

RECOMMENDATION TO THE LORD CHANCELLOR UNDER SCHEDULE 10, PART 1 OF THE LEGAL SERVICES ACT 2007 (“the Act”)

1. On 25 March 2011, the Legal Services Board (the Board) received an application from The Law Society for a recommendation from the Board to the Lord Chancellor that The Law Society be designated as a Licensing Authority for the exercise of a right of audience, the conduct of litigation, reserved instrument activities, probate activities and the administration of oaths. The Law Society is already an approved regulator for these reserved legal activities.
2. As the Approved Regulator, The Law Society has delegated its regulatory functions to the Solicitors Regulation Authority (SRA) who prepared both the application and the licensing rules (which are contained within the Handbook). The SRA Board approved the application and the Handbook on 15 March 2011. The Law Society Council approved the application and the proposed licensing rules at its meeting on 23 March 2011. The application was formally submitted by The Law Society on 25 March 2011. Whilst The Law Society is formally the applicant, it will be the SRA that will perform the regulatory functions of a Licensing Authority.
3. In order to achieve a “level playing field” between the community of firms and individuals (recognised bodies and solicitors) and licensed bodies (ABS) regulated by the SRA, the SRA has developed a new Handbook which brings together all of its regulatory requirements in one place (including the proposed licensing rules). The SRA has taken a unified approach so that the bulk of rules are common to all despite the difference in statutory basis for regulation. The new Handbook also represents an overall change in approach, with a greater emphasis on principles and outcomes even where underlying rules remain unchanged.
4. At its meeting on 13 June 2011, the Board resolved to grant the application to make a recommendation to the Lord Chancellor. The Board also agreed to recommend that if an Order is made by the Lord Chancellor designating the Law Society as a Licensing Authority, the licensing rules will at the same time be treated as approved by the Board for use by the Licensing Authority when the Lord Chancellor exercises his authority under Paragraph 16(1) of Part 1 of Schedule 10 to the Act. This includes the entire SRA Handbook.
5. In making its decision the Board has had regard to its Rules for Licensing Authority Designation Applications, which give effect to the criteria in Schedule 10, Part 1, Paragraphs 11(2) and 11(3). Those Rules provide the mechanism through which the LSB carries out its assessment of applications. The LSB has now satisfied itself of compliance with the requirements described in Paragraphs 11(2) and 11(3) by an assessment of the application and proposed regulatory arrangements against the Rules.
6. For the purposes of paragraph 14(4) of Schedule 10 to the Act, we have published on our website our Decision Notice along with all mandatory consultee advice and representations received in response to that advice.

7. Therefore, in accordance with Schedule 10, Paragraph 14(2) of the Act, the Board recommends to the Lord Chancellor that the SRA be designated as a Licensing Authority and the SRA's proposed licensing rules are at the same time treated as having been approved by the Board (under Schedule 10, Paragraph 16(1)).
8. A copy of this recommendation has been published on the Legal Services Board's website (Schedule 10, Paragraph 14(3)).

David Edmonds
Chairman, Legal Services Board
20 June 2011