

# Release notes for SRA Handbook, Version 3

23 April 2012

The third version of the Handbook came into effect on 18 April 2012, and was published on 23 April 2012.

The changes are summarised in these Release notes for Version 3. The notes give a brief update only and you will need to refer to the Handbook itself for full details.

## *SRA Handbook Glossary 2012*

One of the key changes for Version 3 is the implementation of the SRA Handbook Glossary. The Glossary contains all terms used throughout the Handbook which are shown in italics, and sets out their definitions. The same terms in the SRA Handbook may appear as italicised text in some cases but not in others. Where they are not italicised, for reasons relating to the specific context, they are not being used in their defined sense and take their natural meaning in that context.

Online users are able to "click" on an italicised word to view the Glossary definition.

We have removed from each of the individual sets of rules which comprise the Handbook the definition provisions, and substituted a standard interpretation clause signposting to the Glossary. This has, in some cases, involved the need to renumber some provisions. Note that the Glossary will not apply to the SRA Indemnity Rules, the SRA Indemnity (Enactment) Rules and the Solicitors Indemnity Insurance Rules until 1 October 2012. In the meantime these sets of rules will retain their existing definitions.

## *SRA Principles*

We have made a minor formatting change in paragraph 7.2.

## *SRA Code of Conduct 2011*

O(3.5) has been amended to clarify that the exceptions to the prohibition on acting in a conflict of interests, as set out in O(3.6) and O(3.7), apply in the alternative.

O(12.1)(b) and O(12.3)(a) in Chapter 12, Separate businesses, have been deleted to take out the reference to "significant interest" in a separate business.

13.6 in the application and waivers provisions has been amended to clarify that if, in relation to an overseas practice, compliance with the Code would result in a breach of local law or regulation, the outcomes can be disregarded to the extent necessary to comply with the local law or regulation.

Transitional provisions in Chapter 15, as set out in 15.2 and 15.3, have been removed.

## *SRA Accounts Rules 2011*

Following the introduction of the Glossary, amendments have been made to guidance notes (i) and (ii) to rule 2, guidance note (i) to rule 4, guidance note (ii) to rule 8 and guidance note (iii) to rule 32 to reflect the removal of the definitions from rule 2.2 to the Glossary.

Guidance note (ii)(c) to rule 4 has been amended to correct a rule heading.

Part 8: Transitional provisions (Rule 53) has been deleted in its entirety. Rule 53.1 has been deleted because of the likely changes in the proposals relating to the manner of authorisation of the practice of a recognised sole practitioner. Rules 53.2-53.4 have been deleted following the making of the statutory instrument which designates the Law Society as a licensing authority for ABSs and which gives equivalent statutory protections to the client accounts of licensed bodies.

## *Authorisation and Practising Requirements*

This section contains SRA authorisation and practising requirements for firms and individuals, and SRA training requirements.

The following rules/regulations/guidance notes have been subject to amendment.

## *SRA Practice Framework Rules 2011*

The key changes in these rules are:

- Immigration advice and immigration services: rule 8.6 of the SRA Practice Framework Rules has been amended to ensure that licensed bodies are specifically authorised by the SRA to provide immigration advice and immigration services under the Immigration and Asylum Act 1999;
- Clarificatory changes: to make the rules clearer and ensure that they accurately reflect the Legal Services Act. In particular, the Practice Framework Rules (see rules 1, 2, 3, 4, 5 and 11) have been amended so that solicitor involvement in a body owning a licensed body does not



automatically mean that the solicitor is "practising" in that body, and neither does it automatically mean that the body itself requires authorisation.

In addition to changes relating to the Glossary, changes have been made to the following rules:

- Rules 1, 2, 3, 4.3, 5 and 11
- Guidance notes to rules 1, 2, 3, 4 and 5
- Rule 8.6
- Guidance note (i) to rule 9
- Rules 11
- Rule 12 and guidance notes
- Rule 13.1 and guidance note (i) to rule 13
- Rule 16 and guidance note (iii) to rule 16
- Rule 17.2
- Rule 18.2 and guidance note (i) to rule 18
- Rule 22.4

### ***SRA Authorisation Rules for Legal Services Bodies and Licensable Bodies 2011***

The key change in these rules relates to immigration advice and immigration services. Rule 7.1 of the Authorisation Rules has been amended to ensure that licensed bodies are specifically authorised by the SRA to provide immigration advice and immigration services under the Immigration and Asylum Act 1999.

