Approval of 2027 practising fee application made by the Intellectual Property Regulation Board (IPReg) to the Legal Services Board (LSB) under section 51 of the Legal Services Act 2007

1. The LSB has approved an application[1] made by IPReg under section 51 of the Legal Services Act 2007 (**Act**). Section 51 of the Act relates to the control of practising fees charged by approved regulators. Subject to LSB approval of the level of the fee, practising fees are payable under an approved regulator's regulatory arrangements as a condition of authorisation to carry out one or more reserved legal activities. Practising fee income may be used only for the permitted purposes set out under section 51(4) of the Act and the LSB Practising Fee Rules 2021 (**Rules**).[2]

2. The Chartered Institute of Trade Mark Attorneys (**CITMA**) and the Chartered Institute of Patent Attorneys (**CIPA**) are approved regulators, and IPReg is the regulatory body to which CITMA and CIPA have delegated their regulatory functions.

3. When applying, an approved regulator must comply with the Rules, which govern the practising fee application and approval process, and have regard to the LSB Guidance on the Practising Fee Rules 2021[3] (**Guidance**).

4. This notice sets out the decision to approve the application. In doing so, we have set expectations for IPReg, which we will monitor as appropriate.

Summary of application

5. IPReg's financial and practising fee year runs from 1 January to 31 December. IPReg's approach to practising fees for individual attorneys and firms are based on prescribed practice categories namely: registered attorneys[4] in private practice (i.e. within an IPReg or SRA regulated firm), registered attorneys solely undertaking corporate work (i.e. not providing legal services to the public), registered attorneys practising as a sole trader; and those not currently in active practice.

6. The application proposes an increase in practising fees for 2027 of approximately 2.97% for both individuals and firms (registered bodies including licensable bodies). This is lower than the 3.4% increase in 2026. This year's proposed increase does not apply to registered attorneys in the 'not in active practice' category, whose fees remain unchanged for the fourth consecutive year. An overview of the proposed fees, and a comparison with the 2026 fees, is set out below.

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[1] IPReg application for approval of practising fees for 2027
[2] LSB Practising Fee Rules 2021, issued on 29 January 2021
[3] LSB Guidance on Practising Fee Rules 2021, issued on 29 January 2021
[4] IPReg defines a 'registered attorney' as (a) registered patent attorney; and a registered trade mark attorney – IPReg Glossary as amended 2026

Attorneys/Individuals	2026 Fees (January – December)		Proposed 2027 Fees (January – December)	
	Single register	Both registers	Single register	Both registers
Registered attorney solely undertaking corporate work	£216	£345	**£222**	**£355**
Registered attorney in private practice	£262	£430	**£270**	**£443**
Registered attorney not in active practice	£171	£273	**£171**	**£273**
Registered attorney practising as a sole trader not employing other registered attorneys or other professionals	£430	£614	**£443**	**£632**

Registered Bodies and Licensed Bodies	2026 Fees (January – December)	Proposed 2027 Fees (January – December)
	Single or both registers	Single or both registers
Firms (registered or licensed bodies) through which only a single registered attorney provides services (employing no other registered attorneys or other professionals)	£169	**£173**
Any other registered body - base fee	£430	**£443**
Any other registered body – additional fee per registered attorney practising through the registered or licensed body	£86	**£89**
Any other registered body – additional fee per other professional[5] practising through the registered or licensed body	£345	**£355**

7. IPReg's application explains that its proposed 2.97% increase reflects a deliberate regulatory judgment to balance affordability with the minimum credible funding required to deliver its 2027 Business Plan while maintaining effective regulatory delivery. The Business Plan includes four delivery priorities: investing in its people; implementing its education review; compliance intelligence; and promoting regulatory value. These

[5] An 'other professional' for the purpose of IPReg's Practice Fees Regulations 2025 means a *manager* or *employee* based in the *UK* who is: (i) not a *registered attorney* but holds the qualifications necessary for registration; (ii) a qualified European patent and/or trade mark attorney; (iii) a barrister of England and Wales; or (iv) a solicitor of England and Wales. This does not include paralegals, trainees, support or administrative staff unless they hold the qualifications necessary for registration.

priorities will support IPReg's core regulatory activity, including the identification and proactive and effective management of risks.

8. IPReg's 2027 budget was developed from its 2027 Business Plan, its latest management accounts and forecast, current information about risks and progress of delivery, levy updates and the responses to its consultation on its draft Business Plan. IPReg's Board also took account of the following factors when setting its 2027 budget: affordability, inflation, reserves levels, alternative fee outcomes and delivery consequences.

9. IPReg's total budgeted income of £1,526,721 in 2027 comprises of £1,473,721 in practising fees it expects to raise in 2027[6], with an additional £53,000 from bank interest and entity application fees. The IPReg budget reflects increases in its income from practising fees of £70,196 (approximately 5%) and its total income of £99,696 (approximately 7%) overall.

10. Against its budgeted income, IPReg's budgeted expenditure for 2027 is £1,645,052, an increase of 9% from £1,507,900 in 2026. IPReg states that the increase reflects targeted investment in data and compliance capability, communications, implementation of the Education Review, staff development and resilience, technology and AI. IPReg plans an operating deficit of £118,331, funded from reserves, to limit fee increases while maintaining effective regulatory delivery.

11. Nearly all of IPReg's budgeted expenditure is for its regulatory activities (£1,533,527). It will also fund the statutory levy payable to the LSB under s173 of the Act to fund to the LSB (£100,400) and Office for Legal Complaints (£5,325) expenditure,[7] and separately, contribute to the Legal Choices website (£5,800).

