

Draft combined glossary for SRA Principles, Code of Conduct for Solicitors, RELs and RFLs, SRA Code of Conduct for Firms and SRA Accounts Rules

*New or amended terms are in red*

Defined term	Definition	Used in
<b><i>accounting period</i></b>	<p>means the period for which your accounts are made up, and that:</p> <p>(a) begins at the end of the previous accounting period; and</p> <p>(b) comprises a period of twelve months unless you change the period for which your accounts are ordinarily made up or the accounting period covers your first report or a report after a break from practice in which case the accounting period may be for a period of less than 12 months or for more than 12 months, up to a maximum period of 18 months</p>	SRA Accounts Rules
<b><i>accounting records</i></b>	<p>means all reconciliations, bank and building society statements (paper or electronic), original passbooks, signed letters of engagement with reporting accountants, the accountants' reports (whether qualified or not), any client's written instructions to hold client money other than in accordance with these rules, records and documents, including electronic records, relating to any <b><i>third party managed accounts</i></b> and any other records or documents necessary to show compliance with these rules</p>	SRA Accounts Rules
<b><i>approved regulator</i></b>	<p>means anybody listed as an approved regulator in paragraph 1 of Schedule 4 to the <b><i>LSA</i></b> or designated as an approved regulator by an order under paragraph 17 of that Schedule</p>	<p>SRA Code of Conduct for Solicitors, RELs and RFLs</p> <p>SRA Code of Conduct for Firms</p>

<b>arrangement</b>	in the <i>SRA Codes of Conduct</i> means any express or tacit agreement between you and another <i>person</i> , whether contractually binding or not.	SRA Code of Conduct for Solicitors, RELs and RFLs
<b>asset</b>	includes money, documents, wills, deeds, investments and other property	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms
<b>authorisation</b>	granted to a body under Rule 6 of the <i>SRA Authorisation Rules</i> means:  (i) recognition under section 9 of the <i>AJA</i> , if it is granted to a <i>legal services body</i> ;  (ii) recognition under section 9 of the <i>AJA</i> , if it is granted to a <i>sole practitioner</i> , and  (iii) a licence under Part 5 of the <i>LSA</i> , if it is granted to a <i>licensable body</i> ;  and the term " <i>certificate of authorisation</i> " shall be construed accordingly.	SRA Code of Conduct for Firms
<b>authorised body</b>	means: (i) a body that has been authorised by the <i>SRA</i> to practise as a <i>licensed body</i> or a <i>recognised body</i> ; or (ii) a <i>sole practitioner's practice</i> that has been authorised by the <i>SRA</i> as a <i>recognised sole practice</i> .	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Accounts Rules
<b>authorised person</b>	(i) subject to sub-paragraph (ii) below, means a <i>person</i> who is authorised by the <i>SRA</i> or another <i>approved regulator</i> to carry on a <i>legal activity</i> and for the purposes of the <i>SRA Authorisation Rules</i> and the <i>SRA Practice Framework Rules</i> includes a <i>solicitor</i> , a <i>sole practitioner</i> , an <i>REL</i> , an <i>EEL</i> , an <i>RFL</i> , an <i>authorised body</i> , an <i>authorised non-SRA firm</i> and a <i>European corporate</i>	SRA Code of Conduct for Solicitors, RELs and RFLs

	<i>practice</i> and the terms " <i>authorised individual</i> " and "non- <i>authorised person</i> " shall be construed accordingly; and (ii) in the <i>SRA Financial Services (Scope) Rules</i> , has the meaning given in section 31 of <i>FSMA</i> .	SRA Principles  SRA Code of Conduct for Firms
<i>bank</i>	has the meaning given in section 87(1) of the <i>SA</i>	SRA Accounts Rules
<i>building society</i>	means a building society within the meaning of the Building Societies Act 1986	SRA Accounts Rules
<i>chartered accountancy bodies</i>	means the Institute of Chartered Accountants in England and Wales; or the Institute of Chartered Accountants of Scotland; the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in Ireland; or the Association of Authorised Public Accountants	SRA Accounts Rules
<i>client</i>	means the <i>person</i> for whom you act and, where the context permits, includes prospective and former <i>clients</i>	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Principles  SRA Code of Conduct for Firms  SRA Accounts Rules
<i>client account</i>	means an account of the firm for the purpose of holding <i>client money</i> in accordance with the <i>SRA Accounts Rules</i>	SRA Accounts Rules

