

Direction 42 issued under Part 3 of Schedule 4 to the Legal Services Act 2007 to the Solicitors Regulation Authority

1. This is a direction issued pursuant to paragraph 19(3) of Schedule 4 to the Legal Services Act 2007 (the Act).
2. Unless stated otherwise, words in this direction are used as they are defined in the Act.
3. Under paragraph 19(3) of Schedule 4 to the Act, the Board has directed that the following alterations to regulatory arrangements be treated as exempt alterations and approved for the purposes of paragraph 19(2)(c) of Schedule 4:

Alterations by the SRA to the end date of the grace period which allows firms to be treated as being in compliance with Rule 8.5 of the SRA Authorisation Rules for Legal Services Bodies and Licensable Bodies 2011 or Regulation 4.8 of the SRA Practising Regulations 2011, when they do not have an approved compliance officer for legal practice (COLP) and compliance officer for finance and administration (COFA) in place.

4. The SRA submitted a copy of the proposed alteration to the Board on 16 May 2012.
5. In reaching its decision the Board had the following observation to which the SRA should have regard:

It is regrettable that the slippage to the timetable for completion of the SRA's authorisation process for COLPs and COFAs, which necessitated this regulatory change, occurred. The LSB has received assurance, in writing, from the SRA that the extension of the grace period to 31 December 2012 will provide sufficient time for the SRA to complete its processes. The Board hopes that the SRA will identify how it can strengthen its project management processes to guard against such delays in future.

6. This direction is to be deemed made on and to be effective from 25 May 2012.

For and on behalf of the Legal Services Board

25 May 2012