sufficient~~ reasons for doing so.

5A.11 The adjudication appeals panel must provide written reasons for their decision.

5A.12 The adjudication appeal panel may determine an appeal without convening a hearing, on the basis of any documents or written representations provided by the parties, where:  
(a) the adjudication appeal panel has notified the parties of its intention to do so; and  
(b) the parties have consented.

## **Taking effect of decisions subject to review or appeal**

6.1 Unless specified otherwise, subject to rule 6.2, a decision takes effect:

- (a) if no application for a review or appeal is made, on the expiry of the date for bringing such an application under these rules; and
- (b) if an application for a review or an appeal is made, on the date any review or appeal has been determined or discontinued.

6.2 The **SRA** may direct a decision to take immediate effect, where it considers that it is necessary in the public interest to do so.



## Supplemental notes

Made by the SRA Board on

Made under [insert delegation provisions once confirmed] sections 2, 13, 28 and 31 of the Solicitors Act 1974, section 9 of the Administration of Justice Act 1985, section 89 of, and paragraphs 2 and 3 of Schedule 14 to, the Courts and Legal Services Act 1990, and section 83 of, and Schedule 11 to, the Legal Services Act 2007.

## Annex 1: Decisions made by the SRA which are subject to review

### Individual authorisation - solicitors

As set out in the SRA Authorisation of Individuals Regulations:

1. A decision made under regulation 1.1(b) not to be satisfied that an individual holds a *degree* or qualifications or experience which are equivalent to a *degree*.
2. A decision made under regulation 3.1(a) not to be satisfied that an individual holds a legal professional qualification that is recognised by the SRA, which confers rights to practise in England and Wales or in an *overseas* jurisdiction.
3. A decision made under regulation 3.1(b) not to be satisfied that an individual holds a *degree* or qualifications or experience which are equivalent to a *degree*.
4. A decision made under regulation 3.2 to refuse to grant an individual an exemption from all or part of the assessment under regulation 1.1(a).
5. A decision made under regulation 3A.2 not to be satisfied that an individual has completed all or any part of the *academic stage of training* or the *vocational stage of training* by equivalent means.
6. A decision made under regulation 3B.2(a) to refuse to recognise all or any part of an apprenticeship.
7. A decision under regulation 3B.2(b) to require further steps or training to be undertaken including imposing conditions.
8. A decision made under regulation 3E.2(a) to refuse to recognise all or part of a *period of recognised training*.
9. A decision made under regulation 3E.2(b) to require further steps or training to be undertaken including imposing conditions.
10. A decision made under regulation 5.1 to refuse to issue a certificate of satisfaction.
11. A decision made under regulation 5.2 not to be satisfied as to an individual's *character and suitability* to be a *solicitor*.
12. A decision made under regulation 5.3 to refuse to admit an individual as a *solicitor* after a certificate of satisfaction has been issued.
13. A decision made under regulation 5.6(a)(ii) to remove a *solicitor's* name from the roll.
14. A decision made under regulation 5.6(b) to refuse to remove a *solicitor's* name from the roll.

15. A decision made under regulation 5.9 to refuse to restore a *solicitor's* name to the roll.
16. A decision made under regulation 7.1(a) to refuse an application for a practising certificate, or registration or renewal of registration in the *register of European lawyers* or the *register of foreign lawyers*.
17. A failure to make a decision under regulation 6.1 within four months in respect of an application for initial registration in the *register of European lawyers*.
18. A decision made under regulation 7.1(b) to impose conditions on a practising certificate or the registration of a European *lawyer* or *foreign lawyer*.
19. A decision to refuse approval for the taking of steps specified in conditions under regulation 7.1(b).
20. A decision made under regulation 8.4 to revoke a practising certificate or withdraw registration in the *register of European lawyers* or the *register of foreign lawyers* save for where 8.4(b) applies.
21. A decision made under regulation 9.10 not to be satisfied in respect of a *higher courts advocacy qualification*.

### **Individual authorisation – CILEX members**

#### **As set out in the SRA Authorisation of CILEX Members Regulations:**

- 1. A decision made under regulation 1.1(d) not to be satisfied as to an individual's character and suitability to be a CILEX member**
- 2. A decision made under regulation 2.1 (a) not to be satisfied that an individual has completed at least 2,300 hours work that contributes to the provision of legal services.**
- 3. A decision made under regulation 2.1(c) not to be satisfied that an individual has met the knowledge and competence requirements or work based learning outcomes, as appropriate.**
- 4. A decision made under regulation 3 that an individual does not meet the requirements for eligibility for a practising rights certificate.**
- 5. A decision made under regulation 5.1(a) to refuse an application for a practising rights certificate.**
- 6. A decision made under regulation 5.1(b) to suspend or impose conditions on a practising rights certificate.**

7. A decision to refuse approval for the taking of steps specified in conditions under regulation 5.3 (c.).

8. A decision made under regulation 7.1 to revoke a practising rights certificate.

## Education, Training and Assessment providers

As set out in the SRA Education, Training and Assessment Provider Regulations:

1. A decision made under regulation 1.4(b) or 2.3(b) to refuse to grant *approved education provider, authorised education provider or authorised training provider* status.
2. A decision made under regulation 1.4(a) or 2.3(a) to grant the application for approval or authorisation subject to such conditions and for such period as the **SRA** considers appropriate.
3. A decision made under regulation 1.5(a) or 2.4(a) to revoke *approved education provider, authorised education provider or authorised training provider* status.
4. A decision made under regulation 1.5(b) or 2.4(b) to make approval or authorisation subject to such conditions as the **SRA** considers appropriate.
5. A decision made under regulation 2.4(c) to require an *authorised training provider* to appoint a new *training principal*.
6. A decision made under regulation 6.3(b) ~~or 6A.3(b)~~ to refuse to approve an organisation to provide higher rights of audience ~~assessments or Police Station Representative Accreditation Scheme assessments.~~
7. A decision made under regulation 6.3(a) ~~or 6A.3(a)~~ to grant the application of approval subject to such conditions as the **SRA** considers appropriate.
8. A decision made under regulation 6.5(a) ~~or 6A.6(a)~~ to revoke the approval.
9. A decision made under regulation 6.5(b) ~~or 6A.6(b)~~ to make the approval subject to such conditions as the **SRA** considers appropriate.

## Education, Training and Assessment providers

[To complete details of any assessment approvals]

## Firm authorisation

As set out in the SRA Authorisation of Firms Rules:

1. A decision made under rule 2.2 to refuse authorisation.
2. A decision made under rule 3.1 to impose conditions on authorisation.
3. A decision to refuse approval for the taking of steps specified in conditions under rule 3.3(c).
4. A decision under rule 4.3 or 4.4 to revoke or suspend a body's authorisation.
5. A decision made under rule 12.1 to extend, revoke or vary any terms or conditions on a body's authorisation or to refuse an application to do so.
6. A decision made under rule 13.1 to refuse approval of a *person's* designation as a *manager, owner, or compliance officer*.
7. A decision made under rule 13.8 to grant conditional approval of a *person's* designation or the holding of a *material interest* in a *licensed body*.
8. A decision made under rule 13.9 to withdraw approval of a *person's* designation as a *manager, owner, or compliance officer*.
9. A failure to decide an application for authorisation of a *licensed body* or approval of a *manager, owner, or compliance officer* within the decision period.

## Regulatory and Disciplinary

As set out in the SRA Regulatory and Disciplinary Procedure Rules:

1. A decision made under rule 3.1, save for a decision to make an application to the *Tribunal* under rule 3.1(g).
2. A decision made under rule 3.2(a) to impose interim conditions.
- 2A. A decision made under rule 7.2 that a disqualification should remain in force.
3. A decision made under rule 9.2 to publish a decision.

## Miscellaneous

1. A decision made under the SRA Compensation Fund Rules 2019 or the SRA Compensation Fund Rules 2021 not to make a grant of the whole or part of the amount applied for from the Fund.
2. Any decisions in respect of which there is a right of external appeal as set out in annex 2 or 3, that are not covered above.

## Annex 2: Decisions made by the SRA with a right of appeal to the Tribunal

### Firm authorisation

As set out in the SRA Authorisation of Firms Rules:

1. A decision made under rule 2.2 to refuse authorisation as a *licensed body*.
2. A decision made under rule 3.1 to impose conditions on the authorisation of a *licensed body*.
3. A decision in respect of a *licensed body* to refuse approval for the taking of steps specified in conditions under rule 3.3(c).
4. A decision made under rule 4.4 to revoke or suspend a *licensed body's* authorisation.
5. A decision made under rule 12.1 to extend, revoke or vary any terms or conditions on a *licensed body's* authorisation or to refuse an application to do so.
6. A decision made under rule 13.1 to refuse approval of a *person's* designation as a *manager, owner, or compliance officer* of a *licensed body*.
7. A decision made under rule 13.8 to grant approval or conditional approval of the holding of a *material interest* in a *licensed body*.
8. A decision made under rule 13.9 to withdraw approval of a *person's* designation as a *manager, owner, or compliance officer* of a *licensed body*.

### Regulatory and Disciplinary

As set out in the SRA Regulatory and Disciplinary Procedure Rules:

1. A decision made under rule 3.1(a) to give a written rebuke.
2. A decision made under rule 3.1 (b) to direct the payment of a financial penalty together with the amount of that penalty.
3. A decision made under rule 3.1(c) to disqualify a *person* from acting as a *HOLP, HOFA, manager* or *employee* of a *licensed body*.
4. A decision made under rule 3.1(d) to make an order to control a *person's* activities in connection with legal practice.
- 4A. A decision made under rule 7.2 that a disqualification should remain in force.
5. A decision made under 9.2 to publish a decision.

## Annex 3: Decisions made by the SRA with a right of appeal to the High Court

### Individual Authorisation

As set out in the SRA Authorisation of Individuals Regulations:

1. A decision made under regulation 3E.2(a) to refuse to recognise all or part of a *period of recognised training*.
2. A decision made under regulation 4.1 to refuse an application for admission as a *solicitor* made under Part V of the European Communities (Lawyer's Practice) Regulations 2000.
3. A decision made under regulation 5.1 to refuse to issue a certificate of satisfaction.
4. A decision made under regulation 5.3 to refuse to admit an individual as a *solicitor* after a certificate of satisfaction has been issued.
5. A decision made under regulation 5.6(a)(ii) to remove a *solicitor's* name from the roll.
6. A decision made under regulation 5.6(b) to refuse to remove a *solicitor's* name from the roll.
7. A decision made under regulation 5.9 to refuse to restore a *solicitor's* name to the roll.
8. A decision made under regulation 7.1(a) to refuse an application for a practising certificate, or registration or renewal of registration in the *register of European lawyers* or the *register of foreign lawyers*.
9. A decision made under regulation 7.1(b) to impose conditions on a practising certificate or the registration of a European *lawyer* or *foreign lawyer*.
10. A decision made under regulation 8.4 to revoke a practising certificate or withdraw registration in the *register of European lawyers* or the *register of foreign lawyers*.
11. A failure to determine within 4 months an application for initial registration or revocation of registration in the *register of European lawyers*.

## Firm authorisation

As set out in the SRA Authorisation of Firms Rules:

1. A decision made under rule 2.2 to refuse authorisation of a *recognised body* or *recognised sole practice*.
2. A decision made under rule 4.3 to revoke or suspend authorisation of a *recognised body* or *recognised sole practice*.
3. A decision made under 3.1 to impose conditions on authorisation of a *recognised body* or *recognised sole practice*.
4. A decision made under rule 13.9 to withdraw approval of a *person's* designation as a *COLP, COFA, manager* or *owner* of a *recognised body* or *recognised sole practice*.

## Miscellaneous

1. A refusal to grant permission to a *solicitor* to employ or remunerate in connection with their practice any individual who to their knowledge has been disqualified from practising as a *solicitor* as a result of being struck off the roll; or who is suspended from practice as a *solicitor*; or whose practising certificate is suspended as a result of being an undischarged bankrupt.

### Annex 4: Decisions made by the SRA relating to CILEX members with a right of appeal to the adjudication appeals panel

#### SRA Authorisation of CILEX Members Regulations:

1. A decision made under regulation 1.1(d) not to be satisfied as to an individual's character and suitability to be a CILEX member.
2. A decision made under regulation 2.1 (a) not to be satisfied that an individual has completed at least 2,300 hours of work that contributes to the provision of legal services.
3. A decision made under regulation 2.1(c) not to be satisfied that an individual has met the knowledge and competence requirements or work based learning outcomes, as appropriate.
4. A decision made under regulation 3 that an individual does not meet the requirements for eligibility for a practising rights certificate.
5. A decision made under regulation 5.1(a) to refuse an application for a practising rights certificate.
6. A decision made under regulation 5.1(b) to suspend or impose conditions on a practising rights certificate.



7. A decision to refuse approval for the taking of steps specified in conditions under regulation 5.3 (c.).

8. A decision made under regulation 7.1 to revoke a practising rights certificate.

9. A decision made under regulation 12 to refuse to restore a CILEX member.

### **Firm authorisation**

As set out in the SRA Authorisation of Firms Rules (as amended by the SRA Authorisation of Firms (amendment in respect of CILEX Members) Rules:

1. A decision made under rule 2.2 to refuse authorisation of an authorised CILEX body.

2. A decision made under rule 4.3 to revoke or suspend authorisation of an authorised CILEX body.

3. A decision made under 3.1 to impose conditions on authorisation of an authorised CILEX body.

4. A decision made under rule 13.9 to withdraw approval of a person's designation as a COLP, COFA, manager or owner of an authorised CILEX body.

### **Regulatory and Disciplinary**

As set out in the SRA Regulatory and Disciplinary Procedure Rules:

1. A decision made under rule 3.1(d), (f), (h) and (i)

2. A decision made under rule 3.2(c) to imposed interim conditions or interim suspension

3. A decision made under rule 7.2 that a disqualification should remain in force.

4. A decision made under rule 9.2 to publish a decision.

## SRA Assessment of Character and Suitability Rules

### Introduction

~~All individuals applying for admission or restoration to the roll of solicitors or those applying for or renewing their registration to be an REL or an RFL must be of satisfactory character and suitability. Those applying to become an authorised role holder, must be fit and proper to hold the role, and for ease we use the term "character and suitability" in this context also.~~  
All individuals applying for admission or restoration to the roll of solicitors, applying for or renewing their registration to be an REL or an RFL, applying for or renewing for authorisation as an authorised CILEX member must be of satisfactory character and suitability. Those applying to become an authorised role holder, must be fit and proper to hold the role, and for ease we use the term 'character and suitability' in this context also.