<b>client money</b>	has the meaning given in Rule 2.1 of the <b>SRA Accounts Rules</b>	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Accounts Rules
<b>COFA</b>	means a compliance officer for finance and administration and in relation to a <b>licensable body</b> is a reference to its <b>HOFA</b>	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms  SRA Accounts Rules
<b>COLP</b>	means compliance officer for legal practice and in relation to a <b>licensable body</b> is a reference to its <b>HOLP</b>	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms
<b>competing for the same objective</b>	means any situation in which two or more <b>clients</b> are competing for an "objective" which, if attained by one <b>client</b> , will make that "objective" unattainable to the other <b>client</b> or <b>clients</b> , and "objective" means an asset, contract or business opportunity which two or more <b>clients</b> are seeking to acquire or recover through a liquidation (or some other form of insolvency process) or by means of an auction or tender process or a bid or offer, but not a public takeover	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms
<b>complaint</b>	means an oral or written expression of dissatisfaction which alleges that the complainant has	SRA Code of

	suffered (or may suffer) financial loss, distress, inconvenience or other detriment	Conduct for Solicitors, RELs and RFLs
<b>compliance officer</b>	is a reference to a body's <b>COLP</b> or its <b>COFA</b>	SRA Code of Conduct for Firms
<b>conflict of interest</b>	means a situation where your separate duties to act in the best interests of two or more <b>clients</b> conflict	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms
<b>connected practices</b>	means a body providing legal services, established outside England and Wales which is not an <b>overseas practice</b> or an excluded body but is otherwise connected to an <b>authorised body</b> in England and Wales, by virtue of:  (i) being a parent undertaking, within the meaning of section 1162 of the Companies Act 2006, of the <b>authorised body</b> ;  (ii) being jointly <b>managed</b> or <b>owned</b> , or having a <b>partner</b> , member or <b>owner</b> in common, or controlled by or, with the <b>authorised body</b> ;  (iii) participating in a joint enterprise or across its practice generally, sharing <b>costs</b> , revenue or profits related to the provision of legal services with the <b>authorised body</b> ; or  (iv) common branding;	SRA Code of Conduct for Firms

	<p>and in this definition:</p> <p>(A) a "body" means a natural <i>person</i> or <i>company, limited liability partnership</i> or <i>partnership</i> or other <i>body corporate</i> or unincorporated association or business entity; and</p> <p>(B) an "excluded body" means a body which is part of:</p> <p>(I) a Verein or similar group structure involving more than one body providing legal services in respect of which the <i>authorised body</i> in England and Wales connected to it is not regarded as being the body which is the headquarters of that Verein or similar group structure or a significant part of it; or</p> <p>(II) a joint practice, alliance or association or association with the <i>authorised body</i> in England and Wales connected to it which is controlled by a body providing legal services outside of England and Wales; or</p> <p>(III) a group of affiliated bodies providing legal services which is not managed or controlled by an <i>authorised body</i> in England and Wales.</p> <p>(C) A "joint enterprise" means any contractual arrangements between two or more independent bodies which provide legal services, for profit and/or other defined purpose or goal which apply generally between them, not just agreed on a matter by matter basis.</p> <p>(D) "Common branding" means the use of a name, term, design, symbol, words or a combination of these that identifies two or more legal practices as distinct from other legal practices or an express statement that a legal practice is practising in association with one or more other named firms.</p>	
<p><b>costs</b></p>	<p>means your <i>fees</i> and <i>disbursements</i></p>	<p>SRA Accounts Rules</p> <p>SRA Code of Conduct for Solicitors, RELs and RFLs</p>

<b><i>court</i></b>	means any court, tribunal or inquiry of England and Wales, or a British court martial, or any court of another jurisdiction	SRA Code of Conduct for Solicitors, RELs and RFLs
<b><i>court of Protection deputy</i></b>	(i) for the purposes of the SRA Accounts Rules includes a deputy who was appointed by the Court of Protection as a receiver under the Mental Health Act 1983 before the commencement date of the Mental Capacity Act 2005;	SRA Accounts Rules
<b><i>disbursements</i></b>	means any costs or expenses paid or to be paid to a third party on behalf of the client or trust (including any VAT element) save for office expenses such as postage and courier fees.	SRA Accounts Rules
<b><i>fees</i></b>	means your own charges or profit costs (including any VAT element)	SRA Accounts Rules
<b><i>financial benefit</i></b>	includes any commission, discount or rebate, but does not include your fees or interest earned on any <b><i>client account</i></b>	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms
<b><i>interest</i></b>	includes a sum in lieu of interest	SRA Code of Conduct for

