

Technical changes to rules made under section 96 of and Schedule 13 to the Legal Services Act 2007

LSB decision document on technical changes to some rules
made by the Legal Services Board

10 July 2014

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Introduction

1. The Legal Services Board (**LSB**) had previously made rules under Schedule 13 to the Legal Services Act 2007 (**LSA 2007**) concerning the time limits for making representations to licensing authorities, the consideration of those representations by licensing authorities and the time limits for making appeals to the relevant appellate body or to the High Court (specifically on a point of law arising from the decision of the relevant appellate body and only with the High Court's permission). Rules had also been made under section 96 of the LSA 2007 relating to the time limit to appeal against a financial penalty imposed by a licensing authority.
2. When carrying out the work to consider the Intellectual Property Regulation Board (**IPReg**) and Institute of Chartered Accountants in England and Wales (**ICAEW**) designation applications, the LSB identified that consequential changes to the rules mentioned in the above paragraph were necessary. The proposed changes identified by the LSB would:
 - ensure that the LSB's rules do not conflict with those of the General Regulatory Chamber (**GRC**) of the First Tier Tribunal (**FTT**);
 - remove a provision in the rules that is inconsistent with the consultation requirements in sections 205(2) and 205(9) of the LSA 2007; and
 - generally tidy up the drafting of the rules.
3. A consultation was conducted for four weeks between 27 May 2014 and 24 June 2014. The proposed changes to the LSB's rules were annexed to the consultation and shown as tracked changes so it was clear to the reader what constituted the proposed amendments.
4. The consultation made clear that the objective of the consultation was to consider the proposed amendments to the rules; we did not propose to alter the policy intent behind the rules, or to alter any of the time periods within which actions must be taken by licensing authorities or Alternative Business Structures.
5. This paper summarises the LSB's decision and the next steps.

Outcome of the consultation

6. We received no responses to the consultation which closed at 5 pm, Tuesday 24 June 2014.
7. In revising the final rules to be agreed by the LSB Board and published on the LSB website, some minor amendments have been made to the version of the rules consulted on. We inserted 'defined' in B 2 of **Annex A** to ensure the rule was clearly drafted. We omitted the previous C 4 in **Annex C** which amended the paragraph on consultation as this paragraph was duplicated in the new D 5 of

Annex C. We also moved the date for when the rules were made and version number to top of the rules to ensure it was clear when the rules were last amended. These minor amendments were made for final drafting purposes only.

LSB decision & next steps

8. The LSB Board was asked to approve the proposed draft changes to the LSB's rules at its meeting on 9 July 2014. The Board in granting approval noted the decision document to be published on the LSB website which includes the final rules at **Annex A, B and C**.
9. The LSB has engaged with IPReg, ICAEW and the Council for Licensed Conveyancers who either currently use or intend to use, the FTT as their appellate body, to notify them of the proposed changes to the LSB rules. It may be that some minor amendments will be required to their rules and regulations to ensure they are aligned to the LSB's rules. Any changes to approved regulators' regulatory arrangements are considered under Part 3 of Schedule 4 to the LSA 2007 with delegated approval from the LSB Chief Executive. Once we have received the application with proposed alterations, we will consider whether the application can be exempted from the full approval process
10. The LSB will also conduct work with future applicants seeking designation to ensure their proposed regulations are in line with the LSB's rules.

Annex A - Final changes to the LSB's Rules on the period for making appeals against decisions of a licensing authority in relation to financial penalties

Rules on the period for the making of appeals against decisions of a licensing authority in relation to financial penalties

Version 2: [2014]

A. PREAMBLE

1. These Rules are made by the Board under section 96(1) of the Legal Services Act 2007 (the "Act") to prescribe the period within which a person on whom a financial penalty is imposed by a licensing authority under section 95(1) of the Act may appeal to the relevant appellate body on one or more of the appeal grounds.

B. DEFINITIONS

2. Unless otherwise herein defined, terms used in these Rules have the same meanings as those set out in the Act:

"relevant appellate body" has the meaning given in section 111(1) of the Act but excludes the First Tier Tribunal (whose proceedings are governed by the Tribunals, Courts and Enforcement Act 2007)

C. PRESCRIBED PERIOD FOR MAKING AN APPEAL

3. For the purposes of s96(1) of the Act, a person on whom a licensing authority has imposed a financial penalty under section 95(1) of the Act, may appeal to the relevant appellate body within 28 days from the date on which the notice of the decision to impose the financial penalty is given to the appellant.

D. MODIFICATION TO RULES

4. The Board reserves the right to modify these Rules from time to time and the Board will publish a draft of any modified Rules and will invite consultations in accordance with section 205 of the Act.

Annex B - Final changes to the LSB's Rules on the prescribed period for making of appeals against decisions of a licensing authority regarding ownership of licensed bodies

Schedule 13: Rules for the prescribed period for the making of appeals against licensing authority decisions relating to ownership of licensed bodies

Version 2: [2014]

A. PREAMBLE

1. For the purposes of Schedule 13 paragraph 8 of the Legal Services Act 2007 (the "Act"), these Rules are made by the Board to prescribe the periods within which appeals against licensing authority decisions must be taken.

B. DEFINITIONS

2. Unless otherwise herein defined, terms used in these Rules will have the same meanings as those set out in the Act:

"relevant appellate body" has the meaning given in section 111(1) of the Act but excludes the First Tier Tribunal (whose proceedings are governed by the Tribunals, Courts and Enforcement Act 2007)

C. PRESCRIBED PERIODS FOR APPEALS

3. The prescribed period for the making of an appeal to the relevant appellate body is 28 days for

- (i) paragraph 18(1);
- (ii) paragraph 20(1);
- (iii) paragraph 29(1);
- (iv) paragraph 32(1);
- (v) paragraph 34(1);
- (vi) paragraph 37(1); and
- (vii) paragraph 50(1) of Schedule 13 to the Act.

4. Each prescribed period set out in Rule 3 above is from the date on which the notice of the decision of the licensing authority is given to the applicant, investor or other person subject to the licensing authority's decision.

5. The prescribed period for the making of an appeal against the decision of the relevant appellate body to the High Court on a point of law arising from the decision of the relevant appellate body (but only with permission of the High Court) is 28 days for

- (i) paragraph 18(3);
- (ii) paragraph 20(3);
- (iii) paragraph 29(3);
- (iv) paragraph 32(3);
- (v) paragraph 34(3);
- (vi) paragraph 37(4); and
- (vii) paragraph 50(3) of Schedule 13 to the Act.

6. The prescribed period of 28 days is from the date on which a party to an appeal referred to in paragraph 5 above, is given notice of the decision of the relevant appellate body.

D. MODIFICATIONS TO RULES

7. The Board reserves the right to modify these Rules from time to time and the Board will publish a draft of any modified Rules and will invite consultations in accordance with section 205 of the Act.

Annex C – Final changes to the LSB’s Rules on the Ownership of licensed bodies: Schedule 13 prescribed rules

Schedule 13: Ownership of licensed bodies Rules: prescribed time periods

Version 2: [2014]

A. PREAMBLE

1. For the purposes of Schedule 13 paragraph 8 of the Legal Services Act 2007 (the “Act”), these Rules are made by the Board to prescribe the periods within which certain actions of a licensing authority must be taken.

B. DEFINITIONS

2. Unless otherwise defined, terms used in these Rules will have the same meanings as those set out in the Act:

C. WHAT DO THESE RULES APPLY TO?

3. These Rules are the rules that the Board has made in compliance with Schedule 13 to the Act in order to specify the prescribed period for certain actions of licensing authorities and others.

C. PRESCRIBED PERIODS

3. The prescribed period is 90 days for

- (i) paragraph 25(2);
- (ii) paragraph 33(2)(b);
- (iii) paragraph 36(2); and
- (iv) paragraph 44(4)(b) of Schedule 13 to the Act.

4. The prescribed period is 28 days for

- (i) paragraph 17(4)(b);
- (ii) paragraph 17(5);
- (iii) paragraph 19(3)(b);
- (iv) paragraph 19(4);

- (v) paragraph 28(5)(b);
- (vi) paragraph 28(6);
- (vii) paragraph 31(4)(b);
- (viii) paragraph 31(5);
- (ix) paragraph 33(2)(b);
- (x) paragraph 33(5)(b);
- (xi) paragraph 33(6);
- (xii) paragraph 36(5)(b);
- (xiii) paragraph 36(6);
- (xiv) paragraph 43(3);
- (xv) paragraph 46(3);
- (xvi) paragraph 49(4)(b); and
- (xvii) paragraph 49(5) of Schedule 13 to the Act.

D. MODIFICATIONS TO RULES

5. The Board reserves the right to modify these Rules from time to time and the Board will publish a draft of any modified Rules and will invite consultations in accordance with section 205 of the Act.