

SRA Code of Conduct for Firms

Introduction

This Code of Conduct describes the standards and business controls that we, the SRA, and the public expect of firms (including sole practices) authorised by us to provide legal services. These aim to create and maintain the right culture and environment for the delivery of competent and ethical legal services to clients. These apply in the context of your practice: the way you run your business and all your professional activities (subject, if you are a licensed body, to any terms of your licence).

Paragraphs 8.1 and 9.1 to 9.2 set out the requirements of managers and compliance officers in those firms, respectively.

A serious failure to meet our standards or a serious breach of our regulatory requirements may lead to our taking regulatory action against the firm itself as an entity, or its managers or compliance officers, who each have responsibilities for ensuring that the standards and requirements are met. We may also take action against employees working within the firm for any breaches for which they are responsible. A failure or breach may be serious either in isolation or because it comprises a persistent or concerning pattern of behaviour.

In addition to the regulatory requirements set by us in our Codes, Principles and our rules and regulations, we directly monitor and enforce the requirements relating to referral fees set out in section 56 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, and provisions relating to anti money laundering and counter terrorist financing, as **set out in regulations made by the Treasury** as in force from time to time.

All of these requirements are underpinned by our **Enforcement Strategy**, which explains in more detail our views about the issues we consider to be serious, and our approach to taking regulatory action in the public interest.

This introduction does not form part of the SRA Code of Conduct for Firms.

Code of Conduct for Firms

Maintaining trust and acting fairly

- [Log in](#) or [register](#) to post comments
- 1.1 You do not unfairly discriminate by allowing your personal views to affect your professional relationships and the way in which you provide your services.
 - 1.2 You do not abuse your position by taking unfair advantage of [clients](#) or others.
 - 1.3 You perform all [undertakings](#) given by you and do so within an agreed timescale or if no timescale has been agreed then within a reasonable amount of time.
 - 1.4 You do not mislead or attempt to mislead your [clients](#), the [court](#) or others, either by your own acts or omissions or allowing or being complicit in the acts or omissions of others (including your [client](#)).
 - 1.5 You monitor, report and publish workforce diversity data, as [prescribed](#).

Glossary terms

[client](#)

[undertaking](#)

[court](#)

[prescribed](#)

Compliance and business systems

- [Log in](#) or [register](#) to post comments
- 2.1 You have effective governance structures, arrangements, systems and controls in place that ensure:

- 2.2 you comply with all the **SRA's regulatory arrangements**, as well as with other regulatory and legislative requirements, which apply to you;
 - 2.3 your **managers** and employees comply with the **SRA's regulatory arrangements** which apply to them;
 - 2.4 your **managers** and **interest holders** and those you employ or contract with do not cause or substantially contribute to a breach of the **SRA's regulatory arrangements** by you or your **managers** or employees;
 - 2.5 your **compliance officers** are able to discharge their duties under paragraphs 9.1 and 9.2 below.
-
- 2.6 You keep and maintain records to demonstrate compliance with your obligations under the **SRA's regulatory arrangements**.
 - 2.7 You remain accountable for compliance with the **SRA's regulatory arrangements** where your work is carried out through others, including your **managers** and those you employ or contract with.
 - 2.8 You actively monitor your financial stability and business viability. Once you are aware that you will cease to operate, you effect the orderly wind-down of your activities.
 - 2.9 You identify, monitor and manage all material risks to your business, including those which may arise from your **connected practices**.

Glossary terms

SRA

regulatory arrangements

manager

interest holder

compliance officer

connected practices

Cooperation and accountability

- **Log in** or **register** to post comments
-
- 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:

- 3.4** provide full and accurate explanations, information and documentation in response to any requests or requirements;
- 3.5** 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.

3.6 You act promptly to take any remedial action requested by the SRA.

3.7 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.

3.8 You notify the SRA promptly:

3.9 of any indicators of serious financial difficulty relating to you;

3.10 if a relevant insolvency event occurs in relation to you;

3.11 if you intend to, or become aware that you will, cease operating as a legal business;

3.12 of any change to information recorded in the register.

3.13 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.

3.14 You notify the SRA promptly if you become aware:

3.15 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

3.16 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.

3.17 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) of which you are aware. If requested to do so by the SRA, you investigate whether there have been any serious breaches that should be reported to the SRA.

- 3.18** 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.
- 3.19** 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.
- 3.20** 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.