		Solicitors, RELs and RFLs  SRA Accounts Rules
<b>interest holder</b>	means a <b>person</b> who has an interest or an indirect interest, or holds a <b>material interest</b> , in a body (and "indirect interest" and "interest" have the same meaning as in the <b>LSA</b> ), and references to "holds an interest" shall be construed accordingly.	SRA Code of Conduct for Firms
<b>introducer</b>	means any person, business or organisation who or that introduces or refers <b>clients</b> to your business, or recommends your business to <b>clients</b> or otherwise puts you and <b>clients</b> in touch with each other.	SRA Code of Conduct for Solicitors, RELs and RFLs
<b>legal ombudsman</b>	means the scheme administered by the Office for Legal Complaints under Part 6 of the <b>LSA</b> .	SRA Code of Conduct for Solicitors, RELs and RFLs
<b>manager</b>	means: (i) the sole <b>principal</b> in a <b>recognised sole practice</b> ; (ii) a <b>member of a LLP</b> ; (iii) a <b>director of a company</b> ; (iv) a <b>partner in a partnership</b> ; or (v) in relation to any other body, a member of its governing body	SRA Accounts Rules  SRA Code of Conduct for Firms
<b>MDP</b>	means a <b>licensed body</b> which is a multi-disciplinary practice providing a range of different services, only some of which are regulated by the <b>SRA</b> .	SRA Accounts Rules



<b><i>mixed payments</i></b>	means a payment that includes both <b><i>client money</i></b> and non-client money	SRA Accounts Rules
<b><i>out of scope money</i></b>	means money held or received by an <b>MDP</b> in relation to activities that are not <b><i>regulated activities</i></b> .	SRA Accounts Rules
<b><i>own interest conflict</i></b>	means any situation where your duty to act in the best interests of any <b><i>client</i></b> in relation to a matter conflicts, or there is a significant risk that it may conflict, with your own interests in relation to that or a related matter	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms
<b><i>owner</i></b>	means, in relation to a body, a <b><i>person</i></b> with any interest in the body, save that:  (i) in the <b><i>SRA Authorisation Rules</i></b> , the <b><i>SRA Practice Framework Rules</i></b> and the <b><i>SRA Practising Regulations</i></b> owner means any <b><i>person</i></b> who holds a <b><i>material interest</i></b> in an <b><i>authorised body</i></b> , and in the case of a <b><i>partnership</i></b> , any <b><i>partner</i></b> regardless of whether they hold a <b><i>material interest</i></b> in the <b><i>partnership</i></b> ; and  (ii) for the purposes of the <b><i>SRA Principles</i></b> and the <b><i>SRA Code of Conduct</i></b> means a <b><i>person</i></b> who holds a <b><i>material interest</i></b> in the body; and  (iii) for the purposes of the <b><i>SRA Suitability Test</i></b> includes owners who have no active role in the running of the business as well as owners who do,  and "own" and "owned by" shall be construed accordingly.	SRA Code of Conduct for Firms
<b><i>person</i></b>	includes a body of persons (corporate or unincorporated)	SRA Code of Conduct for Solicitors, RELs and RFLs

		SRA Code of Conduct for Firms
<b>prescribed</b>	means prescribed by the <b>SRA</b> from time to time	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms  SRA Accounts Rules
<b>publicity</b>	includes all promotional material and activity, including the name or description of your firm, stationery, advertisements, brochures, websites, directory entries, media appearances, promotional press releases, and direct approaches to potential <b>clients</b> and other <b>persons</b> , whether conducted in person, in writing, or in electronic form, but does not include press releases prepared on behalf of a <b>client</b>	SRA Code of Conduct for Solicitors, RELs and RFLs
<b>referral fee</b>	means a referral fee as defined within section 57(7) of the Legal Aid, Sentencing and Punishment of Offenders Act 2012	SRA Code of Conduct for Solicitors, RELs and RFLs
<b>register</b>	means the roll and register kept under Part I of the <b>SA</b> , and the registers of:	SRA Code of