In addition to those seeking authorisation, all individuals seeking registration or renewing their CILEX membership will be required to declare that they are of satisfactory character and suitability in accordance with CILEX's membership requirements.

These provisions set out the kind of factors we will take into account when considering your character and suitability, and the obligations you have, both at the outset and on an ongoing basis, to provide relevant information to inform the decisions we make.

These requirements are underpinned by our role to act in the public interest. For more information about the issues we consider to present a risk to the public interest, and our approach to taking regulatory action, see our Enforcement Strategy [link].

### Part 1: Character and suitability requirements

#### Application

- 1.1 These rules apply where the **SRA** is making a decision as to whether it is satisfied regarding your **character and suitability**:
- (a) on early assessment under regulation 5.2 of the SRA Authorisation of Individuals Regulations;
  - (b) at admission or restoration to the roll under regulations 1.1, 3.1, 3A.1, 3F.1, 4.1 and 5.9 of the SRA Authorisation of Individuals Regulations;
  - (c) on approval as an authorised role holder under rule 13.1 of the SRA Authorisation of Firms Rules;
  - (d) on registration or renewal of registration as an **REL** or **RFL** under regulations 6.3 or 6.4 of the SRA Authorisation of Individuals Regulations.

Sensitivity: General

[\(e\) on authorisation or restoration as an authorised CILEX member under regulations 1.1\(d\) and 7.5 of the SRA Authorisation of CILEX Members Regulations](#)

## Assessment

2.1 When considering your *character and suitability*, the *SRA* will take into account the overriding need to:

(a) protect the public and the public interest; and

(b) maintain public trust and confidence in the [solicitors' or CILEX](#) profession and in legal services provided by *authorised persons*.

In doing so, the *SRA* will take into account the nature of your role, and your individual circumstances, on a case by case basis.

2.2 The *SRA* will therefore consider any information available to it and take into account all relevant matters. These will include but are not limited to the criminal and other conduct or behaviour set out in rules 3 and 4 below.

2.3 If you are applying for approval as a *compliance officer*, in assessing your suitability the *SRA* will consider whether you are of sufficient seniority and in a position of sufficient responsibility to fulfil the requirements of the role.

2.4 If on the information available, the *SRA* cannot be satisfied you are of good character and suitable for the role, and it considers that any risk to the public or the public interest can be addressed by the imposition of conditions on your authorisation or approval under regulation 7.1(b) of the SRA Authorisation of Individuals Regulations, or rule 3.1 or 13.8 of the SRA Authorisation of Firms Rules, as appropriate, the *SRA* must impose such conditions accordingly.

2.5 Following any decision by the *SRA* that it is not satisfied as to your *character and suitability*, you may only seek a further assessment of your *character and suitability*, where there has been a material change in your circumstances relevant to the *SRA's* assessment under these rules.

2.6 [Solicitors and authorised CILEX members](#) have a statutory duty to comply with our *regulatory arrangements* and such compliance is part of what it means to practise as a [solicitor and authorised CILEX member](#). Therefore in assessing your suitability the *SRA* will take into account anything, including your health, which indicates you are unfit to meet your regulatory obligations or to be subject to regulatory investigations or proceedings.

**Commented [R01]:** Note: [Annex 3 of second CILEX consultation](#), under the SRA Assessment of Character and Suitability Rules, bullet point 3 should read 'Rule 2.1(b) after 'solicitors' add 'or CILEX'

**Formatted:** Font: (Default) +Body (Arial), Bold, Italic, Font color: Accent 4

**Formatted:** Font: (Default) +Body (Arial), Bold, Italic, Font color: Accent 4

## Part 2: Conduct and behaviour

### Criminal conduct

Sensitivity: General

- 3.1 The **SRA** will consider criminal conduct when assessing your **character and suitability**, in accordance with Table 1 below, subject to the Rehabilitation of Offenders Act 1974 and the Rehabilitation of Offenders Act 1974 (Exceptions Order) 1975 and bearing in mind the public interest in supporting the rehabilitation of offenders. For the avoidance of doubt, Table 1 is a non-exhaustive list.

**Table 1: Criminal conduct**

<b>Most serious</b> (A finding in this category is likely to result in refusal)	<b>Serious</b> (A finding in this category may result in refusal)
<p>You have been convicted by a <b>court</b> of a criminal offence:</p> <ul style="list-style-type: none"><li>• for which you received a custodial or suspended sentence;</li><li>• involving dishonesty, fraud, perjury, and/or bribery;</li><li>• of a violent or sexual nature;</li><li>• associated with obstructing the course of justice;</li><li>• which demonstrated behaviour showing signs of <b>discrimination</b> towards others; or</li><li>• associated with terrorism.</li></ul> <p>You have been convicted by a <b>court</b> of more than one criminal offence (these could be less serious offences when considered in isolation but taken more seriously because of frequency and/or repetition).</p> <p>You have shown a pattern of criminal offences or criminal behaviours (eg starting from a caution but moving through to convictions).</p> <p>You have accepted a caution from the police for an offence involving dishonesty, violence or discrimination, or a sexual offence.</p> <p>You have been included on the Violent and Sex Offenders register.</p>	<p>You have accepted a caution for, or been convicted by a <b>court</b> of, a criminal offence not falling within the most serious category (which is likely to result in refusal).</p> <p>You are currently subject to a conditional discharge or bind over by a <b>court</b>.</p>

#### Other conduct and behaviour

Sensitivity: General

4.1 Table 2 sets out non-exhaustive examples of the types of conduct or behaviour that the **SRA** will take into account when assessing your **character and suitability**.

**Table 2: Other conduct and behaviour**

Type of behaviour	Examples
Integrity and independence	<p>You have behaved in a way:</p> <ul style="list-style-type: none"><li>• which is dishonest;</li><li>• which is violent;</li><li>• which is threatening or harassing;</li><li>• where there is evidence of <b>discrimination</b> towards others.</li></ul> <p>You have misused your position to obtain pecuniary advantage.</p> <p>You have misused your position of trust in relation to vulnerable people.</p> <p>The <b>SRA</b> has evidence reflecting on the honesty and integrity of a <b>person</b> you are related to, affiliated with, or act together with where the <b>SRA</b> has reason to believe that the <b>person</b> may have an influence over the way in which you will exercise your authorised role.</p>
Assessment offences	<p>You have committed and/or have been adjudged by an education establishment to have committed a deliberate assessment offence, which amounts to plagiarism or cheating, in order to gain an advantage for you or others.</p>
Financial conduct/events	<p>There is evidence:</p> <ul style="list-style-type: none"><li>• that you have deliberately sought to avoid responsibility for your debts;</li><li>• of dishonesty in relation to the management of your finances;</li><li>• that you have been declared bankrupt, entered into any individual voluntary arrangements, have a current County Court Judgment issued against you or have been made subject to a Debt Relief Order;</li><li>• that any <b>company, LLP or partnership</b> of which you are/were a <b>manager or owner</b> has been the subject of a winding up order, an administrative order or an administrative receivership, or has</li></ul>

Sensitivity: General

	<p>otherwise been wound up or put into administration in circumstances of insolvency;</p> <ul style="list-style-type: none"><li>• that you cannot satisfactorily manage your finances (eg you have fallen behind with six or more consecutive payments and/or have been registered with a credit reference agency);</li><li>• that you are subject to possession proceedings (eg for falling behind on mortgage payments) and/or are subject to a Liability Order (eg for non-payment of council tax).</li></ul>
Regulatory or disciplinary findings	<p>You have been made the subject of a serious disciplinary or regulatory finding, sanction or action by a regulatory body and/or any <i>court</i> or other body hearing appeals in relation to disciplinary or regulatory findings.</p> <p>You have failed to disclose information to a regulatory body (including the <i>SRA</i>) when required to do so or have provided false or misleading information.</p> <p>You have significantly breached the requirements of a regulatory body.</p> <p>You have failed to comply with the reasonable requests of a regulatory body resulting in a finding against you.</p> <p>You have been rebuked, reprimanded, or received a warning about your conduct by a regulatory body.</p> <p>You are disqualified from being a <i>charity</i> trustee or a trustee for a <i>charity</i> under section 178(1) of the Charities Act 2011.</p> <p>You have been removed and/or disqualified as a <i>company director</i>.</p> <p>You are a corporate person and other matters that call into question your fitness and propriety are disclosed or come to light.</p> <p>You have committed an offence under the <i>Companies Acts</i>.</p>

### Part 3: Aggravating and mitigating factors

### Aggravating and mitigating factors

5.1 Table 3 sets out a non-exhaustive list of the types of aggravating and mitigating factors the **SRA** will take into account where you have disclosed, or it has received, information which raises a question as to your **character and suitability**.

**Table 3: Aggravating and mitigating factors**

Aggravating Factors	Mitigating Factors
<ul style="list-style-type: none"> <li>• No evidence of successful rehabilitation.</li> <li>• No evidence of steps taken to remedy conduct.</li> <li>• No (or little) evidence of remorse.</li> <li>• Repeated behaviour, or a pattern of behaviour, or event occurred very recently.</li> <li>• You were in a position of trust.</li> <li>• You held a senior position.</li> <li>• Vulnerability of those impacted by the behaviour.</li> <li>• Behaviour likely to harm public confidence in the profession.</li> </ul>	<ul style="list-style-type: none"> <li>• Evidence of successful rehabilitation.</li> <li>• Evidence of steps taken to remedy conduct.</li> <li>• Evidence of remorse.</li> <li>• One off event, or event occurred some time ago.</li> <li>• You were in a junior or non-legal role.</li> <li>• No evidence of harm being caused to individuals.</li> <li>• Behaviour unlikely to harm public confidence in the profession.</li> <li>• Credible and cogent supporting references.</li> </ul>

## Part 4: Disclosure and evidential requirements

### Disclosure and evidential requirements

- 6.1 Subject to rule 6.3 below, on making an application under any of the provisions set out in rule 1.1, you must disclose all matters, wherever they have taken place (including **overseas**), which are relevant to the **SRA's** assessment of your **character and suitability**, including, where practicable, any information set out in Table 4 which is relevant to the matter in question.
- 6.2 On making an application under any of the provisions set out in rules 1.1(a) to (c), you must also provide a certificate from the Disclosure and Barring Service, or equivalent, which is no more than three months old.
- 6.3 If you are making an application for:
- (a) registration as an **REL** or **RFL**; or

Sensitivity: General

- (b) approval as a *manager* or *owner* of an *authorised body*, in circumstances where if approval is granted you will fall within rule 13.2(b) of the Authorisation of Firms Rules,

you must, and need only, provide a certificate of good standing which is no more than three months old from any regulatory body with which you are registered or authorised.

- 6.4 If the *SRA* requests any further information in order to assess your *character and suitability*, including a certificate from the Disclosure and Barring Service, or equivalent, you must provide it by the date specified (which will be no less than 14 days from the date of the request).
- 6.5 You have an ongoing obligation to tell the *SRA* promptly about anything that raises a question as to your *character and suitability*, or any change to information previously disclosed to the *SRA* in support of your application, after it has been made. This obligation continues once you have been admitted as a *solicitor*, registered as an *REL* or an *RFL*, or approved as a role holder.
- 6.6 The onus is on you to provide any evidence relevant to the *SRA's* consideration of your *character and suitability*. However, the *SRA* may undertake any investigation as it considers appropriate to determine your *character and suitability* and may verify any evidence you provide with a third party.
- 6.7 If you fail to disclose any information relevant to the *SRA's* assessment of your *character and suitability*, the *SRA* will take this into account when making a determination as to your *character and suitability*.

**Table 4: Information and evidence relevant to matters disclosed**

**General evidence**

- Credible references, where possible written in the knowledge of the matters reported. Credible references will generally be written in the knowledge of the matters reported by an independent person who knows you and your work well, such as a current or former employer or an academic tutor.
- Evidence of any rehabilitation that shows you have learnt from an experience or event, such as probation reports, references from employers or tutors.
- Documentary evidence in support of your case and, where possible, an independent corroboration of your account of the event.



Sensitivity: General

- A statement from you including details of the event leading up to the matter disclosed and which reflects your attitude towards the event.
- Proof that you have also disclosed the matter to any professional or other body to which you have an obligation to do so.

**Evidence relating to criminal offences**

- At least one independent report relating to the event such as a report from the police, a *court*, or a *solicitor*.
- Any sentencing remarks for your case.
- Any Memorandum of an Entry on the Court Register.
- Proof you have paid any penalty or fine imposed or costs ordered for you to pay as a result of the matter you disclosed.
- In relation to any motoring offence, your online driving licence.

**Evidence relating to assessment offences**

- Any minutes from any meeting and any transcripts from any hearing relating to the offence.
- Outcome of any investigation, any decision, sanction or appeal relating to the offence.
- Details which describe the extent to which you could reasonably have been expected to realise that the offence did not constitute legitimate academic practice.

**Evidence relating to financial conduct/events**

- In relation to county court judgments or Individual Voluntary Arrangements, proof that you have met the creditor's agreement in full or that it continues to be met; a copy of any judgment; a certificate of satisfaction from the court or a Registry Trust Limited report; and a credit report of no more than one month old.
- In relation to bankruptcy, a copy of the bankruptcy petition; or if you have been discharged from bankruptcy, a copy of the Certificate of Discharge; and a credit report no more than one month old.
- Details of any actions you have taken to clear any debts, satisfy any judgments and manage your finances.

**Supplemental notes**

Sensitivity: General

Made by the SRA Board on 30 May 2018 [and IX](#).

Made under sections 28 and 31, of the Solicitors Act 1974, section 9 of the Administration of Justice Act 1985, section 89 of, and paragraphs 2 and 3 of Schedule 14 to, the Courts and Legal Services Act 1990 and section 83 of, and Schedule 11 to, the Legal Services Act 2007.

## SRA Indemnity Insurance Rules

### Introduction

These rules require firms that are authorised by the SRA to take out and maintain professional indemnity insurance. They do not apply to solicitors, [CILEX members](#), RELs and RFLs that practise outside SRA authorised firms.

### Part 1: General

#### Application

1.1 These rules apply to *authorised bodies* and their *principals*.

### Part 2: Responsibility and monitoring

#### Obligation to effect insurance

- 2.1 An *authorised body* carrying on a *practice* during any *indemnity period* beginning on or after 25 November 2019 must take out and maintain *qualifying insurance* under these rules with a *participating insurer*.
- 2.2 In respect of its obligation under rule 2.1, an *authorised body* must obtain a *policy* of *qualifying insurance* prior to the expiry of the *policy period*, that provides cover incepting on and with effect from the expiry of the *policy period*.
- 2.3 If the *authorised body* has been unable to comply with rule 2.2, the *authorised body* must obtain a *policy* of *qualifying insurance* during or prior to the expiry of the *extended policy period* that provides cover incepting on and with effect from the expiry of the *policy period*.
- 2.4 If the *authorised body* has been unable to comply with either rule 2.2 or rule 2.3, the *authorised body* must cease *practice* promptly, and by no later than the expiry of the *cessation period*, unless the *authorised body* obtains a *policy* of *qualifying insurance* during or prior to the expiry of the *cessation period* that provides cover incepting on and with effect from the expiry of the *policy period* and covers all activities in connection with *private legal practice* carried out by the *authorised body* including, without limitation, any carried out in breach of rule 4.2.

