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**LEGAL SERVICES  
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3 June 2013

Dear Stephen,

### **Scope of formal investigation**

After consideration of the information provided by the Bar Council in response to our information requirements dated 27 March 2013 and 9 May 2013, the Legal Services Board has decided to commence a formal investigation.

The information provided by the Bar Council suggested potentially significant Bar Council involvement in the Bar Standards Board's application to the LSB for approval of changes to the Code of Conduct in relation to the "Cab Rank Rule." This rule change was submitted to the LSB on 27 October 2011 and decision notice issued on 27 July 2012.

In relation to the alteration of the regulatory arrangements that were approved by the LSB on 27 July 2012, our investigation will focus on answering the following questions:

- a. Have acts had, or are they likely to have, an adverse impact on protecting and promoting the public interest by undermining the principle of independent regulation ?;
- b. Have acts had, or are they likely to have, an adverse impact on supporting the constitutional principle of the rule of law to the extent that the Bar Council has breached a requirement within the Internal Governance Rules (IGR) ?;
- c. Has the Bar Council failed to comply with a requirement imposed on it by the IGR, namely the requirement at all times to act in a way which is compatible with the principle of regulatory independence and which it considers most appropriate for the purpose of meeting that principle [Rule 6(b)] ?;
- d. Has the Bar Council failed to comply with a requirement imposed on it by the IGR, namely the requirement to ensure the exercise of regulatory functions is, so far as reasonably practicable, independent of any representative functions [Rule 7(c)] ?; and

- e. Are there any other actions by the Bar Council that emerge from the investigation that are relevant to the issue of regulatory independence?

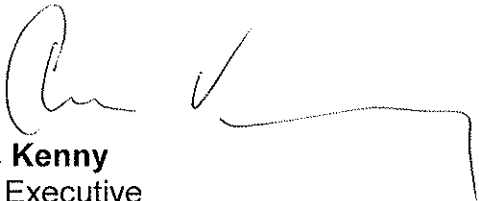
The LSB will make this letter public on our website as a matter of public record on 5 June.

Our Internal Governance Rules 2009 and our statement of policy on enforcement are available on our website. Paragraphs 2.19 to 2.24 of our statement of policy on enforcement set out our approach to monitoring and information gathering and paragraphs 2.25 to 2.33 sets out our approach to informal resolution.

If you have any questions about the investigation or would like to discuss the matters under consideration, we would be happy to arrange a discussion.

I am also sending a copy of this letter to the Director of the Bar Standards Board.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Kenny', followed by a long horizontal line that ends in a vertical drop.

**Chris Kenny**  
Chief Executive

A handwritten mark or signature consisting of a simple, curved line.