

By email

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24th March 2021

Dear Maggie

Internal Governance Rules 2019 – extension to

I am writing further to your letter dated 1 February 2021 and application under Rule 16(1) of the IGR for the extension to your authorisation for limited non-compliance with the IGR until 30 June 2021.

You have requested an extension to the prior written authorisation for non-compliance with the IGR issued in July 2020 in relation to your decision to withdraw from legal services regulation and consequently to apply for de-designation as an approved regulator of probate activities under the Legal Services Act 2007 (the Act). Our understanding is that you now intend to effectively cease regulating authorised persons by 30 June 2021.

We note that the particular circumstances of the ACCA which we considered in reaching our authorisation decision in 2020 continue to be applicable: what would be proportionate and in the public interest having regard to any risks to consumers; and the extent of change required to ACCA's regulatory arrangements for a small number of authorised persons for one reserved activity. We have also taken into account the circumstances of the Covid-19 pandemic which has caused delay to your plans.

In view of these considerations, we can confirm that your request for the LSB's authorisation under Rule 16(1)(c) (Saving Provisions) is granted. The effect of this authorisation is that ACCA will not be required to comply in full with all provisions of the IGR during this period. This authorisation is granted on the basis of all the matters set out above.

In granting this authorisation the LSB reminds ACCA that it must continue to comply with all other obligations as an approved regulator under the Act. Specifically, and in regard to the IGR, notwithstanding this authorisation, ACCA must meet the obligations set out in Rule 1: Overarching duty, and ensure that the exercise of its

regulatory functions is not prejudiced by any representative functions, while it is an approved regulator.

We consider that this extension of the authorisation granted in July 2020 is proportionate and appropriate and provides ACCA with an extant authorisation. This authorisation has effect from 2 January 2021 and will expire on 30 June 2021.

In allowing an extension of the period of non-compliance with the IGR, I should point out that the intent of an authorisation under Rule 16(1) of the IGR was for a time-limited period to enable full compliance. Therefore the LSB expects regulatory bodies to ensure compliance, or otherwise in ACCA's case begin the formal process for de-designation including the transfer of regulated persons, in the shortest possible time to ensure that any written authorisation is applied as intended.

As of the date of this letter we have not yet received an application from CILEx Regulation for changes to its regulatory arrangements to enable the transfer of ACCA regulated persons. Given that the LSB has up to 90 days to consider statutory applications, we are concerned that the proposed completion of all arrangements by the ACCA's 30 June 2021 deadline is not realistic.

We request that you consider a further and, ideally final, request for authorisation for an additional few months to ensure a smooth and complete transition, and at the same time make contingency plans for the event that your time table is not met. We recommend that any further application be submitted by 14 May 2021 and that you also provide further details on your plans for the transfer and cancellation of your designation as an approved regulator.

In closing, I note that the ACCA has had the benefit of an extension in addition to the one year transition period for approved regulators to make arrangements to comply with the IGR which have been in place since July 2019. Aside from any additional extra time you may now need given the CILEx Regulation delay in submitting its application to the LSB, we will work on the assumption that a further extension will not be required. This is on the basis that either all regulated persons have transferred to an alternative regulator or that ACCA has come into compliance. With that in mind, I advise that you should begin planning for compliance with the IGR beyond your current 30 June 2021 target date.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Matthew Hill', with a stylized flourish at the end.

Matthew Hill
Chief Executive