

# Statement of legal knowledge

Updated July 2020

Please note this statement of legal knowledge is currently being updated. To see up to date details of the knowledge required for the SQE, please read our SQE1 assessment specification and SQE2 assessment specification.

## *About the statement of legal knowledge*

The Statement of Legal Knowledge sets out the knowledge that solicitors are required demonstrate at the point of qualification.

## *Statement of legal knowledge*

### *1. Ethics, professional conduct and regulation, including money laundering and solicitors accounts*

1a.

The ethical concepts governing the solicitor's role and behaviour, including as expressed in the law, and the economic, social and cultural influences that can bias independent and ethical judgment

1b.

The SRA Principles

1c.

The Code of Conduct:

commitment to the rule of law and proper administration of justice

duties and responsibilities owed to clients

running the business

interacting with the regulator

duties to others

1d.

Money laundering

1e.

Financial services

1f.

Solicitors' accounts

identification of office/client money

receipts into and payments out of office and client account/money

payment of deposit interest  
accounting systems and internal controls  
recording transactions and preparation of financial statements  
regulatory controls

1g.

Obligations to report relevant to a solicitor's practice

## *2. Wills and administration of estates*

2a.

Pre-grant practice

validity, revocation and alteration of wills and codicils  
total and partial intestacy  
identification of property passing by will, intestacy or outside of the estate  
valuation of assets and liabilities and the taxable estate

2b.

Application for a grant of representation

the necessity for and main types of a grant  
the powers and duties of personal representatives and their protection  
the main types of oath for executors or administrators  
the prior submission of inheritance tax account to HMRC before grant is obtained and payment of tax shown due on account

2c.

Post-grant practice

collection and realisation of assets, and claims on the estate  
raising funds and the payment of all tax and debts  
pecuniary legacies, vesting of gifted property in the beneficiaries entitled and distribution of the residuary estate

## *3. Taxation*

3a.

Income tax

who is chargeable (residence/domicile)  
what is chargeable (types of income/main reliefs and exemptions)  
how is charge levied (deduction at source/PAYE/self-assessment)  
outline of anti-avoidance provisions

3b.

#### Capital Gains Tax

who is chargeable (residence/domicile)

what is chargeable (calculation of gains/ allowable deductions/ main reliefs and exemptions)

how is charge levied (self-assessment/recovery through PAYE system/agents)

outline of anti-avoidance provisions

3c.

#### Inheritance Tax

##### Key principles

basis of charge to tax (potentially exempt gifts/lifetime chargeable gifts/transfers on death)

main exemptions/reliefs

outline of anti-avoidance provisions (reservation of benefit regime, restrictions on deductibility of certain debts/ encumbrances)

person liable to make returns and payment

3d.

#### Corporation Tax

##### Key principles

chargeability to corporation tax

tax treatment of company distributions or deemed distributions to shareholders

payment and collection of tax (self-assessment)

outline of anti-avoidance legislation

3e.

#### Value Added Tax

key principles relating to scope, supply, input and output tax

registration requirements and issue of VAT invoices

returns/payment of VAT and record keeping

### *4. Law of organisations*

4a.

Business and organisational structures

4b.

Legal personality and limited liability

4c.

Procedures required to incorporate a company/form a partnership/LLP and the approvals and other steps required under companies and partnerships legislation to enable the entity to commence operating

4d.

Corporate governance

rights, duties and powers of directors and shareholders of companies

procedures relating to company decision making and meetings

minority shareholder protection rights

4e.

Raising capital, including company borrowing

4f.

Insolvency (corporate and personal insolvency)

## *5. Property*

5a.

Key concepts of real property

4b.

The property legislation of 1925; registered and unregistered land; Land Registration Act 2002

5c.

Estates and interests in land and their transfer: freeholds, leases, mortgages, easements; and rights over land: licences, tenancies at will

5d.

The trust of land and co-ownership

5e.

Adverse possession

5f.

The landlord/tenant relationship; leasehold covenants; enfranchisement

5g.

Real property and human rights

5h.

Tax considerations relevant to property transactions

## 6. *Torts*

6a.

Negligence:

duty of care and breach of duty of care

causation and remoteness of damage

problematic areas, including pure economic loss and psychiatric illness damage

6b.

Breach of statutory duty and product liability

6c.

Nuisance, and the rule in *Rylands v Fletcher*

6d.

Trespass to the person

6e.

