



**LEGAL SERVICES
BOARD**

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The Rt Hon Kenneth Clarke QC MP
Lord Chancellor and Secretary of State for Justice
Ministry of Justice
102 Petty France
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8 February 2011

Dear Ken,

Rules for Licensing Authorities following the introduction of alternative business structures

I am seeking your consent, as required by the Legal Services Act 2007, for certain rules that my Board needs to make. This is in anticipation of the liberalisation of legal services in England and Wales later this year, when alternative business structures (ABS) will be permitted. As with many regulators, financial penalties may be imposed for rule breaches and it is important in a world where much larger business entities will be operating, that there is a credible and appropriate level for the maximum financial penalty that a Licensing Authority will be able to impose on an ABS.

The Act requires that my Board must make rules that prescribe that maximum amount. We have, of course, consulted on our proposals and I enclose a document that sets out our consideration of the consultation responses and the rules (in a Statutory Instrument) that my Board wishes to make.

I look forward to receiving your consent. This issue has been discussed in some detail with your officials, and I am copying this letter and the enclosures to Elizabeth Gibby, and of course to Jonathan Djanogly.

A handwritten signature in black ink, appearing to read 'David Edmonds', written in a cursive style.

David Edmonds
Chairman

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