

**Legal Services Board consultation:**  
*'Further rules relating to the regulation of licensed bodies'*

**Response from the Solicitors Regulation Authority**

February 2011

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## Legal Services Board consultation: “Further rules relating to the regulation of licensed bodies”

### Response from the Solicitors Regulation Authority

#### Introduction

1. The Solicitors Regulation Authority (SRA) is the independent regulatory body of the Law Society for England and Wales. We regulate individual solicitors, other lawyers and non lawyers with whom they practise, solicitors’ firms and their staff.
2. We welcome the opportunity to take part in this consultation, and have set out our comments below.

#### SRA comments

##### **Q1. What do you think of the proposed information to be held on the register?**

3. We agree with the Legal Services Board (LSB)’s position described at paragraph 9 of the consultation paper, namely that making information on Alternative Business Structures (ABS) publicly available and accessible is supportive of increased public confidence in legal services providers.
4. We have identified some information shown in paragraph 11 of the consultation paper that differs from the position we have previously taken through our October 2010 consultation paper “*The Architecture of Change part 2*”<sup>1</sup>. We will work with the LSB to agree how we can best incorporate the information requirements into our rules for publishing ABS information.
4. Paragraph 12 of the consultation paper discusses discretionary information requirements, including “...*names of those with a material interest in the licensed body*”. Again we will work with the LSB to understand and agree the parameters for these information requirements, in particular for ABS with particularly broad ownership or where material interests are subject to frequent change – as might be the case for some PLCs for example, or organisations where the beneficial owner is a pension fund.
5. We note that the proposed information requirements also cover “...*enforcement action or sanction on the licensed body, its owner or any employee*.” In our discussions with the LSB we would like to understand more about the types of action intended to be covered here – for example, whether the intention is to include interim regulatory steps a Licensing Authority may take during an investigation, or whether this only need include the ‘end result’ in terms of the regulatory decision.

##### **Q2. Do you think any other information should be held?**

6. We have no other suggestions.

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<sup>1</sup> <http://www.sra.org.uk/sra/consultations/OFR-handbook-October-consultation-summary.page>

**Q3. Do you think that the registers should be publicly available on the LA's website?**

7. We agree that information on ABS should be available to the public. Information on our existing regulated community is accessible through the Law Society's 'Find a Solicitor' search tool (and in due course through our own website), and the SRA's website has a searchable area for regulatory decisions. While we currently do not publish registers of information on our website, these search facilities ensure transparency and accessibility of information for members of the public. We will continue to work with the LSB to understand how we can improve the availability and transparency of information we hold.

**Q4. Do you think that information on the register should be updated in the times suggested?**

8. We have no comments on the update frequency proposed.

**Q5. Do you have any views on the rules as they are drafted?**

9. We have no comments.

**Q6. What do you think about the requirement on LAs to notify the LSB of disqualification determinations within 7 days?**

10. We agree suitable arrangements should be in place between the LSB and Licensing Authorities. In some circumstances publication and notification of regulatory decisions can require careful consideration of wording and reasons for a decision, and of the sensitivity of the relevant information. We will need to discuss further with the LSB regarding options for the provision of information in different circumstances, and the format that this information should be provided in.

12. Our draft Licensing Rules currently confirm that we will provide this information 'as soon as reasonably practicable', so we would be interested to discuss with the LSB how this approach might fit with its proposals.

**Q7. What do you think of the proposed details to be held on the list of disqualified persons?**

13. The level of detail within the proposed list appears extensive, and covers potentially sensitive information. Our publication policy<sup>2</sup> confirms that in some cases we may decide not to publish details of a decision and the grounds on which it was taken.

**Q8. Is it a proportionate amount of information to provide?**

14. We note the justification described at paragraphs 21 and 22 of the consultation paper and have no objections.

**Q9. What do you think of our publication proposals?**

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<sup>2</sup> <http://www.sra.org.uk/consumers/solicitor-check/policy.page?ref=search>

15. We have no objections to the publication proposals.
- Q10. What is your view on our approach to the list held under schedule 13 paragraph 51?**
16. We have no comments on the list.
- Q11. What do you think about our approach to specifying the periods in schedule 13 and the draft order? If you wish to provide an alternative approach or specific periods, please provide supporting evidence to justify this.**
17. We have no comments on the proposed approach.
- Q12. What do you think of the proposed 7 calendar day period for notification of changes that occur prior to issuing of licences?**
18. We have no comments on this proposal.
- Q13. What do you think of the proposed 7 calendar day period for notification where an interest changes?**
19. We have no comments.
- Q14. What do you think of the 28 calendar day period for notification if a share or voting limit has been exceeded?**
20. We have no comments.
- Q15. What are your views on the time periods that we have proposed?**
21. We have no comments at this stage.

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**The independent regulatory body of the Law Society of  
England and Wales**

**[www.sra.org.uk](http://www.sra.org.uk)**

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