Glossary terms

SRA

client

relevant insolvency event

register

prescribed

manager

owner

compliance officer

approved regulator

regulatory arrangements

person

Service and competence

- **Log in** or **register** to post comments
- 4.1** You only act for **clients** on instructions from the **client**, or from someone properly authorised to provide instructions on their behalf. If you have reason to suspect that the instructions do not represent your **client's** wishes, you do not act unless you have satisfied yourself that they do. However, in circumstances where you have legal authority to act notwithstanding that it is not possible to obtain or ascertain the instructions of your **client**, then you are subject to the overriding obligation to protect your **client's** best interests.
- 4.2** You ensure that the service you provide to **clients** is competent and delivered in a timely

manner, and takes account of your client's attributes, needs and circumstances.

- 4.3 You ensure that your managers and employees are competent to carry out their role, and keep their professional knowledge and skills, as well as understanding of their legal, ethical and regulatory obligations, up to date.
- 4.4 You have an effective system for supervising clients' matters.

Glossary terms

client

manager

Client money and assets

- [Log in](#) or [register](#) to post comments

- 5.1 You properly account to clients for any financial benefit you receive as a result of their instructions, except where they have agreed otherwise.
- 5.2 You safeguard money and assets entrusted to you by clients and others.

Glossary terms

client

financial benefit

asset

Conflict of interests

- [Log in](#) or [register](#) to post comments

- 6.1 You do not act if there is an own interest conflict or a significant risk of such a conflict.
- 6.2 You do not act in relation to a matter or a particular aspect of it if you have a conflict of interest or a significant risk of such a conflict in relation to that matter or aspect of it, unless:
- 6.3 the clients have a substantially common interest in relation to the matter or the aspect of it, as appropriate; or

6.4 the clients are competing for the same objective,

and the conditions below are met, namely that:

.5

6.6 all the clients have given informed consent, given or evidenced in writing, to you acting;

6.7 where appropriate, you put in place effective safeguards to protect your clients' confidential information; and

6.8 you are satisfied it is reasonable for you to act for all the clients.

Glossary terms

own interest conflict

conflict of interest

client

substantially common interest

competing for the same objective

Confidentiality and disclosure

- Log in or register to post comments

6.3 You keep the affairs of current and former clients confidential unless disclosure is required or permitted by law or the client consents.

6.4 Any individual who is acting for a client on a matter makes the client aware of all information material to the matter of which the individual has knowledge except when:

6.5 the disclosure of the information is prohibited by legal restrictions imposed in the interests of national security or the prevention of crime;

6.6 the client gives informed consent, given or evidenced in writing, to the information not being disclosed to them;

6.7 the individual has reason to believe that serious physical or mental injury will be caused to the client or another if the information is disclosed; or

6.8 the information is contained in a privileged document that the individual has knowledge of only because it has been mistakenly disclosed.

- 6.9** You do not act for a client in a matter where that client has an interest adverse to the interest of another current or former client for whom you hold confidential information which is material to that matter, unless:
- 6.10** effective measures have been taken which result in there being no real risk of disclosure of the confidential information; or
 - 6.11** the current or former client whose information you hold has given informed consent, given or evidenced in writing, to you acting, including to any measures taken to protect their information.

Glossary terms

client

Applicable standards in the SRA Code of Conduct for Solicitors, RELs and RFLs

- [Log in](#) or [register](#) to post comments

- 7.1** The following paragraphs in the SRA Code of Conduct for Solicitors, RELs and RFLs apply to you in their entirety as though references to "you" were references to you as a firm:
- 7.2** dispute resolution and proceedings before courts, tribunals and inquiries (2.1 to 2.7);
 - 7.3** referrals, introductions and separate businesses (5.1 to 5.3); and
 - 7.4** standards which apply when providing services to the public or a section of the public, namely client identification (8.1), complaints handling (8.2 to 8.5), and client information and publicity (8.6 to 8.11).

Glossary terms

separate business

Managers in SRA authorised firms

- [Log in](#) or [register](#) to post comments

- 8.1** If you are a **manager**, you are responsible for compliance by your firm with this Code. This responsibility is joint and several if you share management responsibility with other **managers** of the firm.

Glossary terms

manager

Compliance officers

- **Log in** or **register** to post comments

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

- 9.2** ensure compliance with the terms and conditions of your firm's authorisation;
- 9.3** ensure compliance by your firm and its **managers**, employees or **interest holders** with the **SRA's regulatory arrangements** which apply to them;
- 9.4** 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**;
- 9.5** 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;
- 9.6** 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.

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

- 9.8** ensure that your firm and its **managers** and employees comply with any obligations imposed upon them under the SRA Accounts Rules;
- 9.9** 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;

9.10 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.

Glossary terms

COLP

manager

interest holder

SRA

regulatory arrangements

COFA

Supplemental notes

Made by the SRA Board on 30 May 2018.

Made under section 31 of the Solicitors Act 1974, section 9 of the Administration of Justice Act 1985, 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.