

**Minutes of the thirteenth meeting of the  
Alternative Business Structures (ABS) Implementation Group**

**Held on Thursday 3 February 2011 from 13:00 to 14:00**

**Legal Services Board, Victoria House, Southampton Row, London, WC1B 4AD**

**Attendees**

Chris Kenny	Legal Services Board (LSB) (Chair Person)
Michael Stacey	Legal Services Board (LSB)
Luke McInerney	Legal services Board (LSB)
Michelle Jacobs	Legal services Board (LSB)
Fran Gillon	Legal services Board (LSB)
Chris Baas	Legal services Board (LSB)
Alanna Linn	Legal Services Consumer Panel
Imelda Moffat	Institute of Chartered Accountant England and Wales (ICAEW)
Ann Wright	Intellectual Property Regulation Board (IPREG)
Gemma Burnett	ILEX Professional Standards (IPS)
Charlotte Barbour	Institute of Chartered Accountants of Scotland (ICAS)
Surinder Sawali	Ministry of Justice (MoJ)

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**Background**

This was the thirteenth meeting of the ABS Implementation Group.

**Agenda**

1. Minutes
2. Matters arising
3. LSB to update on consultations
4. LSB to update on ABS impact assessment and workshops
5. ARs to update on state of play and current activities.
6. Any Other Business

**Minutes**

1. The minutes from the previous meeting were considered.
2. Minutes were agreed.

## **Matters arising out of the minutes**

3. No matters arose. Minutes were approved.

## **LSB to Update on Consultations**

4. Section 69 closed on 20 December. Discussions are now underway between the MoJ and LSB.
5. Maximum Financial Penalty consultation received five responses so far, all of which were content with setting a maximum. It has been reported in the press that some respondents had thought £150m would not be enough for entity amount.
6. The decision on the amount for the setting of a maximum financial penalty has now been put to the LSB Board. A final decision will be made this Friday.
7. Final rules relating to time period in sch. 13 consultation will close in a week's time. There has not been any responses to this consultation as of yet.
8. LSB has been working with the Tribunal Service about costing data for ABS appeals.
9. Papers have now gone to MoJ in draft but formal recommendation yet to happen until we sort out all of the costing issues with the Tribunal. However, the LSB has made an agreement in principle with the SRA to approve this.

## **LSB to Update on Impact Assessment**

7. LSB will be running two workshops to flesh out stakeholders' view of the draft ABS impact assessment and to test our assumptions used in the model.
8. The workshops will cover technical issues concerning up take of ABS (schedule for 10 February) and the impact of ABS on diversity (18 February).
9. All ARs are invited to attend the sessions and contribute in terms of views and comments, as well as suggestions for further research.

## **ARs to update on state of play and current activities**

### *ICAEW*

10. Paper going to their Board at the end of February in relation to a possible application to be an AR for probate.
11. Queries from members are increasing in terms of ABS and related issues.
12. Submitted a response to the SRA consultation on the Solicitor Code. The response related to a point concerning access to justice.

### *SRA (updated by Fran on behalf of Sarah Willison)*

13. SRA making good progress on their licensing application. Currently, the SRA are finalising the licensing rules. The SRA received over 100 responses to their code consultation.
14. Main themes from the responses to their code consultation include: - wishing to increase prescription in the code; more clarity on conflict rules needed; more clarity about in-house lawyers; regulation on overseas work (that the SRA rules too wide at the moment on this); separate business rules (more guidance on how this operates in practise); guidance on employee-manager relationships; SRA also received numerous queries as to the definition of 'you' in the glossary of the code.

15. SRA continue to undertake the CBA work on outcome focused regulation as well as analysis of diversity and quality work.
16. Thinking around fee structure which might have wider implications about future fee structure.

#### *BSB*

17. Record in the minutes thanks to Geraint Davies for his contribution to the group and wish him well in his next career steps at the MoJ.

#### *IPREG*

18. Noted the difficulty in information sharing and hopes that discussions from the MDP group on information sharing is not the end of it.
19. IPREG have launched a steering group to undertake a fact finding mission about ABS and report back to the Institute on the findings. The Institute is quite focused on ABS at the moment.

#### *ICAS*

20. Charlotte Barber advised that ICAS are happy to sign the MoU. ICAS' current focus is on the Scottish Legal Services Bill which they are keeping a close watch of. Consultation is underway by the Scottish Government about what constitutes a regulated profession.

#### *ILEX*

21. Happy to sign MoU.

#### *MoJ*

22. Continuing work in preparation for ABS.
23. Advised that an affirmative order was needed to amend the Rehabilitation of Offenders (Exceptions) Order, to capture the new roles within licensed bodies. Ministerial approval had been awaited and approval now been granted. MoJ lawyers were being instructed to prepare the order.
24. Section 69 – considering the LSB's recommendation.
25. Work has started on the consequential provisions of Part 5. Further analysis/assessment was needed and MoJ happy for all views from ARs on this.
26. LSB happy to circulate notes from the SRA discussion about consequentials.

#### **Other Business**

27. Brief discussion about IA – next steps after workshops.