Defamation

6f.

Vicarious liability

6g.

Remedies, including damages and injunctions

6h.

Defences, including consent and contributory negligence

## 7. *Criminal law and evidence*

7a.

Elements of offences - actus reus and mens rea. Factors affecting culpability: e.g. insanity, automatism and intoxication. Capacity to commit offences

7b.

Modes of liability: secondary participation, vicarious and corporate liability

7c.

Specific offences: public order offences, fatal, non-fatal and sexual offences against the person, property offences

7d.

Inchoate offences: assisting and encouraging crime, attempt and conspiracy

7e.

Defences: self-defence, necessity, duress. Partial defences to murder loss of control, diminished responsibility

7f.

Evidence, including burden and standard of proof, bad character and hearsay

7g.

The European Convention of Human Rights, particularly articles 5 and 6

## **8. Criminal litigation**

8a.

Criminal Procedure Rules, their overriding objective, and their application

8b.

Pre-trial procedures, including plea before venue and allocation

8c.

The role of the defendant's representative in police stations both as own client and as duty solicitor and the role of the defendant's solicitor at court under the duty solicitor scheme

8d.

Custody, review and detention limits under PACE and the role of the custody officer

8e.

Key steps for making an application for a representation order

8f.

Key steps for making or contesting a bail application

8g.

The trial process

8h.

Sentencing

8i.

Appeals

## **9. Contract Law**

9a.

Formation, including offer and acceptance, consideration, intention to create legal relations, certainty

9b.

Variation and promissory estoppel

9c.

Privity of contract and rights of third parties

9d.

Terms, including terms implied by common law and statute

9e.

Interpretation of contracts

9f.

Exemption clauses and unfair terms

9g.

Vitiating factors: including mistake, misrepresentation, duress and undue influence

9h.

Termination of contract for breach or frustration

9i.

Remedies: damages, award of an agreed sum, specific performance, injunctions

9j.

Restitution for unjust enrichment (especially in the context of termination of a contract)

## *10. Trusts and equitable wrongs*

10a.

Difference between legal and equitable interests

10b.

Creation of express trusts

10c.

Resulting trusts

10d.

Constructive trusts

10e.

Charitable and non-charitable purpose trusts

10f.

Trustees: their appointment, removal, powers, duties and liabilities

10g.

Fiduciary duties and remedies for breach of these duties

10h.

Knowing receipt of trust property and dishonest assistance in breach of trust or fiduciary duty

10i.

The rights, remedies and powers of beneficiaries, including proprietary remedies after tracing

10j.

Equitable remedies: specific performance, injunctions, rescission, rectification and proprietary remedies

## ***11. Constitutional law and EU law (including Human Rights)***

11a.

The basic institutions (the Crown and Parliament, central government, devolved institutions, EU institutions and the judiciary) and principles of the British Constitution

11b.

The nature, status and procedure for passing primary and delegated legislation

11c.

Government accountability (and in particular the relationship between the Government and Parliament)

11d.

Parliamentary sovereignty

11e.

Separation of powers (including judicial independence)

11f.

The rule of law

11g.

The place of EU law in the constitution

11h.

Human Rights Act 1998 and key principles of anti-discrimination legislation

11i.

Judicial control of the Executive, in particular the process and principles of judicial review

## *12. Legal system of England and Wales*

12a.

The main legal institutions (including the main legal professions)

12b.

Sources of law:

legislation

case law

European context

12c.

Rules of interpretation

12d.

Legal services

12e.

Funding of legal services

## *13. Civil litigation*

13a.

Different options for dispute resolution: litigation, arbitration, mediation and other forms of alternative dispute resolution

13b.

Funding

13c.

Costs consequences, possible liability for costs and cost recoveries

13d.

Preliminary considerations: limitation, jurisdiction and applicable law

13e.

The Civil Procedure rules, including Practice Directions, Forms and Court Guides

13f.

Pre-action steps, court structure and choice of court, issue, service, acknowledgment of service, judgments in default and summary judgment, drafting and service of statements of case, disclosure, part 36 and other settlement offers, interim applications and interim remedies, preparing for trial, settlement

13g.

The court's case and costs management powers and duties

13h.

Evidence: expert witnesses and witnesses of fact

13i.

Key elements of trial procedure

13j.

Methods of enforcement and enforcement procedures

13k.

Rights of appeal and appeal procedures

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