#### Adequate and appropriate insurance

- 3.1 Notwithstanding rule 2.1 above, an *authorised body* must take out and maintain professional indemnity insurance that provides adequate and appropriate cover in respect of current or past practice taking into account any alternative arrangements the body or its *clients* may make.
- 3.2 An *authorised body* must ensure that its *clients* have the benefit of the indemnity insurance required under these rules and must not exclude or attempt to exclude liability below the minimum level of cover required under these rules.

Sensitivity: General

## Responsibility

- 4.1 Each *authorised body*, and any *principal* of such a body, must ensure that the *authorised body* complies with these rules.
- 4.2 Each *authorised body* that has been unable to obtain a *policy of qualifying insurance* prior to the expiration of the *extended policy period*, and any *principal* of such a body, must ensure that the *authorised body*, and each *principal* or *employee* of the body, undertakes no activities in connection with *private legal practice* and accepts no instructions in respect of any such activities during the *cessation period* save to the extent that the activity is necessary in connection with the discharge of its obligations within the scope of the *authorised body's existing instructions*.

## Insolvency of participating insurer

- 5.1 If an *authorised body* is carrying on a *practice* which is being provided with *qualifying insurance* by a *participating insurer* (whether alone or together with another *participating insurer*) and that *participating insurer* is the subject of an *insolvency event* then the *authorised body* and any *principal* of the body must ensure that the *authorised body* has in place *qualifying insurance* with another *participating insurer* as soon as may be reasonably practicable and in any event within four weeks of such *insolvency event*.

## Monitoring

- 6.1 The *SRA* may require from an *authorised body* or any *principal* in an *authorised body*, information and evidence it may reasonably require to satisfy itself that the body has complied with these rules.

## RELS

- 7.1 The provisions contained in annex 2 to these rules apply to an *authorised body* that has at least one *principal* who is an *REL*.

## Part 3: Reporting

### Use of information

- 8.1 Each *authorised body* must notify the *SRA* (or such *person* as the *SRA* may notify to the *authorised body* from time to time) and its *participating insurer* in writing as soon as reasonably practicable and in any event no later than five business days after the date on which:
  - (a) the *authorised body* enters an *extended policy period*;
  - (b) the *authorised body* has entered the *cessation period*; and
  - (c) where the *authorised body* is in the *extended policy period* or the *cessation period*, the *authorised body* has obtained a *policy of qualifying insurance*, and in such case the notification must include the name of the

Sensitivity: General

*participating insurer* who has issued the *policy* of *qualifying insurance* and the *policy* number.

- 8.2 The *SRA* may, without limitation and in its absolute discretion, disclose and make available for public inspection the identity of an *authorised body's participating insurer*.

#### Details of participating insurer

- 9.1 This rule is in addition to any obligations imposed on the *authorised body* under the Provision of Services Regulations 2009.
- 9.2 If a *claimant* asserts a *claim* against an *authorised body* or any person insured under that *authorised body's policy*, and the *claim* relates to any matter within the scope of cover of the *MTC*, the *authorised body*, and any person who is at the relevant time a *principal* in that *authorised body* must, upon request by that *claimant*, by any person insured under that *authorised body's policy*, or by any other person with a legitimate interest, provide the following details in relation to that *authorised body's policy*:
- (a) the name of the *participating insurer* who issued the *policy*;
  - (b) the *policy* number; and
  - (c) the address and contact details of the *participating insurer* for the purpose of making a *claim* under the *policy*,

in each case in respect of the *policy* which it is reasonably believed to be the relevant *policy* to respond to the *claim*, or, if applicable, the fact that the *authorised body* or person against whom the *claim* is asserted is covered by *supplementary run-off cover*.

- 9.3 In the case of an *authorised body* which has ceased *practice*, any person who was a *principal* in that *authorised body* immediately before that body ceased *practice* must comply with rule 9.2.

#### Part 4: Transitionals

##### Transitionals and savings

- 10.1 For the purposes of the *SA* (including without limitation section 10 of that Act), any person who is in breach of any rule or part of any rule under the Solicitors' Indemnity Insurance Rules 2000 to 2010 or SRA Indemnity Insurance Rules 2011 to 2013 will be deemed, for so long as that person remains in breach, not to be complying with these rules.

Sensitivity: General

### Supplemental notes

Made by the SRA Board on 5 December 2018.

Made under sections 31 and 37 of the Solicitors Act 1974, section 9 of the Administration of Justice Act 1985, and section 83 of, and paragraph 19 of Schedule 11 to the Legal Services Act 2007.

The SRA Indemnity Insurance Rules 2013 do not apply in respect of any *indemnity period* beginning on or after 24 November 2019 but they remain in force in respect of the *indemnity period* from 1 October 2013 to 24 November 2019 inclusive.

## Annex 1

### SRA Minimum Terms and Conditions of Professional Indemnity Insurance

#### 1 Scope of cover

##### 1.1 Civil liability

Subject to the limits in clause 2, the insurance must indemnify each *insured* against civil liability to the extent that it arises from *private legal practice* in connection with the *insured firm's practice*, (including its *prior practice* and (unless run-off cover is provided in accordance with clause 5.3) any *successor practice*) provided that a *claim* in respect of such liability:

- (a) is first made against an *insured* during the *period of insurance*; or
- (b) is made against an *insured* during or after the *period of insurance* and arising from *circumstances* first notified to the *insurer* during the *period of insurance*.

##### 1.2 Defence costs

The insurance must also indemnify the *insured* against *defence costs* in relation to:

- (a) any *claim* referred to in clause 1.1; or
- (b) any *circumstances* first notified to the *insurer* during the *period of insurance*; or
- (c) any investigation or inquiry (save in respect of any disciplinary proceeding under the authority of the *SRA* and/or the *Tribunal*) during or after the *period of insurance* arising from any *claim* referred to in clause 1.1 or from *circumstances* first notified to the *insurer* during the *period of insurance*.

##### 1.3 The insured

For the purposes of the cover contemplated by clause 1.1, the *insured* must include:

- (a) the *insured firm*; and
- (b) each service, administration, trustee or nominee *company* owned as at the date of occurrence of relevant *circumstances* by the *insured firm* and/or the *principals* of the *insured firm*; and
- (c) each *principal*, each former *principal* and each *person* who becomes a *principal* during the *period of insurance* of the *insured firm* or a *company* referred to in paragraph (b); and
- (d) each *employee*, each former *employee* and each *person* who becomes during the *period of insurance* an *employee* of the *insured firm* or a *company* referred to in paragraph (b); and
- (e) the estate or legal personal representative of any deceased or legally incapacitated *person* referred to in paragraph (c) or (d).

Sensitivity: General

#### 1.4 *Award by regulatory authority*

The insurance must indemnify each *insured* against any amount paid or payable in accordance with the recommendation of the Office for Legal Complaints (including the *Legal Ombudsman* pursuant to section 137(2)(c) and section 137(4)(b) of the *LSA*) or any other regulatory authority to the same extent as it indemnifies the *insured* against civil liability provided that the *insurer* will have no liability in respect of any determination by the *Legal Ombudsman* pursuant to section 137(2)(b) of the *LSA* to refund any fees paid to the *insured*.

## 2 **Limit of insurance cover**

#### 2.1 *Any one claim*

The *sum insured* for any one *claim* (exclusive of *defence costs*) must be, where the *insured firm* is a *relevant recognised body* or a *relevant licensed body* (in respect of activities regulated by the *SRA* in accordance with the terms of the body's licence) or a *authorised CILEX body* at least £3 million, and in all other cases, at least £2 million.

#### 2.2 *Defence costs*

There must be no monetary limit on the cover for *defence costs*.

#### 2.3 *Proportionate limit on defence costs*

Notwithstanding clauses [02-1](#) and [02-2](#), the insurance may provide that liability for *defence costs* in relation to a *claim* which exceeds the *sum insured* is limited to the proportion that the *sum insured* bears to the total amount paid or payable to dispose of the *claim*.

#### 2.4 *No other limit*

The insurance must not limit liability to any monetary amount (whether by way of an aggregate limit or otherwise) except as contemplated by clauses [02-1](#) to [02-3](#) (inclusive).

#### 2.5 *One claim*

The insurance may provide that, when considering what may be regarded as one *claim* for the purposes of the limits contemplated by clauses [02-1](#) to [02-3](#) (inclusive):

- (a) all *claims* against any one or more *insured* arising from:
  - (i) one act or omission;
  - (ii) one series of related acts or omissions;
  - (iii) the same act or omission, in a series of related matters or transactions;
  - (iv) similar acts or omissions, in a series of related matters or transactions, and

Formatted: Font: (Default) +Headings (Arial), Bold, Italic, Font color: Accent 4



Sensitivity: General

- (b) all **claims** against one or more **insured** arising from one matter or transaction will be regarded as one **claim**.

**2.6 Multiple underwriters**

- 2.6.1 The insurance may be underwritten by more than one **insurer**, each of which must be a **participating insurer**, provided that the insurance is fully underwritten.
- 2.6.2 Where the insurance is underwritten jointly by more than one **insurer**, the insurance:
  - (a) must state which **participating insurer** shall be the **lead insurer**;
  - (b) may provide that each **insurer** shall be severally liable only for its respective proportion of liability in accordance with the terms of the insurance; and
  - (c) (in addition to any proportionate limit on **defence costs** in accordance with clause [02-3](#)), may provide that each **insurer's** liability for **defence costs** is further limited to the extent or the proportion of that **insurer's** liability (if any) in relation to the relevant **claim**.
- 2.6.3 The **insurer** stated to be the **lead insurer** shall act as such including without limitation being responsible for the conduct of **claims**, advancing **defence costs** (subject to clause 2.6.2(c)) and compromising and arranging the payment of **claims**. The liability of any **insurer** shall not be increased by virtue only of the fact that it is acting as **lead insurer**.

**3 Excesses**

- 3.1 The insurance may be subject to an **excess** of such monetary amount and on such terms as the **insurer** and the **insured firm** agree. Subject to clause 3.4, the **excess** may be 'self-insured' or partly or wholly insured without regard to these **MTC**.
- 3.2 The insurance must provide that the **excess** deductible does not reduce the limit of liability contemplated by clause [02-4](#).
- 3.3 The **excess** must not apply to **defence costs**.
- 3.4 The insurance must provide that, if an **insured** fails to pay to a **claimant** any amount which is within the **excess** within 30 days of it becoming due for payment, the **claimant** may give notice of the **insured's** default to the **insurer**, whereupon the **insurer** is liable to remedy the default on the **insured's** behalf. The insurance may provide that any amount paid by the **insurer** to remedy such a default erodes the **sum insured**.
- 3.5 The insurance may provide for multiple **claims** to be treated as one **claim** for the purposes of an **excess** contemplated by clause 3.1 on such terms as the **insured firm** and the **insurer** agree.
- 3.6 In the case of insurance written on an excess of loss basis, there shall be no **excess** except in relation to the primary layer.

**4 Special conditions**

**4.1 No avoidance or repudiation**

The insurance must provide that the **insurer** is not entitled to avoid or repudiate the insurance on any grounds whatsoever including, without limitation, any breach of the

Sensitivity: General

duty to make a fair presentation of the risk, or any misrepresentation, in each case whether fraudulent or not.

4.2 *No adjustment or denial*

The insurance must provide that the *insurer* is not entitled to reduce or deny its liability under the insurance on any grounds whatsoever including, without limitation, any breach of any term or condition of the insurance, except to the extent that one of the exclusions contemplated by clause 06 applies.

4.3 *No cancellation*

The insurance must provide that it cannot be cancelled except (in the case of (a), (b) or (c) below) by the agreement of both the *insured firm* and the *insurer*, and in any event only in circumstances where:

- (a) the *insured firm's practice* is merged into a *successor practice*, provided that there is insurance complying with these *MTC* in relation to that *successor practice*, in which case cancellation shall have effect no earlier than the date of such merger; or
- (b) replacement insurance, complying with the *MTC* in effect at its commencement, commences, in which case cancellation shall have effect no earlier than the date on which such replacement insurance commences; or
- (c) it subsequently transpires that the *insured firm* is not required under the SRA Indemnity Insurance Rules to effect a *policy of qualifying insurance*, in which case cancellation shall have effect from the later of (a) the start of the relevant *policy period* and (b) the date on which the *insured firm* ceased to be required to effect a *policy of qualifying insurance*, or such later date as the *insured firm* and the *insurer* may agree.

Cancellation must not affect the rights and obligations of the parties accrued under the insurance prior to the date from which cancellation has effect.

4.4 *No set-off*

The insurance must provide that any amount payable by the *insurer* to indemnify an *insured* against civil liability to a *claimant* will be paid only to the *claimant*, or at the *claimant's* direction, and that the *insurer* is not entitled to set-off against any such amount any payment due to it by any *insured* including, without limitation, any payment of premium or to reimburse the *insurer*.

4.5 *No 'other insurance' provision*

The insurance must not provide that the liability of the *insurer* is reduced or excluded by reason of the existence or availability of any other insurance other than: (i) as contemplated by clause 06-4; or (ii) where the *insured*, having entered the *extended policy period* or *cessation period*, obtains a *policy of qualifying insurance* that incepts from and with effect from the expiration of the *policy period*. For the avoidance of doubt and subject to the provisions of the *participating insurer's*

Sensitivity: General

**agreement**, this requirement is not intended to affect any right of the **insurer** to claim contribution from any other **insurer** which is also liable to indemnify any **insured**.

4.6 *No retroactive date*

The insurance must not exclude or limit the liability of the **insurer** in respect of **claims** arising from incidents, occurrences, facts, matters, acts and/or omissions which occurred prior to a specified date.

4.7 *Successor practice - 'double insurance'*

The insurance may provide that, if the **insured firm's practice** is succeeded during the **period of insurance** and, as a result, a situation of 'double insurance' exists between two or more **insurers** of the **successor practice**, contribution between **insurers** is to be determined in accordance with the relative numbers of **principals** of the owners of the constituent **practices** immediately prior to succession.

