

## **SRA Regulatory Arrangements (Reporting Concerns) (Amendment) Rules 2019**

Rules made by the Solicitors Regulation Authority Board on 23 January 2019.

Made under sections 31 and 32 of the Solicitors Act 1974, section 9 of the Administration of Justice Act 1985, section 89 of, and paragraphs 2 and 3 of Schedule 14 to, the Courts and Legal Services Act 1990, section 83 of the Legal Services Act 2007 and section 57(2) and (8) of the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

### **Rule 1**

Paragraph 7 of the SRA Code of Conduct for Solicitors, RELs and RFLs and paragraphs 3 and 9 of the SRA Code of Conduct for Firms are amended in accordance with the changes annexed to these rules, with additions underlined and deletions struck through.

### **Rule 2**

These amendment rules come into force on such date as may be decided by the Solicitors Regulation Authority Board.

## Annex to the SRA Regulatory Arrangements (Reporting Concerns) (Amendment) Rules [2019]

### SRA Code of Conduct for Solicitors, RELs and RFLs

#### Cooperation and accountability

- 7.1 You keep up to date with and follow the law and regulation governing the way you work.
- 7.2 You are able to justify your decisions and actions in order to demonstrate compliance with your obligations under the *SRA's regulatory arrangements*.
- 7.3 You cooperate with the *SRA*, other regulators, ombudsmen, and those bodies with a role overseeing and supervising the delivery of, or investigating concerns in relation to, legal services.
- 7.4 You respond promptly to the *SRA* and:
- (a) provide full and accurate explanations, information and documents in response to any request or requirement; and
  - (b) ensure that relevant information which is held by you, or by third parties carrying out functions on your behalf which are critical to the delivery of your legal services, is available for inspection by the *SRA*.
- 7.5 You do not attempt to prevent anyone from providing information to the *SRA* or any other body exercising regulatory, supervisory, investigatory or prosecutory functions in the public interest.
- 7.6 You notify the *SRA* promptly if:
- (a) you are subject to any criminal charge, conviction or caution, subject to the Rehabilitation of Offenders Act 1974;
  - (b) a *relevant insolvency event* occurs in relation to you; or
  - (c) if you become aware:
    - (i) of any material changes to information previously provided to the *SRA*, by you or on your behalf, about you or your practice, including any change to information recorded in the *register*; and
    - (ii) that information provided to the *SRA*, by you or on your behalf, about you or your practice is or may be false, misleading, incomplete or inaccurate.
- ~~7.7 You ensure that a prompt report is made to the *SRA*, or another *approved regulator*, as appropriate, of any serious breach of their *regulatory arrangements* by any *person* regulated by them (including you) of which you are aware. You report promptly to the *SRA* or another *approved regulator*, as~~

appropriate, any facts or matters that you reasonably believe are capable of amounting to a serious breach of their **regulatory arrangements** by any **person** regulated by them (including you). If requested to do so by the **SRA** you investigate whether there have been any serious breaches that should be reported to the **SRA**.

7.8 Notwithstanding paragraph 7.7, you inform the **SRA** promptly of any facts or matters that you reasonably believe should be brought to its attention in order that it may investigate whether a serious breach of its **regulatory arrangements** has occurred or otherwise exercise its regulatory powers.

7.9 You do not subject any **person** to detrimental treatment for making or proposing to make a report or providing or proposing to provide information based on a reasonably held belief under paragraph 7.7 or 7.8 above, or paragraph 3.9, 3.10, 9.1(d) or (e) or 9.2(b) or (c) of the SRA Code of Conduct for Firms, irrespective of whether the **SRA** or another approved regulator subsequently investigates or takes any action in relation to the facts or matters in question.

7.810 You act promptly to take any remedial action requested by the **SRA**. If requested to do so by the **SRA** you investigate whether there have been any serious breaches that should be reported to the **SRA**.

7.911 You are honest and open with **clients** if things go wrong, and if a **client** suffers loss or harm as a result you put matters right (if possible) and explain fully and promptly what has happened and the likely impact. If requested to do so by the **SRA** you investigate whether anyone may have a claim against you, provide the **SRA** with a report on the outcome of your investigation, and notify relevant persons that they may have such a claim, accordingly.

7.4012 Any obligation under this section or otherwise to notify, or provide information to, the **SRA** will be satisfied if you provide information to your firm's **COLP** or **COFA**, as and where appropriate, on the understanding that they will do so.

## SRA Code of Conduct for Firms

### Cooperation and accountability

3.1 You keep up to date with and follow the law and regulation governing the way you work.

3.2 You cooperate with the **SRA**, other regulators, ombudsmen and those bodies with a role overseeing and supervising the delivery of, or investigating concerns in relation to, legal services.

