

Direction 147 issued under Part 3 of Schedule 4 to the Legal Services Act 2007 to the Solicitors Regulation Authority (SRA)

1. This is a direction issued pursuant to paragraph 19(3) of Schedule 4 to the Legal Services Act 2007 (the Act).
2. Unless stated otherwise, words in this direction are used as they are defined in the Act.
3. In accordance with paragraph 19(3) of Schedule 4 to the Act, the Legal Services Board (the Board) has directed that the following alterations to regulatory arrangements be treated as exempt alterations for the purposes of paragraph 19(2)(c) of Schedule 4:

SRA Regulatory Arrangements (Amendment) (No3) Rules 2019

These regulatory arrangements will amend the SRA Standards and Regulations

Proposed amendments

4. The LSB approved alterations to the SRA's regulatory arrangements in respect of its Standards and Regulations in November 2018, then called Looking to the Future¹.
5. The proposed regulatory arrangements will make changes to rectify errors in two sets of rules within the SRA Standards and Regulations, which are due to come into effect on 25 November 2019. The SRA identified the need to make the proposed amendments following stakeholder feedback. The SRA states the changes proposed will maintain the existing position which reflects its policy intent. The rules to be amended are:
 - (a) clauses 3.3, 3.6 and new clause 4.8A of Annex 1 (SRA Minimum Terms and Conditions of Professional Indemnity Insurance) to the SRA Indemnity Insurance Rules, to provide that any insurance excess must not apply to defence costs, and to clarify the conduct of a claim pending resolution
 - (b) new paragraphs 2A of Annex 1 and 4A of Annex 2 to the SRA Application, Notice, Review and Appeal Rules, to restore a right of appeal for decisions on disqualification made under rule 7.2 of the SRA Regulatory and Disciplinary Procedure Rules.
6. In addition, the SRA has identified that it will need to delay commencing certain rules in the Standards and Regulations that allow solicitors to undertake immigration work outside of an SRA authorised body pending the outcome of discussions with the Office of the Immigration Services Commissioner (OISC) on how these solicitors and those working under them will be supervised. This means that the existing position will be maintained. Therefore, the SRA proposes not to commence these rules on 25 November 2019 by making amendments to the table after Rule 1 and inserting new rule 3A into the SRA Commencement and Revocation Rules 2019. The effect of these changes is that rule 9.5(b), (c) and 9.6 of the SRA Authorisation of Individuals Regulations will not come into effect on that date.

¹ https://www.legalservicesboard.org.uk/what_we_do/regulation/pdf/2018/FINAL_Revised_LttF_Decision_with_Full_Annex_.pdf

Reason for exemption direction

7. The proposed alterations do not represent a shift in the SRA's regulatory approach or policy. They correct errors or delay implementation of approved policy changes, whilst a final position is considered.
8. A copy of the alterations was submitted to the Board on 11 November 2019.
9. This direction is to be deemed made on and to be effective from 21 November 2019.

For and on behalf of the Legal Services Board
21 November 2019