

# Release notes for SRA Handbook, Version 1

16 September 2011

On 6 April 2011 the SRA published the SRA Handbook on our website. The Handbook comes into force on 6 October 2011.

In the intervening period we have made some changes to the Handbook between the version that appeared in April and this Version 1, the first "in force" version.

These changes are summarised in these Release notes for Version 1. These notes give a brief update only and you will need to refer to the Handbook itself for full details.

There are three general changes to the Handbook:

- Version 1 does not incorporate a Glossary, but defined terms are shown in italics;
- because the Law Society will be designated as a licensing authority for licensed bodies (also known as alternative business structures, "ABSs") on a date still to be decided after 6 October 2011, we have inserted transitional provisions to delay the implementation of the provisions relating to ABSs; and
- we have renumbered the elements which comprise the Handbook (with consequential changes) in Version 1 to provide a clearer, more accessible and consistent structure.

In addition to the three general changes noted above, we set out below an outline of the changes to each element of the Handbook.

## *SRA Principles*

SRA Principles—these are mandatory and apply to all those we regulate and to all aspects of practice. There are no substantive changes.

## *SRA Code of Conduct 2011*

This section contains the Outcomes we require which, when achieved, benefit users of legal services and the public at large.

IB(2.1) in chapter 2, has been amended to include details of the firm's arrangements for workforce diversity monitoring and details of how the firm communicate the policy to employees, managers and clients in relation to the firm's policy for equality and diversity.

There is the addition/amendment of wording and definitions, and amendment of references, to ensure clarity and consistency and reflect the renumbering of the Handbook.

### *SRA Accounts Rules 2011*

This section contains requirements aimed at protecting client money.

The guidance note to rule 6 has been amended to reflect the change to rule 8.5(e) of the SRA Authorisation Rules to require the compliance officer for finance and administration to report all breaches to the SRA, not just material breaches.

Firms are reminded that they will need to put in place appropriate systems and procedures governing withdrawals from client account (rule 21) and have a written interest policy (rules 22 to 25).

### *Authorisation and practising requirements*

This section includes key requirements relating to authorisation to practise, to admission and to practice.

### *SRA Practice Framework Rules 2011*

Some guidance notes have been amended to provide further clarification. Some definitions and cross references have been changed to ensure clarity and consistency and reflect the renumbering of the Handbook. The implementation of rules 4.12(a) and 4.13 about in-house solicitors and RELs in associations and in insurers have been postponed until six months after the Law Society is designated as a licensing authority (the existing provisions in the Solicitors' Code of Conduct 2007 for in-house solicitors and RELs in insurers will remain in place during this period).

### *SRA Authorisation Rules for Legal Services Bodies and Licensable Bodies 2011*

Non-material failures are to be reported by COLPs and COFAs as part of the firm's annual reporting to the SRA. Appeal provisions have been updated. Some definitions and cross-references have been changed to ensure correctness and consistency, and to reflect the renumbering of the Handbook.

### *SRA Practising Regulations 2011*

Appeal provisions have been updated. Some definitions and cross-references have been changed to ensure correctness and consistency, and to reflect the renumbering of the Handbook.

### ***SRA Recognised Bodies Regulations 2011***

Appeal provisions have been updated. Some definitions and cross-references have been changed to ensure correctness and consistency, and to reflect the renumbering of the Handbook.

### ***Solicitors Keeping of the Roll Regulations 2011***

Some definitions and cross-references have been changed to ensure correctness and consistency, and to reflect the renumbering of the Handbook.

### ***SRA Training Regulations 2011 - Part 1 - Qualification Regulations***

Some definitions have been added, and cross-references have been changed, to ensure correctness and consistency and to reflect the renumbering of the Handbook.

### ***SRA Training Regulations 2011 - Part 2 - Training Provider Regulations***

Some definitions have been added, and cross-references have been changed, to ensure correctness and consistency and to reflect the renumbering of the Handbook.

### ***SRA Training Regulations 2011 - Part 3 - Continuing Professional Development Regulations***

Some definitions have been added, and cross-references have been changed, to ensure correctness and consistency and to reflect the renumbering of the Handbook.