4.8 *Resolution of disputes as to insurer of successor practice*

The insurance must provide that, if there is a dispute as to whether a **practice** is a **successor practice** for the purposes of clauses 1.1 or ~~05-5~~, the **insured** and the **insurer** will take all reasonable steps (including, if appropriate, referring the dispute to arbitration) to resolve the dispute in conjunction with any related dispute between any other party which has insurance complying with these **MTC** and that party's **insurer**.

4.8A *Conduct of a claim pending dispute resolution*

The insurance must provide that, pending resolution of any coverage dispute and without prejudice to any issue in dispute, the **insurer** will, if so directed by the **SRA**, conduct any claim, advance **defence costs** and, if appropriate, compromise and pay the claim. If the **SRA** is satisfied that:

- (a) the party requesting the direction has taken all reasonable steps to resolve the dispute with the other party/ies;
- (b) there is a reasonable prospect that the coverage dispute will be resolved or determined in the **insured's** favour; and
- (c) it is fair and equitable in all the circumstances for such direction to be given, it may in its absolute discretion make such a direction.

4.9 *Advancement of defence costs*

The insurance must provide that the **insurer** will meet **defence costs** as and when they are incurred, including **defence costs** incurred on behalf of an **insured** who is alleged to have committed or condoned dishonesty or a fraudulent act or omission, provided that the **insurer** is not liable for **defence costs** incurred on behalf of that **insured** after the earlier of:

- (a) that **insured** admitting to the **insurer** the commission or condoning of such dishonesty, act or omission; or

Sensitivity: General

- (b) a court or other judicial body finding that that *insured* was in fact guilty of such dishonesty, act or omission.

4.10 *Variation of insurance terms*

The terms of the insurance must provide that the *insurer* shall vary the terms of the insurance to give effect to any variation to the SRA Indemnity Insurance Rules, the Glossary and the *MTC*, such variation to be implemented by the *insurer*:

- (a) on the date of any renewal or replacement of the insurance or any extension to the *period of insurance* occurring in that *indemnity period*; or
- (b) on each date falling in 18 month intervals from the commencement of the *policy period* where no variation has occurred by reason of clause 4.10(a) within the immediately preceding 18 month period.

save that no variation shall be required under clause 4.10(b) where the date on which variation would have been required is a date within the *extended policy period* or the *cessation period*.

4.11 *MTC to prevail*

The insurance must provide that:

- (a) the insurance is to be construed or rectified so as to comply with the requirements of these *MTC* (including any amendment pursuant to clause 4.10); and
- (b) any provision which is inconsistent with these *MTC* (including any amendment pursuant to clause 4.10) is to be severed or rectified to comply.

**5 Extended policy period and run-off cover**

5.1 *Extended policy period*

The insurance must provide cover complying with the *MTC* for the duration of the *extended policy period* where an *insured firm* has not, prior to the expiration of the *policy period*, obtained insurance complying with the *MTC* and incepting on and with effect from the day immediately following the expiration of the *policy period*.

5.2 *Cessation period*

The insurance must provide cover complying with the *MTC* for the duration of the *cessation period* where an *insured firm* has not, prior to the expiration of the *extended policy period*, obtained insurance complying with the *MTC* and incepting on and with effect from the day immediately following the expiration of the *policy period*.

5.3 *Run-off cover*

Subject to clause 5.7 the insurance must provide run-off cover:

Sensitivity: General

- (a) in the event of a **cessation** that occurs during or on expiration of the **policy period**;
- (b) in the event of a **cessation** that occurs during the **extended policy period** or the **cessation period**; or
- (c) from the expiration of the **cessation period**;

and for the purposes of this clause 5.3 and clause 5.7, an **insured firm's practice** shall (without limitation) be regarded as ceasing if (and with effect from the date upon which) the **insured firm** becomes a **non-SRA firm**.

#### 5.4 Scope of run-off cover

The run-off cover referred to in clause 5.3 must:

- (a) indemnify each **insured** in accordance with clauses ~~04.4~~ 1.4;
- (b) provide a minimum level of insurance cover in accordance with clauses 2.1 and 2.3;
- (c) be subject to the exclusions and conditions of the insurance applicable in accordance with the **MTC**; and
- (d) extend the **period of insurance** for an additional six years (ending on the sixth anniversary of the date upon which, but for this requirement, it would have ended, and for the avoidance of doubt, including the **extended policy period** and **cessation period**.) save that in respect of run-off cover provided under clause 5.3(c), such run-off cover shall not operate to indemnify any regulated **insured** for civil liability arising from acts or omissions of such **insured** occurring after the expiration of the **cessation period**.

#### 5.5 Succession

The insurance must provide that, if there is a **successor practice** to the ceased **practice**, the **insured firm** may elect before its **cessation**, whether it wishes the ceased **practice**:

- (a) to be insured under the run-off cover referred to in clause 5.3(a) or
- (b) provided that there is insurance complying with these **MTC** in relation to that **successor practice**, to be insured as a **prior practice** under such insurance.

If the **insured firm** fails to make an election and/or fails to pay any premium due under the terms of the **policy**, before its **cessation**, clause 5.5~~0~~~~(b)~~ above shall apply.

#### 5.6 Suspended practices

The insurance must provide that, where run-off cover has been activated in accordance with this clause ~~05~~, but where the **insured firm's practice** restarts, the **insurer** may (but shall not be obliged to) cancel such run-off cover, on such terms as may be agreed, provided that:

- (a) there is insurance complying with these **MTC** in relation to that **insured firm** in force on the date of cancellation;
- (b) the **participating insurer** providing such insurance confirms in writing to the **insured firm** and the **insurer** (if different) that:

Sensitivity: General

- (i) it is providing insurance complying with these *MTC* in relation to that *insured firm* for the then current *indemnity period*; and
- (ii) it is doing so on the basis that the *insured firm's practice* is regarded as being a continuation of the *insured firm's practice* prior to *cessation* and that accordingly it is liable for *claims* against the *insured firm* arising from incidents, occurrences, facts, matters, acts and/or omissions which occurred prior to *cessation*.

#### 5.7 *Transfer to another approved regulator*

Clause 5.3 above does not apply where the *insured firm* becomes an *authorised non-SRA firm* provided that the *approved regulator*, with which the *authorised non-SRA firm* is authorised, is a signatory to a protocol on terms agreed by the *SRA* which relates to switching between *approved regulators*.

### 6 Exclusions

The insurance must not exclude or limit the liability of the *insurer* except to the extent that any *claim* or related *defence costs* arise from the matters set out in this clause 06.

#### 6.1 *Prior cover*

Any *claim* in respect of which the *insured* is entitled to be indemnified under a professional indemnity insurance contract for a period earlier than the *period of insurance*, whether by reason of notification of *circumstances* under the earlier contract or otherwise.

#### 6.2 *Death or bodily injury*

Any liability of any *insured* for causing or contributing to death or bodily injury, except that the insurance must nonetheless cover liability for psychological injury or emotional distress which arises from a breach of duty in the performance of (or failure to perform) legal work.

#### 6.3 *Property damage*

Any liability of any *insured* for causing or contributing to damage to, or destruction or physical loss of, any property (other than property in the care, custody or control of any *insured* in connection with the *insured firm's practice* and not occupied or used in the course of the *insured firm's practice*), except that the insurance must nonetheless cover liability for such damage, destruction or loss which arises from breach of duty in the performance of (or failure to perform) legal work.

#### 6.4 *Partnership disputes*

Any actual or alleged breach of the *insured firm's partnership* or shareholder agreement or arrangements, including any equivalent agreement or arrangement where the *insured firm* is an *LLP* or a *company* without a share capital.

#### 6.5 *Employment breaches, discrimination, etc.*

Wrongful dismissal, repudiation or breach of an employment contract or arrangement, termination of a training contract, harassment, discrimination or like conduct in relation to any *partnership* or shareholder agreement or arrangement or

Sensitivity: General

the equivalent where the *insured firm* is an *LLP* or a *company* without a share capital, or in relation to any employment or training agreement or arrangement.

6.6 *Debts, trading liabilities and funding arrangements*

Any:

- (a) trading or personal debt of any *insured*; or
- (b) legal liability assumed or accepted by an *insured* or an *insured firm* under any contract or agreement for the supply to, or use by, the *insured* or *insured firm* of goods or services in the course of the *insured firm's practice*, save that this exclusion 6.6(b) will not apply to any legal liability arising in the course of an *insured firm's practice* in connection with its or any *insured's* use of or access to the HM Land Registry network (including, without limitation, access under a Network Access Agreement made under the Land Registration (Network Access) Rules and the Land Registration (Electronic Communications) Order 2007) other than an obligation to pay search fees or other charges for searches or services provided by HM Land Registry to the *insured firm*; or
- (c) guarantee indemnity or undertaking by any particular *insured* in connection with the provision of finance, property, assistance or other benefit or advantage directly or indirectly to that *insured*.

6.7 *Fines, penalties, etc*

Any:

- (a) fine or penalty; or
- (b) award of punitive, exemplary or like damages under the law of the United States of America or Canada, other than in respect of defamation; or
- (c) order or agreement to pay the costs of a complainant, regulator, investigator or prosecutor of any professional conduct complaint against, or investigation into the professional conduct of, any *insured*.

6.8 *Fraud or dishonesty*

The insurance may exclude liability of the *insurer* to indemnify any particular *person* to the extent that any civil liability or related *defence costs* arise from dishonesty or a fraudulent act or omission committed or condoned by that *person*, except that:

- (a) the insurance must nonetheless cover each other *insured*; and
- (b) the insurance must provide that no dishonesty, act or omission will be imputed to a body corporate unless it was committed or condoned by, in the case of a *company*, all *directors* of that *company*, or in the case of an *LLP*, all *members* of that *LLP*.

6.9 *Directors' or officers' liability*

The insurance may exclude liability of the *insurer* to indemnify any natural person in their capacity as a *member* of an *LLP* or *director* or officer of a body corporate (other than a *recognised body*, *licensed body* (in relation to the activities regulated

Sensitivity: General

by the **SRA** in accordance with the terms of the body's licence) or a service, administration, trustee or nominee **company** referred to in clause 1.3(b) except that:

- (a) the insurance must nonetheless cover any liability of that **person** which arises from a breach of duty in the performance of (or failure to perform) legal work; and
- (b) the insurance must nonetheless cover each other **insured** against any vicarious or joint liability.

**6.10 War and terrorism, and asbestos**

The insurance may exclude, by way of an exclusion or endorsement, liability of the **insurer** to indemnify any **insured** in respect of, or in any way in connection with:

- (a) terrorism, war or other hostilities; and/or
- (b) asbestos, or any actual or alleged asbestos-related injury or damage involving the use, presence, existence, detection, removal, elimination or avoidance of asbestos or exposure to asbestos,

provided that any such exclusion or endorsement does not exclude or limit any liability of the **insurer** to indemnify any **insured** against civil liability or related **defence costs** arising from any actual or alleged breach of duty in the performance of (or failure to perform) legal work or failure to discharge or fulfil any duty incidental to the **insured firm's practice** or to the conduct of **private legal practice**.

**6.11 International trade sanctions**

The **insurer** shall be deemed not to provide cover and shall not be liable to pay any **claim** or provide any benefit under the insurance to the extent that the provision of such cover, payment of such **claim** or provision of such benefit would expose the **insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, Australia or United States of America.

**6.12 Cyber, infrastructure and data protection law**

The insurance may exclude, by way of an exclusion or endorsement, the liability of the insurer to indemnify any insured in respect of, or in any way in connection with:

- (a) a **cyber act**
- (b) a partial or total failure of any **computer system**
- (c) the receipt or transmission of malware, malicious code or similar by the **insured** or any other party acting on behalf of the **insured**
- (d) the failure or interruption of services relating to **core infrastructure**
- (e) a breach of **data protection law**

provided that any such exclusion or endorsement does not exclude or limit any liability of the insurer to indemnify any insured against:

- (i) civil liability referred to in clause 1.1 (including the obligation to remedy a breach of the SRA Accounts Rules as described in the definition of claim)



Sensitivity: General

(ii) **defence costs** referred to in clause 1.2 that would have been covered under the insurance even absent an event at 6(a) to 6(e) detailed above

(iii) any award by a regulatory authority referred to in clause 1.4

In addition, any such exclusion or endorsement should not exclude or limit any liability of the **insurer** to indemnify any **insured** against matters referred to at (i) (ii) and (iii) above in circumstances where automated technology has been utilised.

## 7 General conditions

### 7.1 As agreed

The insurance may contain such general conditions as are agreed between the **insurer** and the **insured firm**, but the insurance must provide that the special conditions required by clause 4 prevail to the extent of any inconsistency.

### 7.2 Reimbursement

The insurance may provide that each **insured** who:

- (a) committed or condoned (whether knowingly or recklessly):
  - (i) any breach of the duty to make a fair presentation of the risk, or misrepresentation; or
  - (ii) any breach of the terms or conditions of the insurance; or
  - (iii) dishonesty or any fraudulent act or omission; or
- (b) undertakes, either itself or by any of its **principals, employees**, consultants or agents or any **person** on its behalf, any activity during the **cessation period** in connection with **private legal practice** save to the extent that the activity is undertaken to discharge any of its obligations within the scope of its **existing instructions** or is necessary in connection with the discharge of any such obligation,

will reimburse the **insurer** to the extent that is just and equitable having regard to the prejudice caused to the **insurer's** interests by such failure to make a fair presentation of the risk, misrepresentation, breach, dishonesty, act or omission, provided that no **insured** shall be required to make any such reimbursement to the extent that any such breach of the terms or conditions of the insurance was in order to comply with any applicable **regulatory arrangements** of the **SRA**.

The insurance must provide that no failure to make a fair presentation of the risk, misrepresentation, breach, dishonesty, act or omission will be imputed to a body corporate unless it was committed or condoned by, in the case of a **company**, all **directors** of that **company**, or in the case of an **LLP**, all **members** of that **LLP**.

The insurance must provide further that any right of reimbursement contemplated by this clause ~~07.2~~ against any **person** referred to in clause 1.3(d) (or against the estate or legal personal representative of any such **person** if they die or become legally incapacitated) is limited to the extent that is just and equitable having regard to the prejudice caused to the **insurer's** interests by that **person** having committed or condoned (whether knowingly or recklessly) the failure to make a fair presentation of the risk, misrepresentation, breach, dishonesty, act or omission.

Sensitivity: General

7.3 *Reimbursement of defence costs*

The insurance may provide that each *insured* will reimburse the *insurer* for *defence costs* advanced on that *insured's* behalf which the *insurer* is not ultimately liable to pay.

