

Direction 142 issued under Part 3 of Schedule 4 to the Legal Services Act 2007 to the Solicitors Regulation Authority (SRA)

1. This is a direction issued pursuant to paragraph 19(3) of Schedule 4 to the Legal Services Act 2007 (the Act).
2. Unless stated otherwise, words in this direction are used as they are defined in the Act.
3. In accordance with paragraph 19(3) of Schedule 4 to the Act, the Legal Services Board (the Board) has directed that the following alterations to regulatory arrangements be treated as exempt alterations for the purposes of paragraph 19(2)(c) of Schedule 4:

SRA Regulatory Arrangements (Amendment) Rules 2019
SRA Regulatory Arrangements (Amendment) (No 2) Rules 2019
SRA Regulatory Arrangements (Transfer of Claims Management Regulations) (Amendment) Regulations 2019

These regulatory arrangements will amend the SRA Standards and Regulations, to correct minor drafting errors and implement changes consequential to the enactment of the Financial Guidance and Claims Act 2018.

Proposed amendments

4. The LSB approved alterations to the SRA's regulatory arrangements in respect of its Standards and Regulations in November 2018.

The SRA has identified minor drafting errors that appear in three of its sets of rules within the Standards and Regulations, to be amended by the proposed regulatory arrangements. The rules to be amended to correct minor drafting errors are:

- (a) rules 9.4 and 14.1 of the SRA Authorisation of Firms Rules
- (b) regulations 3.3 and 8.4 of the SRA Authorisation of Individuals Regulations
- (c) rule 2.1 of the SRA Overseas and Cross-border Practice Rules
- (d) rules 11.1, 20.1 and 20.2 of the SRA Compensation Fund Rules and
- (e) rule 2.1 of the SRA Indemnity Insurance Rules.

In addition the SRA has identified that consequential changes arising from the *Financial Guidance and Claims Act 2018* will need to be made to regulation 9.8 of the SRA Authorisation of Individuals Regulations.

5. The SRA also proposes minor changes to be made to update and correct errors to six defined terms in the Glossary to the Standards and Regulations.

Reason for exemption direction

6. The proposed alterations do not represent a shift in the SRA's regulatory approach or policy. They simply correct drafting errors or are consequential to recently enacted primary legislation.

7. A copy of the alterations was submitted to the Board on 30 August 2019.
8. This direction is to be deemed made on and to be effective from 30 September 2019.

For and on behalf of the Legal Services Board
30 September 2019