### ***SRA Admission Regulations 2011***

Some definitions have been added, and cross-references have been changed, to ensure correctness and consistency and to reflect the renumbering of the Handbook.

### ***SRA Qualified Lawyers' Transfer Scheme Regulations 2011***

Some definitions have been added, and cross-references have been changed, to ensure correctness and consistency and to reflect the renumbering of the Handbook.

## *SRA Higher Rights of Audience Regulations 2011*

Some definitions have been added, and cross-references have been changed, to ensure correctness and consistency and to reflect the renumbering of the Handbook.

## *SRA Suitability Test 2011*

Some definitions have been added, and cross-references have been changed, to ensure correctness and consistency and to reflect the renumbering of the Handbook.

## *Client Protection*

This section contains key elements for the financial protection of clients.

## *SRA Indemnity Insurance Rules 2011*

There are amendments to the Appendices to these Rules, as follows:

- Appendix 1 (minimum terms and conditions) - clauses 1.5, 1.7, 6.9. Throughout these clauses where there is a reference to "recognised body" a reference to "licensed body in respect of its regulated activities " has been added;
- Appendix 1 (minimum terms and conditions) - clause 2.1, and Appendix 2, (Rating schedule) - paragraph 1.1. Throughout the clause and paragraph where there is a reference to "relevant recognised body" a reference to "relevant licensed body in respect of its regulated activities " has been added;
- Appendix 4 (Definitions). A new definition of "relevant licensed body" has been introduced, and the definition of "successor practice" has been amended at paragraph (iv) to apply to a "licensed body in respect of its regulated activities " in the same way as it already applies to a "recognised body"; and
- Appendix 4 (Definitions). The definitions previously contained in the SRA Indemnity Insurance Rules and the minimum terms and conditions have been moved into a new Appendix 4 to the Rules. New definitions have been added for appellate body, assets, building society, overseas, SIIR and the Tribunal as these terms are now used within the SIIR, the MTC and/or other defined terms. There are minor consequential amendments to reflect this in the MTC clauses 8.1.1 and 8.2.

## *SRA Indemnity (Enactment) Rules 2011 / SRA Indemnity Rules*

There are amendments to these Rules, as follows:



- Rule 3.1(i) - the term "regulated legal activity" has been amended to "reserved legal activity";
- Rules 9.1(e) - after each of the two occurrences of "recognised body" the words "or licensed body" have been added;
- Rule 9.1(k) - before "recognised body" the words "body corporate that is either a" have been added and after "recognised body" the words "or licensed body" have been added, and
- Rule 19.1 - after recognised body a comma has been inserted followed by the words "licensed body".

### *SRA Compensation Fund Rules 2011*

Some definitions have been amended in order to

- reflect the postponement of the Handbook Glossary - for instance, the definitions of "firm" "manager" and practice";
- align with the SRA Indemnity Insurance Rules 2011 - the definition of "recognised sole practitioner", and
- ensure correctness, e.g. deletion of superfluous definitions.

There are some formatting and grammatical corrections.

### *SRA Intervention Powers (Statutory Trust) Rules 2011*

Some definitions have been amended / added to

- reflect the postponement of the Handbook Glossary - for instance, the definitions of "firm" "manager" and practice", and
- ensure correctness, e.g. deletion of superfluous definitions.

There are some formatting corrections.

### *Discipline and Costs Recovery*

This section contains provisions which relate to our disciplinary and costs recovery powers.

### *SRA Disciplinary Procedure Rules 2011*

Appeal provisions have been updated.

### *SRA (Cost of Investigations) Regulations 2011*

There are no significant amendments.

### *Specialist Services*

This section contains provisions which are only applicable when certain services are being provided to clients.

### *SRA Property Selling Rules 2011*

There are no significant amendments.

### *SRA Financial Services (Scope) Rules 2001*

Provisions have been added to deal with the SRA designation as a licensing authority.

### *SRA Financial Services (Conduct of Business) Rules 2001*

Provisions have been added to deal with the SRA designation as a licensing authority.

### *SRA European Cross-border Practice Rules 2011*

There are no significant amendments.