

Firm-Based Authorisation

Example of a firm structure (ABS Law Ltd) and the forms they would need to complete

ABS Law Limited is applying for authorisation to be a Licensed Body.

It is a company registered at Companies House and it has five Directors and four Owners as follows:

- Mr A Smith - Solicitor, Director and Owner with 20%
- Mr B Jones - Solicitor, Director
- Miss C Evans - Barrister, Director and Interest holder 8%
- Miss D Webb - Non lawyer Director and Interest holder 2%
- Miss E Tool - Non Lawyer Director
- Plastic Limited - Owner 70%

Plastic Limited is a company registered at Companies House. It makes plastic for cutlery. It has three Directors and two Owners as follows:

- Mr F Fox - Non Lawyer Director, Owner 70%
- Mrs G Cape - Non Lawyer Director, Owner 30%
- Mr H Window - Non-Lawyer, Director.

Approvals required

ABS Law Ltd will require authorisation.

Mr Smith and Mr Jones may meet the deeming provisions in Rule 13.2 of the SRA Authorisation Rules 2011 for managers and owners. If so, their details will need to be included in section 2.1 of the **Firm Authorisation application form**.

Miss Evans, Miss Webb and Miss Tool will require approval as managers only as their share ownership does not, on the face of it, appear to equate to a material interest requiring approval as owners. All three will need to complete an **Individual Approval application form**. However, the applicant should be aware of the associates provisions under Schedule 13 to the Legal Services Act 2007 as there may exist a material interest by association.

Plastic Limited will need to be approved as an owner and will need to complete an **Entity Managers/Owners Approval application form**.

Plastic Limited also constitutes a parent undertaking of ABS Law Ltd, so all interest holders with a material interest in Plastic Limited require approval as owners. Mr Fox and Mrs Cape will therefore need to apply for approval as owners by completing the **Individual Approval application form**.

As Plastic Limited is only an owner of ABS Law Ltd, its directors do not require approval in their role as manager of that parent undertaking. However, if ABS Law Limited had been an LLP instead, and Plastic Limited a member of the LLP (and therefore a manager), all of Plastic Limited's directors would have required approval as managers of a corporate manager. In that case, Mr Fox, Mrs Cape and Mr Window would need to complete an **Individual Approval application form**. Mr Fox and Mrs Cape would indicate on their form that they are applying for approval both as owners and managers of a corporate manager.

Overview of required approvals:

