

To:	Board		
Date of Meeting:	28 March 2011	Item:	Paper (11) 13

Title:	ABS implementation – next steps: key issues and risks
Workstream(s):	Workstream 5b: Widening access to the legal market
Author / presented by:	Fran Gillon, Director of Regulatory Practice fran.gillon@legalservicesboard.org.uk / 020 7271 0087
Status:	Restricted

Summary:

The Board receives regular reports about the key issues and risks concerning the implementation of alternative business structures (**ABS**). The March update is attached (**Annex A**). We will provide a more detailed oral update on appellate bodies.

Also attached is an issue concerning direct licensing (Annex B).

In addition, at its last meeting the Board suggested that we should publish on our website a timetable of steps needed between now and October. A draft is at **Annex C.** Given that the focus is necessarily on the minutiae of secondary legislation, the timetable for which is not under the LSB's control, rather than market developments, the Board may wish to reconsider whether to proceed with publication.

Risks and miti	gations
Financial:	N/A.
	Annex A – s36 (as highlighted)
FolA:	Annex B – s36 (as highlighted)
	Annex C – ss 22 and 36 (as highlighted)
Legal:	N/A.
Reputational:	This is a key policy issue and there is therefore a serious reputational impact if ABS implementation is delayed. This is mitigated by continuing close discussions with the Council for Licensed Conveyancers (CLC), the Solicitors Regulation Authority (SRA) and Ministry of Justice (MoJ).
Resource:	Resource overall for the ABS project is stretched.

Consultation	Yes	No	Who / why?
Board Members:		1	
Consumer Panel:		✓	
Others:	N/A.		

Recommendation(s):

The Board is invited:

- a) to note and to comment on the progress of the implementation of ABS (Annex A)
- b) to endorse the approach to the issue concerning direct licensing (Annex B)
- c) to comment on the proposed website information (Annex C).

Annex A – ABS implementation: next steps – key issues and risks (March 2011)

Maximum Financial With MoJ To sign final rules after consent from Lord Chancellor to make them Penalty Si Transcallor to make them Pepellate bodies Section 69 Order With MoJ Decome licensing OFT and decision on authority received and Lord Chief Justice and sent to CLC SRA application to Received 25 Decision on become licensing authority received and Lord Chief Justice and sent to CLC SRA application to Received 25 Decision on become licensing March 2011 recommendation authority authority Trom January Most are MoJ led Commencement 2011 to October Commencement 2011 to October SRA Part 5 Impact Latest draft sent	Topic	Next key date(s)	Board input	[FolA exempt – s36]	
With MoJ To sign final rules after consent from Lord Chancellor to make them meeting meeting meeting on Consumer Panel recoimendation received and Lord Chief Justice and sent to CLC Received 25 March 2011 recommendation from January Most are MoJ led 2011 to October Prom January Amarch 2011 recommendation from January Amarch 2011 recommendation from January Most are MoJ led 2011 to October 2011 to October 2011 after a Most are MoJ led 2011 to October 2011 after a Most are MoJ led 2011 to October 2011 after a Most are MoJ led 2011 to October 2011 after a Most are MoJ led 2011 to October 2011 after a Most are MoJ led 2011 to October 2011 after a Most are MoJ led 2011 after a MoSt					Change
With MoJ Responses from OFT and Consumer Panel received and Lord Chief Justice and sent to CLC Received 25 March 2011 From January 2011 to October 2011 Ongoing Latest draft sent	Maximum Financial Penalty SI	With MoJ	To sign final rules after consent from Lord Chancellor to make them		
With MoJ Responses from OFT and Consumer Panel received and Lord Chief Justice and sent to CLC Received 25 March 2011 From January 2011 to October 2011 Ongoing	Appellate bodies		Discussion March meeting		
Responses from OFT and Consumer Panel received and Lord Chief Justice and sent to CLC Received 25 March 2011 From January 2011 Ongoing Latest draft sent	Section 69 Order	With MoJ			
Received 25 March 2011 From January 2011 to October 2011 Congoing Latest draft sent	CLC application to become licensing authority	Responses from OFT and Consumer Panel received and Lord Chief Justice and sent to CLC	28/4/11 – decision on recommendation		
From January 2011 to October 2011 Ongoing Latest draft sent	SRA application to become licensing authority	Received 25 March 2011	Decision on recommendation		
Ongoing Latest draft sent	10 SIs / Commencement orders	From January 2011 to October 2011	Most are MoJ led		
	LSB resources	Ongoing	N/A		
	LSA Part 5 Impact	Latest draft sent			

to MoJ 1 March

Assessment

Annex B - Direct licensing

1. The LSA Part 5 section 73 states:

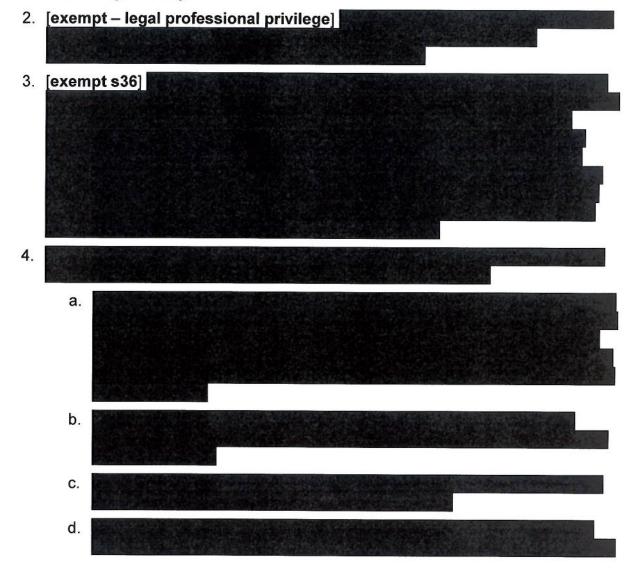
Licensing authorities and relevant licensing authorities

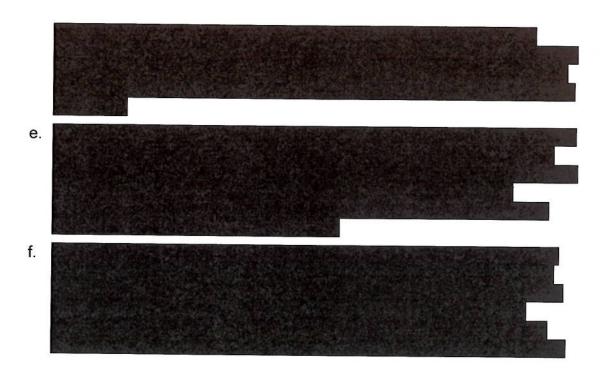
- (1) In this Act "licensing authority" means-
- (a) the Board, or
- (b) an approved regulator which is designated as a licensing authority under Part 1 of Schedule 10 and whose licensing rules are approved for the purposes of this Act.
- (2) For the purposes of this Act—
- (a) the Board is a licensing authority in relation to all reserved legal activities, and
- (b) an approved regulator within subsection (1)(b) is a licensing authority in relation to any reserved legal activity in relation to which the designation is made.

Schedule 12 paragraph 1(1) states:

Application to Board

1 (1) A licensable body may apply to the Board for a decision that the body is entitled to make an application for a licence to the Board acting in its capacity as a licensing authority.





Annex C – proposed website information

Subject to Parliamentary approval, ABS will be allowed from 6 October 2011. This Table sets out the key steps that are needed between April and October to enable this to happen. This information is correct as of [•]. It will be updated if there are significant changes.

[Table - exempt - s22 and s36]