7.4 *Reimbursement of the excess*

The insurance may provide for those *persons* who are at any time during the *period of insurance principals* of the *insured firm*, together with, in relation to a *sole practitioner*, any *person* held out as a *partner* of that practitioner, to reimburse the *insurer* for any *excess* paid by the *insurer* on an *insured's* behalf. The *sum insured* must be reinstated to the extent of reimbursement of any amount which eroded it as contemplated by clause 3.4.

7.5 *Reimbursement of moneys paid pending dispute resolution*

The insurance may provide that each *insured* will reimburse the *insurer* following resolution of any coverage dispute for any amount paid by the *insurer* on that *insured's* behalf which, on the basis of the resolution of the dispute, the *insurer* is not ultimately liable to pay.

7.6 *Withholding assets or entitlements*

The insurance may require the *insured firm* to account to the *insurer* for any asset or entitlement of any *person* who committed or condoned any dishonesty or fraudulent act or omission, provided that the *insured firm* is legally entitled to withhold that asset or entitlement from that *person*.

7.7 *Premium*

The premium may be calculated on such basis as the *insurer* determines and the *insured firm* accepts including, without limitation, a basis which recognises *claims* history, categories of work performed by the *insured firm*, numbers of *principals* and *employees*, revenue derived from the *insured firm's practice* and other risk factors determined by the *insurer*.

**8 Law and Jurisdiction**

These *MTC* and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with them or their subject matter or formation shall be governed by and construed in accordance with the law of England and Wales and subject to the jurisdiction of the courts of England and Wales.

## Annex 2

### Special provisions for RELs

1 If:

- (a) one or more of the *principals* of an *insured firm* are *RELs* who claim that professional indemnity insurance, or a professional indemnity fund, under their home professional rules provides the *insured firm's practice* with professional indemnity cover in all respects equivalent in its conditions and extent to that which would be provided under the *MTC (Full Home State Cover)*;
- (b) no more than 25% of the *principals* of the *insured firm* are *solicitors*; and
- (c) the *SRA* is so satisfied, (including, without limitation, by reason of any provider of the Full Home State Cover entering into such agreement as the *SRA* may require from time to time),

the *insured firm* and its *principals* shall for so long as such cover continues (and, where the *SRA* has required such agreement, for so long as such agreement remains in force and its requirements are complied with by the provider(s) of the Full Home State Cover that are party to it) be exempted from the obligation to take out and maintain *qualifying insurance*.

2 If on an application by one or more *RELs* who are *principals* in an *insured firm*, the *SRA* is satisfied that the *insured firm's practice* has professional indemnity cover under home professional rules but that the equivalence is only partial (**Partial Home State Cover**) (including, without limitation, by reason of the provider of the Partial Home State Cover entering into such agreement as the *SRA* may require from time to time), the *insured firm* and its *principals* shall for so long as such cover continues (and, where the *SRA* has required such agreement, for so long as such agreement remains in force and its requirements are complied with by the provider(s) of the Partial Home State Cover that are party to it) be exempted from the obligation to take out and maintain *qualifying insurance*, on condition that they take out and maintain a *difference in conditions policy*, which shall provide cover including the *MTC* as modified by the following changes (but not otherwise):

- (a) Clause 4.5 shall be deleted and replaced with the following:

#### **4.5 No 'other insurance' provision**

The insurance must not provide that the liability of the *insurer* is reduced or excluded by reason of the existence or availability of any other insurance other than as contemplated by clauses 6.1 or 6.12. For the avoidance of doubt, this requirement is not intended to affect any right of the *insurer* to claim contribution from any other *insurer* which is also liable to indemnify any *insured*.

Sensitivity: General

- (b) Clause 4.8 shall be deleted and replaced with the following:

**4.8 Resolution of disputes**

The insurance must provide that, if there is a dispute as to whether a *practice* is a *successor practice* for the purposes of clauses 1.1, or 5.5, the *insured* and the *insurer* will take all reasonable steps to resolve the dispute in conjunction with any related dispute between any other party which has insurance complying with these *MTC* and that party's insurer, and in conjunction with the provider of the *Partial Home State Cover*.

- (c) Clause 4.12 shall be added:

**4.12 Period of insurance**

The *period of insurance* must not expire prior to the date with effect on which the *Partial Home State Cover* expires or is avoided.

- (d) The following clause shall be added:

**6.12 Partial Home State Cover**

The insurance may exclude any liability of the *insurer* to the extent that any such liability is covered under the terms of the *Partial Home State Cover* irrespective of whether recovery is actually made in respect of such liability.

- 3 In the event of an *insured firm* which has the benefit of an exemption under paragraph 1 or paragraph 2 of this annex ceasing for whatever reason to enjoy that exemption but continuing to carry on a practice it shall be treated for all the purposes of these rules as though it had commenced the practice on the date when such exemption ceased.
- 4 Rule 5 (Insolvency of Participating Insurer) shall apply to an *insured firm* which has the benefit of an exemption under paragraph 1 or paragraph 2 of this annex in like manner as though the insurance company or entity or fund providing professional indemnity cover under its home professional rules, on the basis of which exemption or partial exemption was granted, was a *participating insurer*.
- 5 In the case of an *insured firm* which has the benefit of an exemption under paragraph 2 of this annex all the provisions of these rules shall apply to the additional professional indemnity insurance required under that paragraph to be taken out with a *participating insurer*.

## SRA Regulatory and Disciplinary Procedure Rules

### Introduction

These rules set out how we investigate and take disciplinary and regulatory action, for breaches of our rules and regulatory requirements. They apply to solicitors, [CILEX members](#), RELs, and RFLs as well as the firms we authorise and those who work for them.

The sanctions and controls we can impose as a result of our investigation will depend on the scope of our statutory powers and will be determined in accordance with our Enforcement Strategy.

### Assessing reports

- 1.1 The **SRA** shall assess any allegation which comes to, or is brought to, its attention in respect of a relevant **person** to decide if it should be considered under rule 3.
- 1.2 A matter is an allegation in respect of a **person** for the purpose of these rules if it raises a question that the **person**:
  - (a) is a **solicitor**, [a CILEX member](#), **a REL** or **RFL** and has committed professional misconduct;
  - (b) has committed or is responsible for a serious breach of any regulatory obligation placed on them by the **SRA's regulatory arrangements**, section 56 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, section 58 of the Criminal Justice and Courts Act 2015, section 6 of the Civil Liability Act 2018, the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, the Financial Guidance and Claims Act 2018 or any equivalent legislative requirements that may succeed the same;
  - (c) is a **manager** or employee of an **authorised body** and is responsible for a serious breach by the body of any regulatory obligation placed on it by the **SRA's regulatory arrangements**;
  - (d) is not a **solicitor** and has been convicted of a criminal offence, or been involved in conduct related to the provision of legal services, of a nature that indicates it would be undesirable for them to be involved in legal practice;
  - (e) in relation to a **licensed body**, has committed or substantially contributed to a serious breach of any regulatory obligation of a nature that indicates it is undesirable for them to carry out activities as a **HOLP**, **HOFA**, **manager** or employee of an **authorised body**;
  - (f) has otherwise engaged in conduct that indicates they should be made subject to a decision under rule 3.1.

### The investigation process

- 2.1 The **SRA** may carry out such investigations, and in doing so may exercise any of its investigative powers, as it considers appropriate:

- (a) to identify whether a matter comprises an allegation under rule 1.2, or
  - (b) to the consideration of an allegation under rule 3.
- 2.2 As soon as reasonably practicable after commencing an investigation under rule 2.1(b), the **SRA** will inform the relevant **person** accordingly and their **employer**, unless and to the extent that it considers that it would not be in the public interest to do so.
- 2.3 Before making a decision under rule 3, the **SRA** shall give notice to the relevant **person**:
- (a) setting out the allegation and the facts in support;
  - (b) summarising any regulatory or other history relating to the relevant **person**, or any associated **person**, which is relevant to the allegation, including to the question of propensity;
  - (c) where appropriate, making a recommendation as to the decision to be made under rule 3, regarding publication under rule 9, and costs under rule 10; and
  - (d) accompanied by any evidence or documentation that the **SRA** considers to be relevant to the allegation, and
- inviting the **person** to respond with written representations within such period as the **SRA** may specify (which must be no less than 14 days from the date of the notice).
- 2.4 At any stage, an **authorised decision maker** may decide to take no further action in respect of an allegation and to close the matter. If so, the **authorised decision maker** may decide to issue advice to the relevant **person**, or a warning regarding their future conduct or behaviour, but it must give notice under rule 2.3 before doing so.
- 2.5 The **SRA** may dispense with the giving of notice under rule 2.3 or 2.4 where:
- (a) it intends to include a further allegation in a matter already subject to an application or ongoing proceedings before the **Tribunal**;
  - (b) it intends to make an application to the **Tribunal** in a case in which it is exercising its powers of **intervention** as a matter of urgency; or
  - (c) it is otherwise in the public interest to do so.
- 2.6 The **SRA** must inform the relevant **person**, their **employer** (where they were informed of the investigation under rule 2.2) and, where practicable, any **person** who reported the allegation to the **SRA**, of any decision to close a matter under rule 2.4, together with reasons.
- 2.7 At any stage the **SRA** may decide to exercise its powers of **intervention** or to take action in relation to the approval of a **person** or the holding of an interest in accordance with rule 13.8 or 13.9 of the SRA Authorisation of Firms Rules or

Schedule 13 to the *LSA*.

### Consideration by authorised decision makers

3.1 On finding that an allegation is proved (save for sub-paragraph (g)), an *authorised decision maker* may decide as appropriate in respect of a relevant *person* to:

- (a) give a written rebuke, in accordance with section 44D(2)(a) of the *SA* or paragraph 14B(2)(a), Schedule 2 to the *AJA*;
- (b) subject to rule 3.6, direct the payment of a financial penalty in accordance with section 44D(2)(b) of the *SA*, paragraph 14B(2)(b) of Schedule 2 to the *AJA* or section 95 of the *LSA*, together with the amount of any penalty;
- (c) disqualify a *person* from acting as a *HOLP* or *HOFA*, *manager* or employee of a body licensed under the *LSA* in accordance with section 99 of the *LSA*;
- (d) make an order to control the *person's* activities in connection with legal practice, in accordance with section 43(2) of the *SA*;
- (e) impose a condition on the practising certificate of a *solicitor*, the registration of an *REL* or *RFL* or the authorisation of a body for such period as may be specified, in accordance with section 13A(1) of the *SA*, paragraph 2A(1) of Schedule 14 to the Courts and Legal Services Act 1990, section 9(2G) of the *AJA* or section 85 of the *LSA* and regulation 19 of The European Communities (Lawyer's Practice) Regulations 2000;
- (f) revoke or suspend authorisation to practise under the SRA Authorisation of Firms Rules;
- (g) make an application to the *Tribunal* under section 47 of the *SA* for the allegation to be considered;
- (h) where the *SRA* does not hold sufficient evidence that requirements made under rule 11.1(b) were complied with, direct the payment of a fixed financial penalty in the prescribed sum in accordance with section 44D(2)(b) of the *SA*, paragraph 14B(2)(b) of Schedule 2 to the *AJA* or section 95 of the *LSA*.

(i) additionally, in respect of a CILEX member, make one of the following orders:

- (i) give a written rebuke;
- (ii) direct the payment of a financial penalty, together with the amount of any penalty;
- (iii) impose conditions on a practicing rights certificate;
- (iv) suspend or revoke a practicing rights certificate;
- (v) suspend or terminate membership.

3.2 At any stage, an *authorised decision maker* may:

- (a) pending a final decision under rule 3.1 or by the *Tribunal*, impose interim conditions on the practising certificate of a *solicitor*, the registration of an *REL* or *RFL* or the authorisation of a body, where satisfied it is necessary for the protection of the public or in the public interest to do so; or
- ~~(b)~~ following an application to the *Tribunal* under section 47 of the *SA* in circumstances in which the *solicitor*, *REL* or *RFL* has been convicted of an indictable offence or an offence involving dishonesty or deception, suspend or continue a suspension of their practising certificate or registration in accordance with section 13B of the *SA* ~~or-~~
- ~~(b)~~(c) pending a final decision under rule 3.1, suspend or impose conditions on the practising rights certificate of a CILEX member.

- 3.3 As soon as reasonably practicable, the *SRA* shall give notice to the relevant *person* of any decision made under this rule, together with reasons, and will inform the *person* of any right they may have to apply for a review or appeal of the decision.
- 3.4 A decision is made on the date notice of it is given under rule 3.3.
- 3.5 Conditions imposed under rule 3.2(a) and conditions and suspensions imposed under rule 3.2(c) shall take effect immediately or on such other date as may be specified by the *authorised decision maker*.
- 3.6 A decision under rule 3.1(b) or 3.1(i)(ii) to direct the payment of a financial penalty (other than by agreement with the relevant *person*) must be made by an *adjudicator*, or where the amount of the penalty is within Band D of the *SRA*'s guidance on its approach to financial penalties, by an *adjudication panel*.

### Decisions to impose a financial penalty

- 4.1 An *authorised decision maker* may decide to direct the payment of a financial penalty under rule 3.1(b) or 3.1(i)(ii), where this is appropriate to:
  - (a) remove any financial or other benefit arising from the conduct;
  - (b) maintain professional standards; or
  - (c) uphold public confidence in the *solicitors'* profession or the CILEX profession as appropriate and in legal services provided by *authorised persons*.
- 4.2 Where the *SRA* recommends the imposition of a financial penalty on a relevant *person*, it may, by notice, require the *person* to provide a statement as to their financial means which includes a statement of truth, within such period as the *SRA* may specify (which must be no less than 14 days from the date of the notice).
- 4.3 Where an *authorised decision maker* has directed a *person* to pay a financial penalty:
  - (a) such penalty shall be paid within a time and in the manner *prescribed*;
  - (b) the *SRA* may direct that the payment of all or part of the penalty be



suspended on such terms as *prescribed*.

### Decisions to disqualify a person

- 5.1 An *authorised decision maker* may decide to disqualify a *person* under rule 3.1(c) only where they are satisfied that it is undesirable for the *person* to engage in the relevant activity or activities.

### Applications to the Tribunal

- 6.1 An *authorised decision maker* may decide to make an application to the *Tribunal* in respect of a firm or an individual under rule 3.1(g) only where they are satisfied that:
- (a) there is a realistic prospect of the *Tribunal* making an order in respect of the allegation; and
  - (b) it is in the public interest to make the application.
- 6.2 Where an *authorised decision maker* has made an application to the *Tribunal*, the *SRA* may carry out such further investigations, and in doing so may exercise any of its investigative powers, as it considers appropriate.

