

Guidance

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Legal Disciplinary Practices

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Published: 25 November 2019

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Status

This guidance is to help you understand your obligations and how to comply with them. We will have regard to it when exercising our regulatory functions.

Who is this guidance for?

Legal disciplinary practices (LDPs). These are recognised bodies that were authorised to have non-lawyer involvement between March 2009 and 6 October 2011.

Purpose of this guidance

To explain how existing LDPs with non-lawyer managers can remain as recognised bodies or elect to become licensed bodies.

General

Bodies with non-lawyer managers are required, by section 72 of the Legal Services Act 2007 (the LSA), to be licensed. However, Part 2 of Schedule 5 to the LSA provides transitional protection for legal disciplinary practices which allows you to continue to operate as a recognised body. That will remain the case until the transitional period comes to an end. At present, there is no planned end date for the transitional period. However, when the transitional period does end, all remaining LDPs with non-lawyer managers will need to have transitioned to licensed body status.

As a result, any LDP wishing to continue as a recognised body may do so for the time being, as long as you continue to meet the management and control requirements under Annex 1 to the [Authorisation of Firms Rules \[https://rules.sra.org.uk/solicitors/standards-regulations/authorisation-firms-rules/\]](https://rules.sra.org.uk/solicitors/standards-regulations/authorisation-firms-rules/).

In summary, those requirements are that, as an LDP, you can have no more than 25% non-lawyer managers, and those same managers can hold no more than 25% of the shares / voting rights in the body. All non-lawyers must be approved as managers and, where applicable, owners.

Electing to be licensed

You may wish to become licensed before the end of the transitional period. That may be to increase flexibility around the proportion of non-lawyers you can have in the business.

If you are in compliance with the management and control requirements you can elect to become licensed.

Electing to be licensed is a process to transition your existing authorisation from recognised body to licensed body status. It means you do not need to apply for authorisation afresh and there are no fees to pay.

If you wish to utilise this option need to complete a [short form](https://rules.sra.org.uk/solicitors/firm-based-authorisation/existing-firms-applications/ldp/1) [\[https://rules.sra.org.uk/solicitors/firm-based-authorisation/existing-firms-applications/ldp/1\]](https://rules.sra.org.uk/solicitors/firm-based-authorisation/existing-firms-applications/ldp/1). This is to make sure we hold equivalent data about all licensed bodies.

Election process

On receipt of your form, we will assess the information against our records and other available records (eg Companies House). If we can confirm the LDP is in compliance with the management and control requirements, we will complete the election process and confirm you have been transitioned to licensed body status.

If you do not meet the management and control requirements (for example, more than 25% of your managers are non-lawyers), then you will have to make a [full licensed body application](https://rules.sra.org.uk/solicitors/firm-based-authorisation/authorisation-recognition/1) [\[https://rules.sra.org.uk/solicitors/firm-based-authorisation/authorisation-recognition/1\]](https://rules.sra.org.uk/solicitors/firm-based-authorisation/authorisation-recognition/1). This will involve completing the necessary forms and paying the licensing application fees.

Further help

If you require further assistance, please contact the [Profesional Ethics helpline](https://rules.sra.org.uk/contactus) [\[https://rules.sra.org.uk/contactus\]](https://rules.sra.org.uk/contactus).