

Release notes for SRA Handbook, Version 12

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31 October 2014

The twelfth version of the Handbook was published on 31 October 2014.

The changes contained in Version 12 came into effect on 31 October 2014 and the changes are summarised in these release notes. The notes give a brief update only and you will need to refer to the Handbook itself for full details. Any sets of rules or regulations not referred to below remain substantially unchanged in this version.

There are seven groups of changes contained in Version 12:

- The wording "the family court" has been added to a guidance note in SRA Higher Rights of Audience Regulations 2011 to reference the new single Family Court for Solicitors and RELs in respect of their rights of audience which remain unchanged.
- A number of changes have been made to allow certain non-reserved legal activities to be excluded from SRA regulated activity on the licence of an MDP. These changes are to definitions in the SRA Glossary 2012, in the SRA Code of Conduct 2011 and consequential changes to the SRA Accounts Rules 2011 and the guidance notes to the SRA Authorisation Rules for Legal Services Bodies and Licensable Bodies 2011.
- Changes have been made to the SRA Principles 2011 and the SRA Practice Framework Rules 2011 to clarify that solicitors, RELs and RFLs can carry out non-reserved legal activities in an authorised non-SRA firm unless prevented by the terms of authorisation of that firm's approved regulator.
- Changes have been made to the SRA Practice Framework Rules 2011 to clarify that all immigration work carried out within an SRA authorised entity will be by definition, carried on by someone acting on behalf of, and under the supervision of, 'a person authorised to provide immigration advice or immigration services by a designated qualifying regulator' for the purposes of the Immigration and Asylum Act 1999.
- Regulation 6 of the SRA Keeping of the Roll Regulations 2011 has been amended to provide that an enquiry of solicitors without practising certificates will be made at such times as the SRA considers appropriate instead of annually.



- Changes have been made to the SRA Accounts Rules 2011 to increase the limit of residual client balances. The limit under which firms are permitted to dispose of residual balances on client account to a charity without the permission of the SRA has been increased from £50 to £500.
- Changes have been made to the SRA Accounts Rules 2011 to exempt from the requirement to obtain an accountant's report a small group of firms where the requirement can no longer be justified by the limited risks posed to client money. In addition to retaining the existing requirement on all other firms to obtain an accountant's report if they hold client money but only requiring qualified reports to be delivered to the SRA and removing unnecessary information fields from the form of accountant's report.

SRA Principles 2011

Paragraph 3(2) (a) has been amended to clarify the position of a solicitor, REL or RFL working in an authorised non-SRA firm.

SRA Code of Conduct 2011

Chapter 13 has been amended to apply certain limited provisions of the Code to the activities of MDPs and solicitors, RELs and RFLs when that activity is excluded from SRA regulated activity on the terms of the MDP's licence.

SRA Accounts Rules 2011

A consequential amendment has been made to rule 4.2 to reflect the revised definition of regulated activity for MDPs.

Rule 20.2 has been amended to increase the limit of client money that may be withdrawn from client account without the authorisation of the SRA from £50 to £500. Guidance note (vi)(a) has been amended to reflect the change in the limit.

Changes have been made elsewhere to replace references to the Charities Act 1993 with references to the Charities Act 2011.

Rule 32 has been replaced with a new rule 32 that retains the existing requirement on all other firms to obtain an accountant's report if they hold client money but only requires qualified reports to be delivered to the SRA.

A new rule 32.1A has been inserted which exempts from the requirement to obtain an accountant's report a small group of firms where all of the client money received during an accounting period is money held or



received from the Legal Aid Agency or in the circumstances set out in rule 19.3.

A new guidance note (i) to rule 32 explains the term qualified accountant's report. Changes to the guidance notes to rule 44 and Appendix 5 update the format of the accountant's report to remove unnecessary information fields.

SRA Practice Framework Rules 2011

Rules 1.1, 2.1 and 3.1 have been amended to clarify the position of a solicitor, REL or RFL working in an authorised non-SRA firm.

Sub paragraphs (e) (f) and (g) of rule 6 and (e) (f) and (g) of rule 7 have been deleted to remove unnecessary provisions in relation to the conduct of immigration work.

SRA Authorisation Rules for Legal Services Bodies and Licensable Bodies 2011

The guidance notes to rule 7 have been replaced to reflect the revised definition of regulated activity for MDPs. Guidance note (iii)(f) to rule 8 has been amended in line with changes to the SRA Accounts Rules 2011).

SRA Practising Regulations 2011

Regulation 3.1(r) has been amended to refer to section 178(1)(D) and (E) of the Charities Act 2011. Guidance note (iii)(f) to regulation 4.7 has been amended in line with changes to the SRA Accounts Rules 2011.

Keeping of the Roll Regulations 2011

Regulation 5 has been amended to clarify that notifications under the Regulations can be sent by email.

SRA Higher Rights of Audience Regulations 2011

The addition of the wording "the family court" has been added to guidance note (i) to Regulation 2.

Suitability Test 2011

Requirement 10.1(a) has been amended to refer to section 178(1)(D) and (E) of the Charities Act 2011.

SRA Overseas Rules 2013

Changes have been made to rule 2 of the SRA Overseas Rules 2013 in order to clarify the circumstances in which an authorised person may conduct reserved legal activities overseas and the rules which apply in different circumstances. Paragraph 13.A of the SRA Code of Conduct has also been updated to reflect these changes. In addition some minor clarifications have been made to the following Glossary terms: 'established', 'overseas practice' and 'regulated individual'.

SRA Handbook Glossary 2012

The definitions of 'authorised activities', 'regulated activity', 'out of scope money' have been amended and a new definition of 'non-reserved legal activity' has been inserted to reflect the power to exclude certain activities from SRA regulated activity on the terms of an MDP licence.

The definition of 'Charity' now refers to section 1 of the Charities Act 2011.