### Applications for termination of certain orders

- 7.1 Where a *person* has been:
- (a) disqualified from acting as a *HOLP* or *HOFA*, or a *manager* or employee of a body licensed under the *LSA*;
  - (b) made subject by the *SRA* to an order under section 43(2) of the *SA*; or
  - (c) made subject by the *SRA* to an order suspending their practising certificate or registration in the *register of European lawyers* or the *register of foreign lawyers*,

where there has been a material change in circumstances, the relevant *person* may apply to the *SRA* seeking a decision that the disqualification or order should cease to be in force.

- 7.2 An *authorised decision maker* may decide that a disqualification should cease to be in force if they are satisfied that it is no longer undesirable for the disqualified *person* to engage in the relevant activity or activities.

### Evidential and procedural matters

- 8.1 The *SRA* may vary the procedure set out in these rules where it considers that it is in the interests of justice, or in the overriding public interest, to do so.
- 8.2 A decision under rule 3 may be made by agreement between the relevant *person* and the *SRA*.

- 8.3 Before reaching a decision under rule 3, an **authorised decision maker** or adjudication panel may give directions for the fair and effective disposal of the matter.
- 8.4 Decisions of an adjudication panel are made by simple majority. Where the **adjudication panel** has two members, the appointed Chair has the casting vote.
- 8.5 Where an allegation is being considered by an adjudication panel, the proceedings will generally be conducted in private by way of a meeting of the **adjudication panel**.
- 8.6 An **adjudicator** may at their sole discretion decide to:
- (a) invite the relevant **person** to be interviewed by an **authorised decision maker** accompanied by their representative (if any)
  - (b) direct a hearing before an **adjudication panel** either in private or public in accordance with rule 8.6A, if the matter cannot be considered by the **Tribunal** and
    - (i) there is a material dispute of fact which cannot be determined without a hearing in which the parties are cross examined; or
    - (ii) if there is an overriding public interest in the matters being heard in public.
- 8.6A Where an **adjudicator** has decided an allegation should be considered at a hearing:
- (a) the **SRA** shall send a notice informing the relevant **person** of the date, time and venue of the hearing, no less than 28 days before the date fixed for the hearing;
  - (b) the relevant **person** and the **SRA** shall have the right to attend and be represented; and
  - (c) the **adjudication panel** may, at any time, whether of its own initiative or on the application of a party, adjourn the hearing until such time and date as it thinks fit.
- 8.7 The civil standard of proof applies to all decisions made under these rules.
- 8.8 An **authorised decision maker** may admit any evidence they consider fair and relevant to the case before them, whether or not such evidence would be admissible in a **court**. This may include regulatory or other history relating to the relevant **person**, or any associated **person**, which is relevant to the allegation, including to the question of propensity.
- 8.9 A certificate of conviction, or a finding by a **court** or disciplinary or regulatory body, certified by a competent officer of the **court**, or relevant body in the **UK** or **overseas**, shall be conclusive evidence of the offence committed or finding reached, and the facts relied upon.

## Disclosure and publication

- 9.1 The **SRA** may disclose or publish any information arising from or relating to an investigation, either in an individual case or a class of case, where it considers it to be in the public interest to do so.
- 9.2 The **SRA** shall publish any decision under rule 3.1 or 3.2, when the decision takes effect or at such later date as it may consider appropriate, unless it considers the particular circumstances outweigh the public interest in publication.
- 9.3 The **SRA** shall notify the Legal Services Board as soon as reasonably practicable:
- (a) of any decision to disqualify a **person** under rule 3.1(c);
  - (b) of the results of any review of any decision to disqualify a **person** under rule 7; and
  - (c) of any decision that a **person's** disqualification should cease to be in force.

## Costs

- 10.1 An **authorised decision maker** may require a **person** who is the subject of a decision under rule 3.1(a) to (f) **or (i)** to pay a charge in accordance with Schedule 1 to these rules.
- 10.2 The **authorised decision maker** may decide to charge less than the amount that would be payable in accordance with Schedule 1 if they consider that it would be just in all the circumstances to do so.
- 10.3 Any charge must be paid by the **person** in such time and manner as may be specified by the **authorised decision maker**.

## Fixed financial penalties

- 11.1 Where the **SRA** has evidence that a relevant **person** has committed one or more of the breaches listed in rule 11.2, it may notify them and will:
- (a) set out the allegation and the facts in support, accompanied by any evidence or documentation that the **SRA** considers to be relevant to the allegation;
  - (b) require the relevant **person** to remedy any specified breaches and provide evidence of the action taken to the **SRA** within a specified period (which must be no less than seven days from the date of the notification); and
  - (c) make a recommendation as to the decision to be made under rule 3.1(h) (taking into account any previous penalties issued), regarding publication under rule 9, and costs under rule 11.4, in the event that the requirements made under rule 11.1(b) are not complied with.
- 11.2 The prescribed breaches are:
- (a) SRA Transparency Rule 1.5
  - (b) SRA Transparency Rule 2.1

- (c) SRA Transparency Rule 4.1
- (d) SRA Authorisation of Firms Rule 13.4
- (e) SRA Authorisation of Firms Rule 13.6
- (f) SRA Financial Services (Scope) Rule 5.3
- (g) SRA Financial Services (Scope) Rule 5.4
- (h) SRA Code of Conduct for Firms Rule 3.3(a); or
- (i) SRA Code of Conduct for Firms Rule 2.1 and/or 3.8(a) in respect of material changes or inaccurate or incomplete information provided about:
  - i. **COLPs** and/or **COFAs** (with reference to Rule 8.1 SRA Authorisation of Firm Rules)
  - ii. **Managers** and **owners** (with reference to Rule 9.1 SRA Authorisation of Firm Rules)
  - iii. Non-authorized material interest holders in licensed bodies (with reference to paragraphs 21 to 24 of Schedule 13 to the Legal Services Act 2007)
  - iv. Beneficial owners, officers and/or managers of firms which are independent legal professionals (ILPs) and/or tax advisers (with reference to Regulation 26 of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as may be amended from time to time) (the MLRs)
  - v. Beneficial owners, officers and/or managers of firms which are trust or company service providers (TCSPs) (with reference to Regulations 56 and 57 of the MLRs)
  - vi. Money laundering reporting officer and/or money laundering compliance officer of an ILP, TCSP and/or tax adviser (with reference to Regulation 21 of the MLRs)

11.3 The prescribed sums for the purposes of rule 3.1(h) are:

- (a) £750 for a first breach
- (b) £1,500 for a subsequent breach of the same category within 3 years of the date of the first penalty, or a continuation of the first breach after the **SRA** has directed payment of a penalty for that breach.

11.4 An **authorised decision maker** may require a **person** who is the subject of a decision under rule 3.1(h) to pay a charge of £150 in respect of the **SRA's** investigation costs.

11.5 Rules 2.3, 2.4, 2.5, 2.6, 8.6 and 10 do not apply to the imposition of penalties under rule 3.1(h).

## Supplemental notes

Made by the SRA Board on 30 May 2018.

Made under [insert delegation provisions when made] sections 31, 44C and 44D of the Solicitors Act 1974, section 9 of, and paragraphs 14A and 14B of Schedule 2 to, the Administration of Justice Act 1985, section 83 of, and paragraph 20 of Schedule 11 to, the Legal Services Act 2007 and the Legal Services Act 2007 (The Law Society and the Council of Licensed Conveyancers) (Modification of Functions) Order 2011.

### Schedule 1

1. This schedule sets out the basis for calculating the charges payable under rule 10.
2. The **SRA** will record the amount of time spent by the **SRA** or its agents in investigating the matter, including time spent on correspondence, evidence gathering and analysis, and report writing.
3. The standard charges are as follows:

Number of hours spent investigating matter	Standard Charge
Under 2 hours	£300.00
2 hours or more but under 8 hours	£600.00
8 to 16 hours	£1,350.00

4. In addition to the fixed charge of £1,350, where the time recorded under paragraph 2 above amounts to more than 16 hours, an extra charge of £75.00 for every additional hour spent will be applied (rounded up or down to the nearest half hour).

## SRA Regulatory and Disciplinary Procedure Rules

### Introduction

These rules set out how we investigate and take disciplinary and regulatory action, for breaches of our rules and regulatory requirements. They apply to solicitors, [CILEX members](#), RELs, and RFLs as well as the firms we authorise and those who work for them.

The sanctions and controls we can impose as a result of our investigation will depend on the scope of our statutory powers and will be determined in accordance with our Enforcement Strategy.

### Assessing reports

- 1.1 The **SRA** shall assess any allegation which comes to, or is brought to, its attention in respect of a relevant **person** to decide if it should be considered under rule 3.
- 1.2 A matter is an allegation in respect of a **person** for the purpose of these rules if it raises a question that the **person**:
  - (a) is a **solicitor**, [a CILEX member](#), **a REL** or **RFL** and has committed professional misconduct;
  - (b) has committed or is responsible for a serious breach of any regulatory obligation placed on them by the **SRA's regulatory arrangements**, section 56 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, section 58 of the Criminal Justice and Courts Act 2015, section 6 of the Civil Liability Act 2018, the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, the Financial Guidance and Claims Act 2018 or any equivalent legislative requirements that may succeed the same;
  - (c) is a **manager** or employee of an **authorised body** and is responsible for a serious breach by the body of any regulatory obligation placed on it by the **SRA's regulatory arrangements**;
  - (d) is not a **solicitor** and has been convicted of a criminal offence, or been involved in conduct related to the provision of legal services, of a nature that indicates it would be undesirable for them to be involved in legal practice;
  - (e) in relation to a **licensed body**, has committed or substantially contributed to a serious breach of any regulatory obligation of a nature that indicates it is undesirable for them to carry out activities as a **HOLP**, **HOFA**, **manager** or employee of an **authorised body**;
  - (f) has otherwise engaged in conduct that indicates they should be made subject to a decision under rule 3.1.

### The investigation process

- 2.1 The **SRA** may carry out such investigations, and in doing so may exercise any of its investigative powers, as it considers appropriate:

- (a) to identify whether a matter comprises an allegation under rule 1.2, or
  - (b) to the consideration of an allegation under rule 3.
- 2.2 As soon as reasonably practicable after commencing an investigation under rule 2.1(b), the **SRA** will inform the relevant **person** accordingly and their **employer**, unless and to the extent that it considers that it would not be in the public interest to do so.
- 2.3 Before making a decision under rule 3, the **SRA** shall give notice to the relevant **person**:
- (a) setting out the allegation and the facts in support;
  - (b) summarising any regulatory or other history relating to the relevant **person**, or any associated **person**, which is relevant to the allegation, including to the question of propensity;
  - (c) where appropriate, making a recommendation as to the decision to be made under rule 3, regarding publication under rule 9, and costs under rule 10; and
  - (d) accompanied by any evidence or documentation that the **SRA** considers to be relevant to the allegation, and
- inviting the **person** to respond with written representations within such period as the **SRA** may specify (which must be no less than 14 days from the date of the notice).
- 2.4 At any stage, an **authorised decision maker** may decide to take no further action in respect of an allegation and to close the matter. If so, the **authorised decision maker** may decide to issue advice to the relevant **person**, or a warning regarding their future conduct or behaviour, but it must give notice under rule 2.3 before doing so.
- 2.5 The **SRA** may dispense with the giving of notice under rule 2.3 or 2.4 where:
- (a) it intends to include a further allegation in a matter already subject to an application or ongoing proceedings before the **Tribunal**;
  - (b) it intends to make an application to the **Tribunal** in a case in which it is exercising its powers of **intervention** as a matter of urgency; or
  - (c) it is otherwise in the public interest to do so.
- 2.6 The **SRA** must inform the relevant **person**, their **employer** (where they were informed of the investigation under rule 2.2) and, where practicable, any **person** who reported the allegation to the **SRA**, of any decision to close a matter under rule 2.4, together with reasons.
- 2.7 At any stage the **SRA** may decide to exercise its powers of **intervention** or to take action in relation to the approval of a **person** or the holding of an interest in accordance with rule 13.8 or 13.9 of the SRA Authorisation of Firms Rules or

Schedule 13 to the *LSA*.

### Consideration by authorised decision makers

3.1 On finding that an allegation is proved (save for sub-paragraph (g)), an *authorised decision maker* may decide as appropriate in respect of a relevant *person* to:

- (a) give a written rebuke, in accordance with section 44D(2)(a) of the *SA* or paragraph 14B(2)(a), Schedule 2 to the *AJA*;
- (b) subject to rule 3.6, direct the payment of a financial penalty in accordance with section 44D(2)(b) of the *SA*, paragraph 14B(2)(b) of Schedule 2 to the *AJA* or section 95 of the *LSA*, together with the amount of any penalty;
- (c) disqualify a *person* from acting as a *HOLP* or *HOFA*, *manager* or employee of a body licensed under the *LSA* in accordance with section 99 of the *LSA*;
- (d) make an order to control the *person's* activities in connection with legal practice, in accordance with section 43(2) of the *SA*;
- (e) impose a condition on the practising certificate of a *solicitor*, the registration of an *REL* or *RFL* or the authorisation of a body for such period as may be specified, in accordance with section 13A(1) of the *SA*, paragraph 2A(1) of Schedule 14 to the Courts and Legal Services Act 1990, section 9(2G) of the *AJA* or section 85 of the *LSA* and regulation 19 of The European Communities (Lawyer's Practice) Regulations 2000;
- (f) revoke or suspend authorisation to practise under the SRA Authorisation of Firms Rules;
- (g) make an application to the *Tribunal* under section 47 of the *SA* for the allegation to be considered;
- (h) where the *SRA* does not hold sufficient evidence that requirements made under rule 11.1(b) were complied with, direct the payment of a fixed financial penalty in the prescribed sum in accordance with section 44D(2)(b) of the *SA*, paragraph 14B(2)(b) of Schedule 2 to the *AJA* or section 95 of the *LSA*.

(i) additionally, in respect of a CILEX member, make one of the following orders:

- (i) give a written rebuke;
- (ii) direct the payment of a financial penalty, together with the amount of any penalty;
- (iii) impose conditions on a practicing rights certificate;
- (iv) suspend or revoke a practicing rights certificate;
- (v) suspend or terminate membership.

3.2 At any stage, an *authorised decision maker* may:



- (a) pending a final decision under rule 3.1 or by the *Tribunal*, impose interim conditions on the practising certificate of a *solicitor*, the registration of an *REL* or *RFL* or the authorisation of a body, where satisfied it is necessary for the protection of the public or in the public interest to do so; or
- ~~(b)~~ following an application to the *Tribunal* under section 47 of the *SA* in circumstances in which the *solicitor*, *REL* or *RFL* has been convicted of an indictable offence or an offence involving dishonesty or deception, suspend or continue a suspension of their practising certificate or registration in accordance with section 13B of the *SA* ~~or-~~
- ~~(b)~~(c) pending a final decision under rule 3.1, suspend or impose conditions on the practising rights certificate of a CILEX member.

