Annex A

Requirements and expectations under the IGR

Rule	Requirement/expectation
1	THE OVERARCHING DUTY (3) Each approved regulator must periodically review and, if reasonably practicable, improve its arrangements under sub-rule (2) Guidance 1.12. It is a matter for each AR to determine the frequency of reviews, but the requirement that the reviews be periodic means that each AR must review its arrangements regularly and consistently. Where an AR and/or regulatory body identify that there is an issue in any particular arrangement, i.e. that it is not fit for purpose, the review should take place as soon as possible after the issue is first identified.
3	PROVISION OF ASSURANCE TO APPROVED REGULATOR (2) The approved regulator with a residual role: c. must not use the information it receives for the representation, protection or promotion of the interests of the persons it represents unless and until it receives that information for that purpose or that information is made publicly available. Guidance 3.30. In pro-actively monitoring compliance, the LSB expects each AR to be able to evidence the safeguards put in place to prevent the misuse of information received for assurance purposes.
5	PROHIBITION ON DUAL ROLES Guidance 5.6. The starting point for compliance is to identify those individuals who are involved in decisions relating to regulatory functions, and then ensure that those persons do not become involved in representative functions (including by joining the board which controls those functions). 5.7. In order to assess whether an individual is affected by this provision, the AR should consider each role on a case-by-case basis.
6	INDIVIDUAL CONDUCT Each approved regulator must ensure that any individual…is aware of and complies with these Rules and the arrangements in place under Rule 1. Guidance 6.6. Whilst this rule is focused on individual knowledge and conduct, responsibility for ensuring compliance rests with the AR. **It is for the AR to put in place effective systems to ensure that relevant individuals are: firstly, aware of the IGR and arrangements and, secondly, comply with them**.

	6.11. The LSB expects each AR to identify which individuals are caught by this rule, and keep this under review as their roles and responsibilities change.
13	CANDOUR ABOUT COMPLIANCE (1) Each approved regulator must respond promptly and fully to all requests for information by the Legal Services Board made for the purposes of assessing and assuring compliance with these Rules. Guidance 13.6. This rule **requires the AR to monitor its own compliance** with the IGR so that it is in a position to respond promptly and fully to a request for information from the LSB at any point. 13.8. In devising the arrangements under the IGR, ARs must have regard to this. **Systems should be in place for logging and recording compliance matters** so that the information is accessible and can be provided when required. 13.9. This would include but may not be limited to: a. protocols setting out: delegation agreements; the separation arrangements and the justification for choosing these arrangements; protocols for information exchange between the regulatory body and AR; agreements for any shared services between a regulatory body and AR. b. logs of any referrals to the LSB for clarification including the efforts made internally (including between an AR with a residual role and its regulatory body, where relevant) to resolve the issue c. records of any disputes referred to the LSB and the discussion between the regulatory body and AR prior to the referral d. logs of non-compliance issues, action taken and result e. logs of training provided to relevant individuals 13.10. **In order to comply with sub-rule (2), each AR must maintain a record of all noncompliance issues with their remedy.** It must also ensure that it is notified of all noncompliance issues by its regulatory body together with details of how each was remedied if possible within a reasonable time. The AR and the regulatory body will therefore need to put in place a system for the internal reporting of issues arising under the rules. It is expected that this would require robust procedures which are clearly understood by all individuals covered by Rule 6: Individual conduct. The procedures should include a record of all non-compliance instances and the actions taken to remedy the issue which the LSB may call for from time-to-time.
14	DISPUTES AND REFERRALS FOR CLARIFICATION Guidance 14.10. A disagreement between an AR and regulatory body is not a dispute unless, and until, all reasonable efforts at resolution have been exhausted. **Each AR and its regulatory body should therefore agree a system for resolving issues as and when they arise.** This may involve an informal discussion, followed by a formal negotiation, followed by referral to an

	external source for advice. The AR and regulatory body should recognise that urgency may curtail the time available and tailor their resolution process to be as expedient as possible where the circumstances necessitate this. 14.11. All persons with a role in regulatory functions or which may reasonably be considered likely to affect regulatory functions must be aware of and follow this process in accordance with Rule 6: Individual conduct. **The AR and its regulatory body should ensure that their resolution process is formally set out and available to all such persons, such as by publication on its website(s) and in training documentation.**