In addition to changes relating to the Glossary, changes have been made to the following rules:

- Guidance note (i) to rule 1
- Rule 7.1
- Rule 8.5(e)
- Rule 8.9(b)
- Rule 8.10(a)
- Rule 8 guidance notes
- Rule 10, guidance note (iii)
- Rule 14.5 and 14.6 and guidance notes to rules 14 and 15

- Rule 16
- Rule 22.1 and guidance note (ii) to rule 22
- Rule 23.1(a)(i)
- Rule 23.6(a)
- Rule 23 guidance notes
- Rule 27.1(c) and (d)
- Rule 27.3(m)
- Rule 28.2
- Rule 30.2(a) and (c)
- Rule 30.4 and 30.6
- Rule 31.2(c)

### *SRA Practising Regulations 2011*

The main amendments to the SRA Practising Regulations (to regulation 4) have been made to mirror existing provisions in the Authorisation Rules (including the requirements to appoint a Compliance Officer for Legal Practice and a Compliance Officer for Finance and Administration, and the information requirements). Because the SRA Practising Regulations continue to apply to the recognition of sole practitioners, these changes have been necessary, so that as far as possible, the same standards of the regulation apply to the different types of firm the SRA regulates.

In addition to changes relating to the Glossary, changes have been made to the following regulations:

- Regulation 3.1(a)
- Regulation 4 and guidance notes
- Regulation 8.3
- Regulation 8.6
- Guidance note (i) to regulation 9
- Regulation 13.2(g)
- Regulation 15
- Regulation 19

### *SRA Recognised Bodies Regulations 2011*



Note: The SRA Recognised Bodies Regulations 2011 were repealed on 31 March 2012.

### *Solicitors Keeping of the Roll Regulations 2011*

The key amendment to the Regulations relates to applications for restoration to the roll of solicitors and enables the SRA to ask key character and suitability questions, via the Suitability Test, about issues that may have occurred in the intervening period since the solicitor was last on the roll.

In addition to changes relating to the Glossary, changes have been made to the following regulations:

- Regulation 8 and guidance
- Regulation 16.5

### *SRA Training Regulations 2011 - Part 1 - Qualification Regulations*

In addition to changes relating to the Glossary, regulation 17.2 of the SRA Training Regulations 2011 Part 1 has been added to permit exemptions from certain learning outcomes on the Legal Practice Course.

### *SRA Qualified Lawyers Transfer Scheme Regulations 2011*

In addition to changes relating to the Glossary, regulation 2.2 has been amended so that all lawyers applying under the Establishment Directive are assumed to have gone through the full route to qualification in their home jurisdiction, as required by that Directive.

### *SRA Qualified Lawyers Transfer Regulations 2009*

These regulations are still in force for some applicants who were part way through the old qualification system when the Qualified Lawyer Transfer Scheme Regulations were first introduced in 2010. These applicants now have the option of taking the new QLTS assessments instead of an experience requirement. Changes have been made to the following regulations to enable this:

- Regulation 2
- Regulation 4
- Regulation 5
- Regulation 9

- Regulation 10
- Regulation 18

### *SRA Higher Rights of Audience Regulations 2011*

The key change to these regulations has been made in order to require international lawyers to complete the higher rights assessments. Exemptions from certain assessments has now been limited to EU applicants, as required by law.

In addition to changes relating to the Glossary, changes have been made to the following regulations:

- Regulation 4
- Regulation 5

### *SRA Suitability Test 2011*

The key amendment to the Test widens its applicability to align it with the changes made to the Solicitors Keeping of the Roll Regulations 2011. Applicants for restoration to the roll of solicitors will be asked general character and suitability questions about issues that may have occurred in the intervening period since the solicitor was last on the roll.

In addition to changes relating to the Glossary, changes have been made to the following sections:

- Preamble: Applicability
- Overview
- Outcomes
- Part 1: Basic requirements

### *Client Protection*

This section contains key elements for the financial protection of clients.

### *SRA Indemnity Insurance Rules 2011 - Appendix 4*

Minor corrections to the definitions of "prior practice", "solicitor" and "SRA Authorisation Rules" have been made.

### *SRA Indemnity Rules 2011*

A minor correction has been made to a cross reference within the definition of "private practice" set out in Rule 3.1.

### *SRA Compensation Fund Rules 2011*

Transitional provisions relating to the definition of "defaulting practitioner" have been transferred to rule 4 of the SRA Handbook Glossary 2012.

### *Specialist Services*

This section contains provisions which are only applicable when certain services are being provided to clients.

### *SRA Insolvency Practice Rules 2012*

A new set of rules, the SRA Insolvency Practice Rules 2012, has been introduced, to make it clear that solicitors and RELs must comply with the Insolvency Code of Ethics when they carry on insolvency practice.