	2026	**2027**	**Difference**
Practising fees	£1,403,525	£1,473,721 (proposed)	£70,196
Other income	£23,500	£53,000	£29,500
Total income	**£1,427,025**	**£1,526,721**	**£99,696**
Expenditure	**£1,507,900 (budgeted)**	**£1,645,052 (budgeted)**	**£137,152**

12. Pages 4,5 and 8 of the application show that IPReg proposes to allocate its total income as follows:

Activity	**Total cost**	**%**
Compliance complaints, disciplinary and conduct	£285,000	17%
Education, Projects, Standards and Guidance	£214,277	13%
Board and Directors, Corporate governance and board oversight	£200,050	12%

[6] IPReg 2027 Practising Fee Application to LSB, page 8 first table
[7] The Office for Legal Complaints administers the Legal Ombudsman scheme. See IPReg 2027 Practising Fee Application to LSB, page 23, levy and principal expenditure detail table

Registration and Authorisation	£175,000	11%
Corporate Support, IT and IT support and Infrastructure, Financial expenses, Corporation Tax	£164,900	10%
LSB & OLC Levy and Legal Choices	£111,525	7%
Regulatory Assurance and Intelligence	£120,000	7%
PR and communications and General administration	£110,700	7%
Public Interest, Consumer, EDI and Diversity initiatives	£91,000	6%
Policy Research and representation	£90,000	5%
Legal and professional	£82,600	5%
Total cost	**£1,645,052**	**100%**

13. As noted in paragraph 10 above, the £118,331 shortfall against total budget expenditure will be funded from IPReg's reserves.

LSB assessment

14. In this round of practising fee assessments, the LSB is focusing on whether activities funded by practising fees effectively advance consumer interests and the public interest. We have therefore assessed IPReg's application proportionately against our Rules and Guidance, which require regulatory bodies to obtain sufficient funding to effectively and efficiently discharge their regulatory functions, with an emphasis on consumer outcomes, financial resilience and progress against expectations in previous decision notices. Overall, we are satisfied that IPReg has set out how it intends to fund the discharge of its regulatory functions under section 28(2) of the Act

Using reserves to meet operating deficits

15. We note that IPReg forecasts a budget deficit of £138,288[8] in 2026 which it will fund from its reserves. As set out above, IPReg expects to run a budget deficit in 2027 of £118,331[9], also to be funded from reserves. As part of the assessment of this application, we considered whether IPReg had assured itself that it had sufficient reserves to run deficit budgets and maintain financial resilience. The Rules require a regulator to hold practising fee uncommitted reserves (i.e. funds not allocated to ringfenced commitments) sufficient to ensure its financial resilience, with the Guidance providing the target of such reserves at 3 to 6 months of expenditure.

16. IPReg holds reserves for a number of purposes, all of which, except for the compensation fund reserve, are uncommitted and available to fund the budget deficits (application Annex 4b). By 31 December 2026, IPReg expects to hold £1,202,492 in uncommitted reserves, reducing to £945,873 after funding the 2026 and 2927 forecast deficits. This remains above the target range of 3 to 6 months expenditure (£411,263 to £822,526). The planned use of reserves appears consistent with maintaining financial

[8] IPReg 2027 Practising Fee Application to LSB, page 20, projected reserves as of 31 December 2026 table
[9] IPReg 2027 Practising Fee Application to LSB, page 10

resilience on current forecasts of IPReg's expenditure. We expect IPReg to take account of its level of reserves when setting its proposed level of practising fees for 2027/28. Consistent with the Guidance, we expect any accrued practising fee reserves in excess of the target level of uncommitted reserves to be returned to the regulated community by a corresponding reduction in the practising fee for the following year, unless the approved regulator explains why this would not be appropriate.

Evaluating benefit and value for money

17. Regulators are required to be transparent about the activities funded by their practising fees, and how they will assess the benefits of those activities under the Rules. Regulators are also required to be proportionate in setting the level of the fee and ensure it is adequate to effectively discharge their regulatory functions in an efficient and cost-effective manner. This in part recognises that the cost of practising fees in many cases is likely to be passed on to consumers and regulators therefore need to be able to demonstrate value for money.

18. IPReg states in its application that its 2027 programme (of activities) is focused on promoting and protecting consumer interests and supporting the effectiveness of the profession. The outcomes and benefits that IPReg seeks to deliver through practising fee spend, together with the evidence it will use to gain assurance that those outcomes and benefits are achieved is detailed in the application (pp 5-6).

19. IPReg is developing an outcomes focused performance framework, including key performance Indicators, and will use these metrics to assess whether its activities are delivering value to consumers, the public and the profession. We acknowledge IPReg's intention to demonstrate benefits and that it has considered the evidence which will be used to measure these benefits.

20. We note that IPReg is developing KPIs to assist it in measuring such benefits and plans to publish these in its 2027 annual report. We expect next year's application to include consideration of the application of the practising fee in the previous year and the anticipated versus actual benefits produced, consistent with Rule 14(b) and relevant Guidance.

Decision

21. The LSB has approved IPReg's practising fee application for 2027 under section 51 of the Act.

Summary of expectations for next application

22. For the reasons set out above, in the next year's practising fee application, the LSB expects IPReg to:

    (a) take account of its level of uncommitted reserves when setting practising fees for 2028; and

    (b) include consideration of the application of the practising fee for the previous year and the anticipated versus actual benefits produced.

Richard Orpin, Chief Executive
Acting under delegated authority granted by the Board of the Legal Services Board
11 November 2026