



THE CITY OF LONDON LAW SOCIETY

www.citysolicitors.org.uk

13 October 2009

Email to : consultations@legalservicesboard.org.uk

Dear Sirs

Consultation on designating new approved regulators and approving rule changes

The City of London Law Society (CLLS) represents over 13,000 City lawyers, through individual and corporate membership including some of the largest international law firms in the world. These law firms advise a variety of clients from multinational companies and financial institutions to Government departments, often in relation to complex, multi-jurisdictional legal issues.

The CLLS responds to a variety of consultations on issues of importance to its members through its 17 specialist committees. This response to the Legal Services Board's consultation on designating new approved regulators and approving rule changes has been prepared by the CLLS's Professional Rules and Regulation Committee. The Committee is made up of a number of solicitors from twelve City of London firms who have specialist experience in the area of the regulation of the profession.

We have responded on issues raised in the Consultation paper by reference to the paragraphs of the paper in which they were raised.

As a general comment, we echo the concern raised in the second bullet point of paragraph 1.12 about the risks of a "regulatory maze". The supposed existence of such a maze and the desire to get away from it have formed a significant part of the reasoning behind recent developments in the regulation of legal services. In our view, there is a serious risk of even greater uncertainty than before for consumers and practitioners alike if there are a number of new entrants in the field of legal regulation. For that reason, we believe that the LSB should have this concern at the forefront of its mind when considering applications for approval.

Turning to specific points:

Paragraph 3.8: In our view, the "prescribed fee" should be calculated on the basis of the second bullet under paragraph 3.5. That would be fair for the applicant as the fee for each application relates most closely to the actual cost of dealing with that application. It might also give the applicant an incentive to ensure that the application was as thorough and accurate as possible, thereby reducing the amount of time required to deal with it and thereby reducing the fee.

Paragraph 4.7: We agree that rules are appropriate for specifying these requirements and that sufficient flexibility, for example concerning exemptions or the need for strict compliance with timetables etc can, as appropriate, be incorporated within such a framework in order to provide some flexibility to assist applicants. Without rules the market would effectively be dependent on the LSB's interpretation of its guidance which potentially could increase uncertainty.

Responding to each of the numbered questions in the Annexes:

1. We agree.
2. N/a
3. N/a
4. We have set out view on the method of calculation of the prescribed fee above. The actual level will be dependent on the calculation referred to in the first bullet under paragraph 3.5.
5. In our view, such applications can be dealt with fairly by the method referred to above, i.e. if it transpires that an application by an existing Approved Regulator in fact costs less than the set fee, that Regulator will be entitled to a refund.
6. Yes, but that should be part of an encouragement/incentive for applicants to make their applications as effective as possible and thereby reduce the need for external advice.
7. Yes
8. N/a
9. Yes
10. Yes.
11. We agree.
12. Yes.
13. N/a.
14. Yes.

Yours faithfully

David McIntosh
Chair
City of London Law Society

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