

## **Clarification of the ‘brief description’ contained within the LSB Decision Notice published on 2 September 2015**

The ‘brief description’ second bullet in the table on page 1 of the Decision Notice published on 2 September 2015, which approved the alteration of regulatory arrangements in respect of the Solicitors Regulation Authority (SRA) Accounts and Overseas Rules, described one of the changes as being the “Introduction of an exemption [in respect of the completion of accountants’ reports] for firms who hold an average client account of no more than £10,000 and a maximum balance of no more than £250,000 in an accounting year from the need to send accountants’ reports”. The LSB has concluded that that this particular brief description is incomplete and gives a misleading impression.

For the avoidance of doubt, the effect of this rule change, properly reflected in the main body of the Decision Notice and in the regulatory arrangements the LSB approved and attached to the Decision Notice, is that the firm is not required to obtain or deliver (to the SRA) an accountant’s report if in the accounting period, the statement or passbook balance of client money the firm has held or received does not exceed an average of £10,000 and a maximum of £250,000, or the equivalent in foreign currency.

The LSB’s decision of 2 September 2015 to approve the above alteration to the SRA’s regulatory arrangements is unaffected by this clarification to the descriptive summary.