- 3.3 As soon as reasonably practicable, the *SRA* shall give notice to the relevant *person* of any decision made under this rule, together with reasons, and will inform the *person* of any right they may have to apply for a review or appeal of the decision.
- 3.4 A decision is made on the date notice of it is given under rule 3.3.
- 3.5 Conditions imposed under rule 3.2(a) and conditions and suspensions imposed under rule 3.2(c) shall take effect immediately or on such other date as may be specified by the *authorised decision maker*.
- 3.6 A decision under rule 3.1(b) or 3.1(i)(ii) to direct the payment of a financial penalty (other than by agreement with the relevant *person*) must be made by an *adjudicator*, or where the amount of the penalty is within Band D of the *SRA*'s guidance on its approach to financial penalties, by an *adjudication panel*.

### Decisions to impose a financial penalty

- 4.1 An *authorised decision maker* may decide to direct the payment of a financial penalty under rule 3.1(b) or 3.1(i)(ii), where this is appropriate to:
  - (a) remove any financial or other benefit arising from the conduct;
  - (b) maintain professional standards; or
  - (c) uphold public confidence in the *solicitors'* profession or the CILEX profession as appropriate and in legal services provided by *authorised persons*.
- 4.2 Where the *SRA* recommends the imposition of a financial penalty on a relevant *person*, it may, by notice, require the *person* to provide a statement as to their financial means which includes a statement of truth, within such period as the *SRA* may specify (which must be no less than 14 days from the date of the notice).
- 4.3 Where an *authorised decision maker* has directed a *person* to pay a financial penalty:
  - (a) such penalty shall be paid within a time and in the manner *prescribed*;
  - (b) the *SRA* may direct that the payment of all or part of the penalty be

suspended on such terms as *prescribed*.

### Decisions to disqualify a person

- 5.1 An *authorised decision maker* may decide to disqualify a *person* under rule 3.1(c) only where they are satisfied that it is undesirable for the *person* to engage in the relevant activity or activities.

### Applications to the Tribunal

- 6.1 An *authorised decision maker* may decide to make an application to the *Tribunal* in respect of a firm or an individual under rule 3.1(g) only where they are satisfied that:
- (a) there is a realistic prospect of the *Tribunal* making an order in respect of the allegation; and
  - (b) it is in the public interest to make the application.
- 6.2 Where an *authorised decision maker* has made an application to the *Tribunal*, the *SRA* may carry out such further investigations, and in doing so may exercise any of its investigative powers, as it considers appropriate.

### Applications for termination of certain orders

- 7.1 Where a *person* has been:
- (a) disqualified from acting as a *HOLP* or *HOFA*, or a *manager* or employee of a body licensed under the *LSA*;
  - (b) made subject by the *SRA* to an order under section 43(2) of the *SA*; or
  - (c) made subject by the *SRA* to an order suspending their practising certificate or registration in the *register of European lawyers* or the *register of foreign lawyers*,

where there has been a material change in circumstances, the relevant *person* may apply to the *SRA* seeking a decision that the disqualification or order should cease to be in force.

- 7.2 An *authorised decision maker* may decide that a disqualification should cease to be in force if they are satisfied that it is no longer undesirable for the disqualified *person* to engage in the relevant activity or activities.

### Evidential and procedural matters

- 8.1 The *SRA* may vary the procedure set out in these rules where it considers that it is in the interests of justice, or in the overriding public interest, to do so.
- 8.2 A decision under rule 3 may be made by agreement between the relevant *person* and the *SRA*.

- 8.3 Before reaching a decision under rule 3, an **authorised decision maker** or adjudication panel may give directions for the fair and effective disposal of the matter.
- 8.4 Decisions of an adjudication panel are made by simple majority. Where the **adjudication panel** has two members, the appointed Chair has the casting vote.
- 8.5 Where an allegation is being considered by an adjudication panel, the proceedings will generally be conducted in private by way of a meeting of the **adjudication panel**.
- 8.6 An **adjudicator** may at their sole discretion decide to:
- (a) invite the relevant **person** to be interviewed by an **authorised decision maker** accompanied by their representative (if any)
  - (b) direct a hearing before an **adjudication panel** either in private or public in accordance with rule 8.6A, if the matter cannot be considered by the **Tribunal** and
    - (i) there is a material dispute of fact which cannot be determined without a hearing in which the parties are cross examined; or
    - (ii) if there is an overriding public interest in the matters being heard in public.
- 8.6A Where an **adjudicator** has decided an allegation should be considered at a hearing:
- (a) the **SRA** shall send a notice informing the relevant **person** of the date, time and venue of the hearing, no less than 28 days before the date fixed for the hearing;
  - (b) the relevant **person** and the **SRA** shall have the right to attend and be represented; and
  - (c) the **adjudication panel** may, at any time, whether of its own initiative or on the application of a party, adjourn the hearing until such time and date as it thinks fit.
- 8.7 The civil standard of proof applies to all decisions made under these rules.
- 8.8 An **authorised decision maker** may admit any evidence they consider fair and relevant to the case before them, whether or not such evidence would be admissible in a **court**. This may include regulatory or other history relating to the relevant **person**, or any associated **person**, which is relevant to the allegation, including to the question of propensity.
- 8.9 A certificate of conviction, or a finding by a **court** or disciplinary or regulatory body, certified by a competent officer of the **court**, or relevant body in the **UK** or **overseas**, shall be conclusive evidence of the offence committed or finding reached, and the facts relied upon.

## Disclosure and publication

- 9.1 The **SRA** may disclose or publish any information arising from or relating to an investigation, either in an individual case or a class of case, where it considers it to be in the public interest to do so.
- 9.2 The **SRA** shall publish any decision under rule 3.1 or 3.2, when the decision takes effect or at such later date as it may consider appropriate, unless it considers the particular circumstances outweigh the public interest in publication.
- 9.3 The **SRA** shall notify the Legal Services Board as soon as reasonably practicable:
- (a) of any decision to disqualify a **person** under rule 3.1(c);
  - (b) of the results of any review of any decision to disqualify a **person** under rule 7; and
  - (c) of any decision that a **person's** disqualification should cease to be in force.

## Costs

- 10.1 An **authorised decision maker** may require a **person** who is the subject of a decision under rule 3.1(a) to (f) **or (i)** to pay a charge in accordance with Schedule 1 to these rules.
- 10.2 The **authorised decision maker** may decide to charge less than the amount that would be payable in accordance with Schedule 1 if they consider that it would be just in all the circumstances to do so.
- 10.3 Any charge must be paid by the **person** in such time and manner as may be specified by the **authorised decision maker**.

## Fixed financial penalties

- 11.1 Where the **SRA** has evidence that a relevant **person** has committed one or more of the breaches listed in rule 11.2, it may notify them and will:
- (a) set out the allegation and the facts in support, accompanied by any evidence or documentation that the **SRA** considers to be relevant to the allegation;
  - (b) require the relevant **person** to remedy any specified breaches and provide evidence of the action taken to the **SRA** within a specified period (which must be no less than seven days from the date of the notification); and
  - (c) make a recommendation as to the decision to be made under rule 3.1(h) (taking into account any previous penalties issued), regarding publication under rule 9, and costs under rule 11.4, in the event that the requirements made under rule 11.1(b) are not complied with.
- 11.2 The prescribed breaches are:
- (a) SRA Transparency Rule 1.5
  - (b) SRA Transparency Rule 2.1

- (c) SRA Transparency Rule 4.1
- (d) SRA Authorisation of Firms Rule 13.4
- (e) SRA Authorisation of Firms Rule 13.6
- (f) SRA Financial Services (Scope) Rule 5.3
- (g) SRA Financial Services (Scope) Rule 5.4
- (h) SRA Code of Conduct for Firms Rule 3.3(a); or
- (i) SRA Code of Conduct for Firms Rule 2.1 and/or 3.8(a) in respect of material changes or inaccurate or incomplete information provided about:
  - i. **COLPs** and/or **COFAs** (with reference to Rule 8.1 SRA Authorisation of Firm Rules)
  - ii. **Managers** and **owners** (with reference to Rule 9.1 SRA Authorisation of Firm Rules)
  - iii. Non-authorized material interest holders in licensed bodies (with reference to paragraphs 21 to 24 of Schedule 13 to the Legal Services Act 2007)
  - iv. Beneficial owners, officers and/or managers of firms which are independent legal professionals (ILPs) and/or tax advisers (with reference to Regulation 26 of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as may be amended from time to time) (the MLRs)
  - v. Beneficial owners, officers and/or managers of firms which are trust or company service providers (TCSPs) (with reference to Regulations 56 and 57 of the MLRs)
  - vi. Money laundering reporting officer and/or money laundering compliance officer of an ILP, TCSP and/or tax adviser (with reference to Regulation 21 of the MLRs)

11.3 The prescribed sums for the purposes of rule 3.1(h) are:

- (a) £750 for a first breach
- (b) £1,500 for a subsequent breach of the same category within 3 years of the date of the first penalty, or a continuation of the first breach after the **SRA** has directed payment of a penalty for that breach.

11.4 An **authorised decision maker** may require a **person** who is the subject of a decision under rule 3.1(h) to pay a charge of £150 in respect of the **SRA's** investigation costs.

11.5 Rules 2.3, 2.4, 2.5, 2.6, 8.6 and 10 do not apply to the imposition of penalties under rule 3.1(h).

## Supplemental notes

Made by the SRA Board on 30 May 2018.

Made under [insert delegation provisions when made] sections 31, 44C and 44D of the Solicitors Act 1974, section 9 of, and paragraphs 14A and 14B of Schedule 2 to, the Administration of Justice Act 1985, section 83 of, and paragraph 20 of Schedule 11 to, the Legal Services Act 2007 and the Legal Services Act 2007 (The Law Society and the Council of Licensed Conveyancers) (Modification of Functions) Order 2011.

### Schedule 1

1. This schedule sets out the basis for calculating the charges payable under rule 10.
2. The **SRA** will record the amount of time spent by the **SRA** or its agents in investigating the matter, including time spent on correspondence, evidence gathering and analysis, and report writing.
3. The standard charges are as follows:

Number of hours spent investigating matter	Standard Charge
Under 2 hours	£300.00
2 hours or more but under 8 hours	£600.00
8 to 16 hours	£1,350.00

4. In addition to the fixed charge of £1,350, where the time recorded under paragraph 2 above amounts to more than 16 hours, an extra charge of £75.00 for every additional hour spent will be applied (rounded up or down to the nearest half hour).

## SRA Transparency Rules

### Introduction

These rules set out the information authorised firms, and individuals providing services to the public from outside authorised firms, should make available to clients and potential clients.

The rules aim to ensure people have accurate and relevant information about a solicitor [authorised CILEX member](#), a or firm when they are considering purchasing legal services and will help members of the public and small businesses make informed choices, improving competition in the legal market.

### Costs information

- 1.1 An **authorised body**, or an individual practising in the circumstances set out in regulation 10.2(b)(i) to (vii) of the SRA Authorisation of Individuals Regulations, who publishes as part of its usual business the availability of any of the services set out at rule 1.3 to individuals or at rule 1.4 to businesses, must, in relation to those services, publish on its website cost information in accordance with rule 1.5 and 1.6.
- 1.2 Rule 1.1 does not apply to publicly funded work.
- 1.3 The services in relation to individuals are:
  - (a) The conveyance of residential real property or real estate which comprise:
    - (i) freehold or leasehold sales or purchases; or
    - (ii) mortgages or re-mortgages;
  - (b) the collection and distribution of **assets** belonging to a person following their death, where these are within the **UK** and the matters are not contested;
  - (c) the preparation and submission of immigration applications, excluding asylum applications;
  - (d) the provision of advice and representation at the First-tier Tribunal (Immigration and Asylum Chamber) in relation to appeals against Home Office visa or immigration decisions, excluding asylum appeals;
  - (e) the provision of advice and representation at the Magistrates Court in relation to summary only road traffic offences dealt with at a single hearing;
  - (f) the provision of advice and representation to employees in relation to the bringing of claims before the Employment Tribunal against an employer for unfair dismissal or wrongful dismissal.
- 1.4 The services in relation to businesses are:
  - (a) the provision of advice and representation to employers in relation to defending claims before the Employment Tribunal brought by an employee for unfair dismissal or wrongful dismissal;
  - (b) debt recovery up to the value of £100,000;

## Sensitivity: General

- (c) the provision of advice and assistance and representation in relation to licensing applications for business premises.

### 1.5 Costs information must include:

- (a) the total cost of the service or, where not practicable, the average cost or range of costs;
- (b) the basis for your charges, including any hourly rates or fixed fees;
- (c) the experience and qualifications of anyone carrying out the work, and of their supervisors;
- (d) a description of, and the cost of, any likely **disbursements**, and where the actual cost of a **disbursement** is not known, the average cost or range of costs;
- (e) whether any fees or **disbursements** attract VAT and if so the amount of VAT they attract;
- (f) details of what services are included in the price displayed, including the key stages of the matter and likely timescales for each stage, and details of any services that might reasonably be expected to be included in the price displayed but are not; and
- (g) if you use conditional fee or damages based agreements, the circumstances in which **clients** may have to make any payments themselves for your services (including from any damages).

### 1.6 Cost information published under this rule must be clear and accessible and in a prominent place on your website.

## Complaints information

- 2.1 An **authorised body**, or an individual practising in the circumstances set out in regulation 10.2(b)(i) to (vii) of the SRA Authorisation of Individuals Regulations, must publish on its website details of its complaints handling procedure including, details about how and when a complaint can be made to the **Legal Ombudsman** and to the **SRA**.

## Publication

- 3.1 An **authorised body**, or an individual practising in the circumstances set out in regulation 10.2(b)(i) to (vii) of the SRA Authorisation of Individuals Regulations, that does not have a website, must make the information set out in rules 1 to 2 available on request.

## Regulatory information

- 4.1 An **authorised body** must display in a prominent place on its website (or, in the case of a **licensed body**, the website relating to its legal services, if separate) its **SRA** number and the **SRA's** digital badge.



