

SRA Amendments to Regulatory Arrangements (Multi-disciplinary Practices) Rules 2014

Preamble

Rules dated 21 October 2014 made by the Solicitors Regulation Authority Board under Part I, Part II, section 79 and 80 of the Solicitors Act 1974, section 9 of the Administration of Justice Act 1985 and section 83 of, and Schedule 11 to, the Legal Services Act 2007, with the approval of the Legal Services Board under paragraph 19 of Schedule 4 to the Legal Services Act 2007.

Rule 1

In paragraph 3.2 (a) of the SRA Principles 2011, after "*approved regulator*" insert "or carrying on any other activity that is not precluded by the terms of your authorisation from the firm's *approved regulator*".

Rule 2

Chapter 13 of the SRA Code of Conduct 2011 shall be amended as follows:

(a) in paragraph 13.1, replace "2 to 10" with "13.2 and 13.7 to 13.11";

(b) replace paragraph 13.10 with:

"13.10 Where in accordance with this chapter, the requirements of the Code apply to a *licensed body*, this Code applies to the *regulated activities*-carried on by the body."; and

(c) insert a new paragraph 13.11 as follows:

"13.11 Where the *licensed body* is an *MDP*, the Code applies to the body, any *solicitor*, *REL* or *RFL* who is a *manager*, *employee* or *owner* of the body and any other person who is a *manager* or *employee* of the body as follows:

(a) in relation to any *regulated activities*; and

(b) in relation to any other *non-reserved legal activities*:

(i) outcomes 1.7, 1.9 to 1.11, and 10.6 apply to the body; and

(ii) outcomes 1.7, 1.9 to 1.11, chapters 4, 10, 11 and 13 to 15, apply to a *solicitor*, *REL* or *RFL* who is a *manager*, *employee* or *owner* of the body."

Rule 3

In rule 4.2 of the SRA Accounts Rules 2011, replace "those activities for which the *MDP* is regulated by the *SRA*" with "*your regulated activities*"

Rule 4

The SRA Practice Framework Rules 2011 shall be amended as follows:

(a) in Rule 1.1, replace sub-paragraph (d)(i) with:

“(i) *reserved legal activity* of a sort the firm is authorised by the firm's *approved regulator* to carry out or any other activity that is not precluded by the terms of your authorisation from the firm's *approved regulator*, or”;

(b) in Rule 2.1, replace sub-paragraph (d)(i) with:

“(i) *reserved legal activity* of a sort the firm is authorised by the firm's *approved regulator* to carry out or any other activity that is not precluded by the terms of your authorisation from the firm's *approved regulator*, or”;

(c) in Rule 3.1, replace sub-paragraph (c)(i) with:

“(i) *reserved legal activity* of a sort the firm is authorised by the firm's *approved regulator* to carry out or any other activity that is not precluded by the terms of your authorisation from the firm's *approved regulator*, or”;

(d) in Rule 6.1, delete sub-paragraphs (e), (f) and (g); and

(e) in Rule 7.1, delete sub-paragraphs (e), (f) and (g).

Rule 5

Replace the guidance notes to Rule 7 of the SRA Authorisation Rules for Legal Services Bodies and Licensable Bodies 2011 with:

“Guidance note

- (i) If a licensed body carries out a range of legal and non-legal activities (a multi-disciplinary practice or "MDP") the SRA's jurisdiction will not generally extend to cover the "non-legal" activities of the licensed body (unless covered by a specific

condition on the licence). Such non-legal activities may be regulated by another regulator, and some activities may not fall within the regulatory ambit of any regulator. The SRA's jurisdiction may also not extend to some non-reserved legal activities in accordance with the terms of the licence.”.

Rule 6

The SRA Handbook Glossary 2012 shall be amended as follows:

(a) replace the definition of “**authorised activities**” with:

“**authorised activities**”

means:

- (i) any *reserved legal activity* in respect of which the body is authorised;
- (ii) any *non -reserved legal activity* except, in relation to an *MDP*, any such activity that is excluded from *regulated activity* on the terms of the licence;
- (iii) any other activity in respect of which a *licensed body* is regulated pursuant to Part 5 of the *LSA*; and
- (iv) any other activity a *recognised body* carries out in connection with its *practice*.”;

(b) after the definition of “**non-registered European lawyer**” insert:

“**non-reserved legal activity**”

means a legal activity that falls within section 12(3)(b) of the *LSA*.”;

(c) replace the definition of “**regulated activity**” with:

“**regulated activity**”

means:

- (i) subject to sub-paragraph (ii) below:
 - (A) any *reserved legal activity*;
 - (B) any *non-reserved legal activity* except, in relation to an *MDP*, any such activity that is excluded on the terms of the licence;
 - (C) any other activity in respect of which a *licensed body* is regulated pursuant to Part 5 of the *LSA*; and
- (ii) in the *SRA Financial Services (Scope) Rules*, an activity which is specified in the *Regulated Activities Order*.”; and

(d) replace the definition of “**out-of-scope money**” with:

“out-of-scope money

means money held or received by an *MDP* in relation to the *MDP’s regulated activities.*”

Rule 7

These amendment rules shall come into force on 31 October 2014 or the date of approval by the Legal Services Board, whichever is the later.