	<p>(i) <b>RELs</b> kept under European Communities (Lawyer's Practice) Regulations 2000;</p> <p>(ii) <b>RFLs</b> kept under the Courts and Legal Services Act 1990;</p> <p>(iii) <b>authorised firms</b> kept under the <b>AJA</b> and the <b>LSA</b></p>	Conduct for Firms
<b>regulated activities</b>	<p>means:</p> <p>(i) subject to sub-paragraph (ii) below:</p> <p>(A) any <b>reserved legal activity</b>;</p> <p>(B) any <b>non-reserved legal</b> activity except, in relation to an <b>MDP</b>, any such activity that is excluded on the terms of the licence;</p> <p>(C) any other activity in respect of which a <b>licensed body</b> is regulated pursuant to Part 5 of the <b>LSA</b>;</p> <p>and</p> <p>(ii) in the SRA Financial Services (Scope) Rules, an activity which is specified in the Regulated Activities Order...</p>	SRA Accounts Rules
<b>regulated services</b>	<p>means the legal and other professional services that you provide that are regulated by the <b>SRA</b>, and includes, where appropriate, acting as a trustee or as the holder of a specified office or appointment</p>	SRA Accounts Rules
<b>regulatory arrangements</b>	<p>has the meaning given to it by section 21 of the <b>LSA</b></p>	<p>SRA Code of Conduct for Solicitors, RELs and RFLs</p> <p>SRA Code of Conduct for Firms</p>
<b>relevant insolvency event</b>	<p>occurs in relation to a body if:</p> <p>(i) a resolution for a voluntary winding up of the body is passed without a declaration of solvency under section 89 of the Insolvency Act 1986;</p> <p>(ii) the body enters administration within the meaning of paragraph 1(2)(b) of Schedule B1 to that</p>	SRA Code of Conduct for Firms

	<p>Act;</p> <p>(iii) an administrative receiver within the meaning of section 251 of that Act is appointed;</p> <p>(iv) a meeting of creditors is held in relation to the body under section 95 of that Act (creditors' meeting which has the effect of converting a <i>members'</i> voluntary winding up into a creditors' voluntary winding up);</p> <p>(v) an order for the winding up of the body is made;</p> <p>(vi) all of the <i>managers</i> in a body which is unincorporated have been adjudicated bankrupt; or</p> <p>(vii) the body is an overseas company or a <i>societas Europaea</i> registered outside England, Wales, Scotland and Northern Ireland and the body is subject to an event in its country of incorporation analogous to an event as set out in paragraphs (i) to (vi) above.</p>	
<b>separate business</b>	<p>means, where you <i>own, manage or are employed by an authorised body, a separate business which you own, are owned by, actively participate in or are connected with and which is not an authorised body, an authorised non-SRA firm, or an overseas practice</i></p>	<p>SRA Code of Conduct for Solicitors, RELs and RFLs</p> <p>SRA Code of Conduct for Firms</p>
<b>sole practitioner</b>	<p>means a <i>solicitor or a REL practising as a sole principal in a practice (other than an incorporated practice) and does not include a solicitor or a REL practising in-house</i></p>	<p>SRA Code of Conduct for Firms</p>
<b>SRA</b>	<p>means the Solicitors Regulation Authority, and reference to the SRA as an <i>approved regulator or licensing authority</i> means the SRA carrying out regulatory functions assigned to the <i>Society</i> as an <i>approved regulator or licensing authority</i></p>	<p>SRA Code of Conduct for Firms</p> <p>SRA Accounts Rules</p>

		SRA Code of Conduct for Solicitors, RELs and RFLs
<b>SRA Accounts Rules</b>	means the <b>SRA Accounts Rules</b>	SRA Code of Conduct for Firms
<b>SRA Codes of Conduct</b>	means the SRA Code of Conduct for Solicitors, REL and RFLs and the SRA Code of Conduct for Firms	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms  SRA Accounts Rules
<b>substantially common interest</b>	means a situation where there is a clear common purpose between the <b>clients</b> and a strong consensus on how it is to be achieved	SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms

<p><b><i>third party managed account</i></b></p>	<p>means an account held at a bank or building society in the name of a third party which is an authorised payment institution, a small payment institution that has chosen to implement safeguarding arrangement in accordance with Regulation 19 (13) of the Payment Services Regulation 2009 or an EEA authorised payment institution (as each defined in Regulation 2 of the Payment Services Regulations 2009) regulated by the Financial Conduct Authority, in which monies are owned beneficially by the third party, and which is operated upon terms agreed between the third party, you and your client as an escrow payment service</p>	<p>SRA Accounts Rules</p>
<p><b><i>undertaking</i></b></p>	<p>means a statement, given orally or in writing, whether or not it includes the word "undertake" or "undertaking", in the course of practice, or outside the course of practice but as a <b><i>solicitor</i></b> or <b><i>REL</i></b>, to someone who reasonably places reliance on it, that you or your firm will do something or cause something to be done, or refrain from doing something</p>	<p>SRA Code of Conduct for Solicitors, RELs and RFLs  SRA Code of Conduct for Firms</p>