Sensitivity: General

- 4.2 An **authorised body's** letterhead and e-mails must show its **SRA** authorisation number and the words "authorised and regulated by the Solicitors Regulation Authority".
- 4.3 A **solicitor**, an **REL**, ~~an~~ **RFL** or **authorised CILEX member** who is providing legal services to the public or a section of the public other than through a firm that is regulated by the **SRA**:
- (a) where they are not required to meet the **MTC**, must before engagement inform all **clients** of this fact and specify that alternative insurance arrangements are in place if this is the case (together with information about the cover this provides, if requested); and
  - (b) where applicable, must inform all **clients** that they will not be eligible to apply for a grant from the SRA Compensation Fund.
- 4.4 Rule 4.3 does not apply to a **solicitor**, an **REL**, ~~an~~ **RFL** or **authorised CILEX member** that is working in an **authorised non-SRA firm** or a **non-commercial body**.

Formatted: Font: Bold

Formatted: Font: Bold, Italic, Font color: Custom Color(RGB(128,100,162))

#### Supplemental notes

Made by the SRA Board on

Made under [insert delegation provisions when confirmed] section 31 of the Solicitors Act 1974, section 9 of the Administration of Justice Act 1985 and section 83 of, and Schedule 11 to, the Legal Services Act 2007.

## SRA Overseas and Cross-border Practice Rules

### Introduction

Part A of these rules sets out provisions for those who have established to provide legal services outside of England and Wales, for example as an overseas representative, or a branch office or subsidiary of an authorised firm. The rules set out in Part A are a modified version of the SRA Principles, together with key standards relating to client money and assets, and information and reporting requirements.

Authorised firms are required to ensure that those overseas practices for which they are responsible, and those who manage and own those overseas practices, meet the principles and standards set out in Part A of these rules. Regulated individuals who are established overseas must also meet the principles and standards set out in Part A of these rules, in place of the SRA Principles and Code of Conduct for Individuals. These rules do not apply to those who are providing services on a temporary basis from outside the jurisdiction; instead, the SRA Principles and Code of Conduct for Individuals will apply to them.

This reflects the fact that detailed regulatory requirements are less appropriate in a situation where the services are being provided from outside the jurisdiction, and where there will be different legal, regulatory and cultural practices. However, authorised firms will themselves be required to meet the full requirements of our regulatory arrangements and individuals established overseas will need to meet those requirements of our other rules and regulations which apply to them as solicitors or RELs (for example in respect of their character and suitability, and authorisation requirements).

The Cross-border Practice Rules set out in Part B of these rules apply to those who are engaged in professional activities in another State that is a member of the Council of the Bars and Law Societies of Europe (CCBE) and those who are in professional contact with a lawyer of another CCBE State whether or not they are physically present in that State.

### Part A: Overseas Rules

#### Application

- 1.1 The Overseas Rules apply to you:
- (a) as a **regulated individual** who is **practising overseas**, in place of the SRA Principles and the **SRA Code of Conduct for Individuals** or **SRA Code of Conduct for CILEX Members**; or
  - (b) as a **responsible authorised body** in that you must ensure that your **overseas practice** and the individual **managers, members** and **owners** that are involved in the day to day or strategic management of your **overseas practice**, comply with the Overseas Rules. Your **overseas practice** and these individual **managers**, and **members** and **owners** of your **overseas practice** are together referred to as those “for whom you are responsible” for the purposes of these rules.

- 1.2 In the event of any conflict between the Overseas Rules and any requirements placed on you or on those for whom you are responsible by local law or regulation, then local law or regulation must prevail, with the exception of Overseas Principle 2 which must be observed at all times.
- 1.3 Notwithstanding rule 1.1, the SRA Principles and the *SRA Code of Conduct for Individuals* will apply instead of the Overseas Rules if you are a *solicitor*, ~~or~~ or a *REL* ~~or~~ the *SRA Code of Conduct for CILEX Members* where you are an authorised CILEX member, and your practice predominantly comprises the provision of legal services to *clients* within England and Wales, or in relation to *assets* located in England and Wales.

## Overseas Principles

- 2.1 Where you are a *solicitor* or a *REL* you act:
1. in a way that upholds the constitutional principle of the rule of law and the proper administration of justice in England and Wales.
  2. in a way that upholds public trust and confidence in the *solicitors'* profession of England and Wales and in legal services provided by authorised *persons*.
  3. with independence.
  4. with honesty.
  5. with integrity.
  6. in a way that encourages equality, diversity and inclusion having regard to the legal, regulatory and cultural context in which you are *practising overseas*.
  7. in the best interests of each client.
- 2.2 Where you are an authorised CILEX member you act in accordance with the principles set out in the *SRA Code of Conduct for CILEX Members*.

## Dealings with client money

- 3.1 In all dealings you have with *client money (overseas)* you must:
- (a) safeguard *client* money and *assets* entrusted to you;
  - (b) keep *client money (overseas)*, separate from money which belongs to you;
  - (c) on receipt, pay *client money (overseas)* promptly into, and hold it in, an *overseas client account*, unless:
    - (i) to do so would conflict with your obligations under local law or regulation or with any obligation relating to any specified office or appointment you hold; or

- (ii) you agree in the individual circumstances an alternative arrangement in writing with your **client** or the third party for whom the money is held;
- (d) only withdraw **client money (overseas)** from an **overseas client account**:
  - (i) for the purposes for which it is being held; or
  - (ii) following receipt of instructions from the **client**, or the third party for whom the money is held.
- (e) return **client money (overseas)** promptly to the **client** or third party for whom money is held as soon as there is no longer any proper reason to retain those funds;
- (f) have effective accounting systems and proper controls over those systems in order to ensure compliance with these rules;
- (g) keep and maintain for at least six years accurate, contemporaneous and chronological **accounting records** in order to provide details of all money received and paid from all **overseas client accounts** and to show a running balance of all **client money (overseas)** held in those accounts; and
- (h) account to **clients** or third parties for a fair sum of **interest** on any **client money (overseas)** held by you on their behalf, as required by local law and customs of the jurisdiction in which you are practising and otherwise when it is fair and reasonable to do so in all circumstances. You may by a written agreement come to a different arrangement with the **client** or the third party for whom the money is held as to the payment of **interest**, but you must provide sufficient information to enable them to give informed consent.

### Reporting, cooperation and accountability

- 4.1 You must cooperate with the **SRA**, other regulators, ombudsmen and those bodies in England and Wales, with a role overseeing and supervising the delivery of, or investigating in relation to, legal services.
- 4.2 You must monitor compliance with these rules, and report any serious breach to the **SRA** when this occurs, or as soon as reasonably practicable thereafter.
- 4.3 You must notify the **SRA** promptly if:
  - (a) you become aware that you or anyone for whom you are responsible is convicted by any **court** of a criminal offence or becomes subject to disciplinary action by another regulator; or
  - (b) you have grounds to believe that you or anyone for whom you are responsible is in serious financial difficulty.
- 4.4 You must respond promptly to the **SRA** and:

- (a) provide full and accurate explanations, information and documentation in response to any requests or requirement; and
  - (b) ensure that relevant information which is held by you, or by third parties carrying out functions on your behalf which are critical to the delivery of your legal services, is available for inspection by the **SRA**.
- 4.5 If you are a **responsible authorised body**, the **SRA** may, on reasonable notice, require you to obtain an accountant's report in respect of your **overseas practice**. The report must:
- (a) confirm whether the report should be qualified on the basis of a failure to comply with these rules, such that money belonging to **clients** or third parties is, or has been, or is likely to be placed, at risk; and
  - (b) be signed by a qualified accountant approved by the **SRA**.
- 4.6 Any obligation under this section to notify or provide information to the **SRA** will be satisfied if you provide information to your firm's **COLP** or **COFA**, as and where appropriate, on the understanding that they will do so.

## Part B: Cross-border Practice Rules

### Cross-border Practice Rules

- 5.1 This Part applies to **European cross-border practice** from any office by:
- (a) **solicitors or authorised CILEX members**;
  - (b) **managers of authorised bodies** who are not authorised by an **approved regulator** (other than the **SRA**) under the **LSA**; and
  - (c) **authorised bodies**.
- 5.2 These rules apply to **European cross-border practice** from an office in England and Wales by:
- (a) **RELS**; and
  - (b) **RFLs** who are **managers** or **employees** of an **authorised body**.
- 5.3 When engaged in **European cross-border practice** you must ensure that you comply with any applicable provisions of the Council of the Bars and Law Societies of Europe's Code of Conduct for European lawyers.

### Supplemental notes

Made by the SRA Board on

Rules made under [insert delegation provisions when confirmed] sections 31, 32, 33A and 34 of the Solicitors Act 1974, section 9 of the Administration of Justice Act 1985 and section 83 of, and paragraph 20 of Schedule 11 to, the Legal Services Act 2007.

# SRA Roll, Registers and Publication Regulations

## Introduction

These regulations set out the nature and contents of the registers and the roll that the SRA is required to keep. They contain certain information about the individuals and firms that the SRA regulates and how we make this information available to the public.

This introduction does not form part of the SRA Roll, Registers and Publication Regulations.

## SRA Roll, Registers and Publication Regulations

### Regulation 1: The roll and registers

1.1 The SRA shall keep in electronic form:

- a. the roll;
- b. a register of all solicitors who hold practising certificates;
- c. the register of European lawyers;
- d. the register of foreign lawyers; ~~and~~
- e. a register of authorised bodies;
- f. a register of all authorised CILEX members; and
- e.g. a register of SRA-ACCA Probate entities.

Formatted: Font: Italic, Underline, Font color: Blue

Formatted: Font: Italic, Underline, Font color: Blue

### Regulation 2: Information in respect of individuals

2.1 The roll, and the registers in regulation 1.1(b) to (d) and (f) shall contain the following information in respect of each individual included in the same:

- a. their full name;
- b. their authorisation number;

Sensitivity: General

- c. the date of their admission as a solicitor or commencement of their registration, as appropriate;
- d. in respect of solicitors and authorised CILEX members that hold a current practising certificate, the fact that they do so and the commencement date of the certificate;
- e. in respect of solicitors and authorised CILEX members whose practising certificate has expired, the expiry date;
- f. their main practising address;
- g. the name of all organisations through which they practise, and whether the organisation is authorised by the SRA, by another approved regulator, or is not authorised under the LSA. If they are not practising through an organisation, the fact that this is the case, and subject to regulation 2.2, whether they are practising in accordance with regulation 10.2(a) of the SRA Authorisation of Individuals Regulations or in the circumstances set out in 10.2(b)(i) to (vii) of the same;
- h. if they are not practising, an address for correspondence;
- i. details of:
  - i. any conditions on their practising certificate or registration to which they are subject;
  - ii. any current suspension of their practising certificate or registration;
  - iii. any other decision subject to publication under rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules;
  - iv. any other order made by the Tribunal; and
  - v. the exercise by the SRA of any powers of intervention in relation to their practice.
- j. in respect of authorised CILEX members, the date of their authorisation and the Reserved Legal Activity (plus immigration) they are authorised to practice.

Formatted: Font: Italic, Underline, Font color: Blue

Formatted: Font: Italic, Underline, Font color: Blue

Formatted: Font: Italic, Underline, Font color: Blue



Sensitivity: General

2.2 Where a *solicitor* or an *REL* practises in accordance with regulation 10.2(a) of the SRA Authorisation of Individuals Regulations or in the circumstances set out in regulation 10.2(b)(i) to (vii) of the same, the fact that they practise in this way does not need to be included in the roll or the registers under regulation 2.1(g) if all legal services, when practising in this way, are provided pro bono.

### Regulation 3: Information in respect of authorised bodies

3.1 The register of *authorised bodies* under regulation 1.1(e) and SRA-ACCA Probate entities under regulation 1.1(g) shall contain the following information in respect of each body included within it:

- a. the name under which the body is authorised;
- b. the body's authorisation number;
- c. the body's main practising address in the *UK*;
- d. all the body's other practising addresses including addresses of its *overseas practices*;
- e. any previous name under which the body has been authorised by the *SRA*;
- f. any other trading styles used by the body;
- g. the date from which the body's authorisation has effect;
- h. the *prescribed* categories of work that the body provides;
- i. the *reserved legal activities* that the body is authorised to carry on;
- j. whether the body is a *recognised body*, a *recognised sole practice* or, a *licensed body, an authorised CILEX body or an SRA-ACCA Probate entity*;
- k. details of:
  - i. any current condition to which the body's authorisation is subject;
  - ii. any suspension or revocation of the body's authorisation;

Formatted: Font: Italic, Underline, Font color: Blue

Formatted: Font: Italic, Underline, Font color: Blue

Sensitivity: General

- iii. any other decision subject to publication under rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules;
- iv. any other order made by the Tribunal; and
- v. the exercise by the SRA of any powers of intervention in relation to the body.
- j. in respect of authorised CILEX bodies and SRA-ACCA Probate entities the Reserved Legal Activity for which they are authorised.

Formatted: Font: Italic, Underline, Font color: Blue

Formatted: Font: Italic, Underline, Font color: Blue

3.2 For each licensed body the register of authorised bodies must contain:

- a. the name of the individual who is designated as the body's HOLP, together with details of the approved regulator with whom that person is authorised;
- b. the name of the individual who is designated as the body's HOFA; and
- c. the body's registered office and registered number if it is an LLP or company and if it is a charity, its charity number.

#### Regulation 4: General provisions

4.1 The SRA may include in the roll or registers such other prescribed information it considers conducive to help it meet the regulatory objectives.

4.2 The SRA shall keep and publish lists of:

a-h. orders made by the Tribunal and disciplinary or regulatory decisions made under the SRA Regulatory and Disciplinary Procedure Rules, in respect of individuals who are not solicitors, RELS or RFLs (including former solicitors, RELS, ~~or~~ RFLs and authorised CILEX members); and

Formatted: Outline numbered + Level: 2 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 1.9 cm + Indent at: 2.54 cm

b-a. individuals whose practising certificate has expired or who have been struck off the roll, or whose registration has been revoked, together with details of any relevant decision.

Formatted: Font: Italic, Underline, Font color: Blue

#### Regulation 5: Publication of information

Sensitivity: General

- 5.1 The [SRA](#) shall publish all entries on the roll or registers, except for any address included under regulation 2.1(h).
- 5.2 If the [SRA](#) considers that it would be in the public interest to do so, it may withhold from publication any or all of the information subject to publication under regulation 5.1.
- 5.3 The [SRA](#) may publish such further information or classes of information as it may consider in the public interest to do so.

## **Supplemental notes**

Made by the SRA Board on

Made under [insert delegation provisions when confirmed] sections 2, 13, 28, 31, 32, 33A, 34 and 37 of the Solicitors Act 1974, section 89 of, and paragraphs 2 and 3 of Schedule 14 to, the Courts and Legal Services Act 1990, section 9 of the Administration of Justice Act 1985 and section 83 of, and Schedule 11 to, the Legal Services Act 2007.