

Paper (12) 78 Annex B

Summary:

1. The Board will recall prior to the SRA applying for designation as a LA the LSB worked closely with the SRA to ensure that the underlying legislation was sufficient to meet the needs of the regulatory framework. One of the issues that was explored was the statutory basis of the regulation of sole solicitors.
2. The SRA consulted on the specific issues around the regulation of sole practice in 2011 and has now completed, with MoJ, the required draft s69 Order. They therefore require us to now make the recommendation to the Lord Chancellor to allow the modification of the SRA's regulatory functions.
3. The aim of this order is to widen the regulation of recognised bodies to include sole practitioners thereby removing the need for the sole practice endorsement regime. The SRA has already taken steps to harmonise the regulatory regime between recognised bodies and alternative business structures and so the proposed change is intended to both simplify the regulatory regime and ensure that all SRA regulated providers are treated fairly. In addition the proposed change will facilitate the issuing of indefinite licences to sole practitioners and also address developments in sole practice which no longer warrants a separate authorisation regime on the grounds of its business model.
4. A draft IA is currently being finalised by the SRA to accompany the consultation.
5. In order to make a s69 recommendation we need to consult on the draft Order that we are recommending (under s70). MoJ have provided confirmation that they are content with it.
6. The Board is invited to delegate authority to the Chief Executive to sign off publication of the consultation document. This will be published shortly.

Recommendation:

The Board is invited to delegate authority to the Chief Executive to sign off publication of the consultation document for the draft s69 Order.