

Revisions to the [SRA Regulatory and Disciplinary Procedure Rules \(RDPR\)](#) relating to (1) power to hold hearings and interview (2) ability to hear from affected person upon a review (3) powers to fine up to £25,000

Additions highlighted in red

Rule 3: consideration by authorised decision makers

- 3.1 On finding that an allegation is proved (save for sub-paragraph (g)), an [authorised decision maker](#) may decide as appropriate in respect of a relevant [person](#) to:
- a. give a written rebuke, in accordance with section 44D(2)(a) of the [SA](#) or paragraph 14B(2)(a), Schedule 2 to the [AJA](#);
 - b. **subject to Rule 3.6**, direct the payment of a financial penalty in accordance with section 44D(2)(b) of the [SA](#), paragraph 14B(2)(b) of Schedule 2 to the [AJA](#) or section 95 of the [LSA](#), together with the amount of any penalty;
 - c. disqualify a person from acting as a [HOLP](#) or [HOFA](#), [manager](#) or employee of a body licensed under the [LSA](#) in accordance with section 99 of the [LSA](#);
 - d. make an order to control the person's activities in connection with legal practice, in accordance with section 43(2) of the [SA](#);
 - e. impose a condition on the practising certificate of a [solicitor](#), the registration of an [REL](#) or [RFL](#) or the authorisation of a body for such period as may be specified, in accordance with section 13A(1) of the [SA](#), paragraph 2A(1) of Schedule 14 to the Courts and Legal Services Act 1990, section 9(2G) of the [AJA](#) or section 85 of the [LSA](#) and regulation 19 of The European Communities (Lawyer's Practice) Regulations 2000;
 - f. revoke or suspend authorisation to practise under the SRA Authorisation of Firms Rules;
 - g. make an application to the [Tribunal](#) under section 47 of the [SA](#) for the allegation to be considered.

- h. where the SRA does not hold sufficient evidence that requirements made under Rule 11.1 (b) were complied with, direct the payment of a fixed financial penalty in the prescribed sum in accordance with section 44D(2)(b) of the SA, paragraph 14B(2)(b) of Schedule 2 to the AJA or section 95 of the LSA;

.....

3.6.

A decision under Rule 3.1(b) to direct the payment of a financial penalty (other than by agreement with the relevant person) must be made by an Adjudicator, or where the amount of the penalty is within Band D of the SRA's guidance on its approach to financial penalties, by an Adjudication Panel.

Rule 8: Evidential and procedural matters

1. The SRA may establish further procedures or vary the procedure set out in these rules where it considers that it is in the interests of justice, or in the overriding public interest, to do so.
2. A decision under rule 3 may be made by agreement between the relevant person and the SRA.
3. Before reaching a decision under rule 3, an authorised decision maker may give directions for the fair and effective disposal of the matter.
4. Decisions of an adjudication panel are made by simple majority. Where the adjudication panel has two members, the appointed Chair has the casting vote.
5. Where an allegation is being considered by an adjudication panel, the proceedings will generally be conducted in private by way of a meeting of the adjudication panel.
6. An adjudicator may at their sole discretion decide to:
 - a. invite the relevant person to be interviewed by an authorised decision maker accompanied by their representative (if any)
 - b. invite a third party (such as a witness) to be interviewed by an authorised decision maker. The relevant person will be sent a copy of the evidence obtained and invited to make any written representations on this evidence within such period as the SRA may specify (which must be no less than 14 days from the date the evidence was sent).

- c. direct a hearing before an Adjudication Panel either in private or public in accordance with Rule 8.6, if the matter cannot be considered by the Tribunal and
 - i. there is a material dispute of fact which cannot be determined without a hearing in which the parties are cross examined; or
 - ii. if there is an overriding public interest in the matters being heard in public.
- 7. Where an adjudicator has decided an allegation should be considered at a hearing:
 - a. the SRA shall send a notice informing the relevant person of the date, time and venue of the hearing, no less than 28 days before the date fixed for the hearing;
 - b. the relevant person and the SRA shall have the right to attend and be represented; and
 - c. the panel may, at any time, whether of its own initiative or on the application of a party, adjourn the hearing until such time and date as it thinks fit.
- 8. The civil standard of proof applies to all decisions made under these rules.
- 9. An authorised decision maker may admit any evidence they consider fair and relevant to the case before them, whether or not such evidence would be admissible in a court. This may include regulatory or other history relating to the relevant person, or any associated person, which is relevant to the allegation, including to the question of propensity.
- 10. A certificate of conviction, or a finding by a court or disciplinary or regulatory body, certified by a competent officer of the court, or relevant body in the UK or overseas, shall be conclusive evidence of the offence committed or finding reached, and the facts relied upon.

Rule 11: Fixed Financial Penalties

1. Where the **SRA** has evidence that a relevant **person** has committed one or more of the breaches listed in rule 11.2, it may notify them and will:
 - a) set out the allegation and the facts in support, accompanied by any evidence or documentation that the **SRA** considers to be relevant to the allegation;
 - b) require the relevant **person** to remedy any specified breaches and provide evidence of the action **taken** to the **SRA** within a specified period (which must be no less than seven days from the date of the notification); and
 - c) make a recommendation as to the decision to be made under rule 3.1(h) (taking into account any previous penalties issued), regarding publication under rule 9, and costs under rule 11.4, in the event that the requirements made under rule 11.1(b) are not complied with.

2. The prescribed breaches are:
 - a) SRA Transparency Rule 1.5
 - b) SRA Transparency Rule 2.1
 - c) SRA Transparency Rule 4.1
 - d) SRA Authorisation of Firms Rule 13.4
 - e) SRA Authorisation of Firms Rule 13.6
 - f) SRA Financial Services (Scope) Rule 5.3
 - g) SRA Financial Services (Scope) Rule 5.4;
 - h) SRA Code of Conduct for Firms Rule 3.3(a); or
 - i) SRA Code of Conduct for Firms Rule 2.1 and/or 3.8(a) in respect of material changes or inaccurate or incomplete information provided about:
 - i. COLPs and/or COFAs (with reference to Rule 8.1 SRA Authorisation of Firm Rules)
 - ii. Managers and owners (with reference to Rule 9.1 SRA Authorisation of Firm Rules)
 - iii. Non-authorised material interest holders in licensed bodies (with reference to paragraphs 21 to 24 of Schedule 13 to the Legal Services Act 2007)
 - iv. Beneficial owners, officers and/or managers of firms which are independent legal professionals (ILPs) and/or tax advisers (with reference to Regulation 26 of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as may be amended from time to time) (the MLRs)
 - v. Beneficial owners, officers and/or managers of firms which are trust or company service providers (TCSPs) (with reference to Regulations 56 and 57 of the MLRs)
 - vi. Money laundering reporting officer and/or money laundering compliance officer of an ILP, TCSP and/or tax adviser (with reference to Regulation 21 of the MLRs)

3. The prescribed sums for the purposes of rule 3.1(h) are:
 - (i) £750 for a first breach
 - (ii) £1500 for a subsequent breach of the same category within 3 years of the date of the first penalty, or a continuation of the first breach after the SRA has directed payment of a penalty for that breach

4. An authorised decision maker may require a person who is the subject of a decision under rule 3.1(h) to pay a charge of £150 in respect of the SRA's investigation costs.

5. Rules 2.3, 2.4, 2.5, 2.6, 8.6 and 10 do not apply to the imposition of penalties under rule 3.1(h).