

SRA BOARD

CLASSIFICATION – PUBLIC



**SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 6 December 2017 at 09.30
at The Grange Holborn Hotel, 50-60 Southampton Row, London WC1B 4AR**

Subject to final approval by the SRA Board at its meeting on 31 January 2018

Present: Enid Rowlands (Chair)
Julia Black
Sharon Darcy
Jane Furniss
David Heath
Paul Marsh
Barry Matthews
Geoff Nicholas
Dame Denise Platt
Chris Randall
Deep Sagar
Shamit Saggarr
Elaine Williams
Tony Williams
David Willis

In attendance: Paul Philip, Robert Loughlin, Jane Malcolm, David Middleton,
Juliet Oliver, Crispin Passmore, Dominic Tambling.

1 APOLOGIES

1.1 The Chair welcomed Board members to the meeting. Apologies had been received from Richard Collins.

2 MINUTES OF THE MEETING HELD ON 25 OCTOBER 2017

2.1 The minutes of the meeting held on 25 October 2017 were approved as a true and accurate record.

3 MATTERS ARISING AND DECLARATIONS OF INTEREST

3.1 The Board reviewed the action log and noted that all actions that were due had been completed

3.2 Interests were as previously declared and available to view on the SRA website. Members would declare any additional particular interest in an individual item if necessary.

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4 CHAIR'S UPDATE

- 4.1 The Chair reported on her recent meeting with the Chair of the Solicitors Disciplinary Tribunal. She thanked Board members for attending the Black Solicitors Network Diversity Awards dinner on 28 November 2017 and congratulated Barry Matthews and the Legal Social Mobility Partnership for winning the UK Diversity Legal Award for in house legal Diversity and Inclusion initiative of the year.
- 4.2 The Chair also thanked Board members for attending the Society of Asian Lawyers awards ceremony and dinner, and the British Nigeria Law Forum Christmas dinner on 30 November 2017.
- 4.3 The Chair noted the new governance arrangements which were now in place following the Law Society (TLS) Council's amendment of its General Regulations. The practical implications of the changes were still being worked through with TLS but there would, for instance, be fewer and more focused meetings of the Business and Oversight Board.

5 CHIEF EXECUTIVE'S REPORT

- 5.1 The Chief Executive Officer, introduced his report ([link](#)).
- 5.2 The CEO covered a number of issues, for decision and noting. These included progress on work on implementing the Insurance Distribution Directive, the publication of the Autumn update of the Risk Outlook and progress on the Solicitors Qualifying Examination.

6 ANTI-MONEY LAUNDERING

- 6.1 The Board was asked to consider developments on anti-money laundering (AML), including the forthcoming evaluation by the Financial Action Taskforce (FATF) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 which had come into force in June.
- 6.2 The Board also noted the creation of a new oversight regulator, the Office of Professional Body AML Supervision (OPBAS), which would begin to operate from the New Year and would improve coordination and consistency across the professional bodies which had a role in AML. There would be costs associated with OPBAS regulation which would ultimately be paid by the profession.
- 6.3 The Board noted the necessity of carrying out this work and the need to be proactive in doing so. It agreed a work programme on AML for the next 12 months which included preparation for the FATF evaluation, establishing a productive relationship with OPBAS and the implementation of the 2017 money laundering regulations. The Board also noted that extra resource may be required to further this work programme.

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- 7.1 The Board was asked to consider a revised Governance Handbook which reflected the amendments to the General Regulations agreed by TLS Council. The Governance Handbook was not legally binding but sought to ensure good corporate governance by setting out expectations about the role and responsibilities of Board members and ensuring a common understanding and consistent approach to governance matters.
- 7.2 The Board agreed revised terms of reference for Finance and Audit and People Strategy Committees and an updated Delegation Framework. Comments on the draft Governance Handbook would be reflected in a further draft which would be circulated for final agreement and then published on our website.

8 PROTECTING THE USERS OF LEGAL SERVICES: BALANCING COST AND ACCESS TO LEGAL SERVICES

- 8.1 The Board was asked to consider an update on a review of our financial consumer protection arrangements including proposals for changes to our professional indemnity insurance (PII) and Compensation Fund arrangements.
- 8.2 Board members expressed a variety of views on a complex range of issues and noted that the consultation document needed some further redrafting but the intention was to go out to consultation early next year.

9 LEGAL SERVICES BOARD CONSULTATION ON THE INTERNAL GOVERNANCE RULES

- 9.1 The Board was asked to consider the Legal Services Board's consultation on its Internal Governance Rules (IGRs). The LSB was required by the Legal Services Act to make rules to safeguard the independent exercise by approved regulators of their regulatory functions.
- 9.2 The consultation sought views on whether changes to the IGRs were necessary; if so the nature of the changes that should be made, and if not, whether it should increase its enforcement activity around independence. Board members noted that the consultation was taking place in the context of the LSB's investigation into governance arrangements between us and the TLS and the recent amendments to the General Regulations agreed by the TLS Council.
- 9.3 The Board agreed the approach contained in the paper to responding to the issues raised in the LSB's consultation which would be submitted by the LSB's deadline of 9 February 2018. The response would be circulated to Board members and published when submitted.

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10 REVIEW OF MEETING AND ANY OTHER BUSINESS

- 10.1 The Board received an update from committee chairs in relation to committee and working group meetings that had taken place since the last Board meeting.
- 10.2 The Chair thanked Board members for their contributions and particularly Jane Furniss, Paul Marsh and Shamit Saggar whose last meeting this was. They had all made highly significant contributions to the Board and would be greatly missed.
- 10.3 The next meeting of the Board would be on Wednesday 31 January 2018 at The Cube, 199 Wharfside Street, Birmingham B1 at 10.00.