

From: Mike Knight
Sent: 26 October 2009 16:38
To: consultation@legalservicesboard.org.uk
Cc: Michael Ralph; Keven Bader; Lisa Quarticelli
Subject: Compliance and Enforcement

Dear Sirs

In connection with the consultation on the above subject IPReg has the following comments.

The proposals set out in the consultation for the escalation of action taken against an Approved Regulator are understood and accepted. However, the ultimate sanction a "fine" of up to £10M causes us considerable disquiet. In stark terms, a fine at that level would bankrupt the two Approved Regulators for which we act as designated regulator many times over. It would also have the same effect on most of the Approved Regulators. Is it sensible therefore to have a figure which is so high and which in practice will never be applied. Whilst it is appreciated that this is a maximum there is not sufficient regard given to "proportionality" in the document, nor a sufficiently clear statement that could give comfort that the sanction is there to bring an Approved Regulator into line not to ensure their demise. We should like to see the proposal and SI softened in that way if the figure remains at £10m.

On a minor point, the document states that monies raised in fines will go to HMT. There is a view that the Act requires the monies to go to the LSB. This will need to be determined before the SI is finalised.

Yours faithfully

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Chief Executive

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