3.3 You respond promptly to the **SRA** and:

- (a) provide full and accurate explanations, information and documentation in response to any requests or requirements;

- (b) ensure that relevant information which is held by you, or by third parties carrying out functions on your behalf which are critical to the delivery of your legal services, is available for inspection by the **SRA**.
- 3.4 You act promptly to take any remedial action requested by the **SRA**.
- 3.5 You are honest and open with **clients** if things go wrong, and if a **client** suffers loss or harm as a result you put matters right (if possible) and explain fully and promptly what has happened and the likely impact. If requested to do so by the **SRA** you investigate whether anyone may have a claim against you, provide the **SRA** with a report on the outcome of your investigation, and notify relevant persons that they may have such a claim, accordingly.
- 3.6 You notify the **SRA** promptly:
- (a) of any indicators of serious financial difficulty relating to you;
  - (b) if a **relevant insolvency event** occurs in relation to you;
  - (c) if you intend to, or become aware that you will, cease operating as a legal business;
  - (d) of any change to information recorded in the **register**.
- 3.7 You provide to the **SRA** an information report on an annual basis or such other period as specified by the **SRA** in the **prescribed** form and by the **prescribed** date.
- 3.8 You notify the **SRA** promptly if you become aware:
- (a) of any material changes to information previously provided to the **SRA**, by you or on your behalf, about you or your **managers, owners or compliance officers**; and
  - (b) that information provided to the **SRA**, by you or on your behalf, about you or your **managers, owners or compliance officers** is or may be false, misleading, incomplete or inaccurate.
- 3.9 ~~You ensure that a prompt report is made to the **SRA**, or another **approved regulator**, as appropriate, of any serious breach of their **regulatory arrangements** by any **person** regulated by them (including you) of which you are aware. You report promptly to the **SRA** or another **approved regulator**, as appropriate, any facts or matters that you reasonably believe are capable of amounting to a serious breach of their **regulatory arrangements** by any **person** regulated by them (including you).~~ If requested to do so by the **SRA**, you investigate whether there have been any serious breaches that should be reported to the **SRA**.
- 3.10 Notwithstanding paragraph 3.9, you inform the **SRA** promptly of any facts or matters that you reasonably believe should be brought to its attention in order that it may investigate whether a serious breach of its **regulatory arrangements** has occurred or otherwise exercise its regulatory powers.

3.4011 You do not attempt to prevent anyone from providing information to the **SRA** or any other body exercising regulatory, supervisory, investigatory or prosecutory functions in the public interest.

3.12 You do not subject any **person** to detrimental treatment for making or proposing to make a report or providing, or proposing to provide, information based on a reasonably held belief under paragraph 3.9 or 3.10 above or 9.1(d) or (e) or 9.2(b) or (c) below, or under paragraph 7.7 or 7.8 of the SRA Code of Conduct for Solicitors, RELs and RFLs, irrespective of whether the **SRA** or another approved regulator subsequently investigates or takes any action in relation to the facts or matters in question.

## Compliance officers

9.1 If you are a **COLP** you must take all reasonable steps to:

- (a) ensure compliance with the terms and conditions of your firm's authorisation;
- (b) ensure compliance by your firm and its **managers**, employees or **interest holders** with the **SRA's regulatory arrangements** which apply to them;
- (c) ensure that your firm's **managers** and **interest holders** and those they employ or contract with do not cause or substantially contribute to a breach of the **SRA's regulatory arrangements**;
- (d) ensure that a prompt report is made to the **SRA** of any facts or matters that you reasonably believe are capable of amounting to a serious breach of the terms and conditions of your firm's authorisation, or the **SRA's regulatory arrangements** which apply to your firm, **managers** or employees;
- (e) notwithstanding sub-paragraph (d), you ensure that the **SRA** is informed promptly of any facts or matters that you reasonably believe should be brought to its attention in order that it may investigate whether a serious breach of its **regulatory arrangements** has occurred or otherwise exercise its regulatory powers.

save in relation to the matters which are the responsibility of the **COFA** as set out in paragraph 9.2 below.

9.2 If you are a **COFA** you must take all reasonable steps to:

- (a) ensure that your firm and its **managers** and employees comply with any obligations imposed upon them under the **SRA Accounts Rules**;
- (b) ensure that a prompt report is made to the **SRA** of any facts or matters that you reasonably believe are capable of amounting to a serious breach of the SRA Accounts Rules which apply to them;

- (c) notwithstanding sub-paragraph (b), you ensure that the **SRA** is informed promptly of any facts or matters that you reasonably believe should be brought to its attention in order that it may investigate whether a serious breach of its **regulatory arrangements** has occurred or otherwise exercise its regulatory powers.