



**LEGAL SERVICES
BOARD**

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Statement under section 70(5) of the Legal Services Act 2007

The Board intends to recommend to the Lord Chancellor that he makes an order under section 69 of the Legal Services Act 2007 making provisions concerning the functions of the Law Society and the Council for Licensed Conveyancers.

In the opinion of the LSB, the draft order to be annexed to the recommendation differs materially from the order that was published with our consultation document on 14 April 2011. The material change that has been made is to clarify that the Law Society's power to make compensation rules extends to acts or omissions (during the transitional period) of persons who have interests, or indirect interests, in former licensed bodies.

Whilst it has consistently been our policy that consumers should not lose the benefit of compensation arrangements simply because a body ceases to be a licensed body before a claim is made pursuant to those arrangements, we have concluded that the drafting of the Order should be clarified to reflect this.

Paragraph 2 of the Schedule to the current draft order has therefore been changed to refer explicitly to a person who has an interest, or an indirect interest, in a "former licensed body".

Legal Services Board

10 May 2010