

SRA Amendment to Regulatory Arrangements (Financial Services) Rules 2012

Preamble

Rules dated 20 December 2012 made by the Solicitors Regulation Authority Board under sections 31, 79 and 80 of the Solicitors Act 1974, sections 9 and 9A of the Administration of Justice Act 1985, paragraphs 2 and 3 of Schedule 14 to the Courts and Legal Services Act 1990, section 83 of, and Schedule 11 to, the Legal Services Act 2007 and section 332 of the Financial Services and Markets Act 2000, with the approval of the Legal Services Board under paragraph 19 of Schedule 4 to the Legal Services Act 2007.

Rule 1

The SRA Code of Conduct 2011 shall be amended as follows:

In outcome (6.3) the wording “if a *client* is likely to need advice on *investments*, such as life insurance with an investment element or pension policies, you refer them only to an *independent intermediary*” shall be deleted and replaced with the following:

" O(6.3) *clients* are in a position to make informed decisions about how to pursue their matter."

From indicative behaviour (6.2) delete the words “in respect of *regulated mortgage contracts*, *general insurance contracts* and *pure protection contracts*” and remove the comma after the word “source” so that the wording is as follows:

“IB (6.2) any referral to a third party that can only offer products from one source is made only after the *client* has been informed of this limitation”.

Rule 2

The SRA Financial Services (Scope) Rules 2001 shall be amended as follows:

(a) in rule 5.1 replace "Packaged products" with "Retail investment products" and replace “*packaged product*” with “*retail investment product*”; and

(b) in rule 5.3 replace “*packaged products*” with “*retail investment products*”.

Rule 3

The SRA Financial Services (Conduct of Business) Rules 2001 shall be amended as follows:

In rule 8.1 and note (iii) to rule 13.1 replace “*packaged product*” with “*retail investment product*”.

Rule 4

The SRA Handbook Glossary 2012 shall be amended as follows:

(a) delete the definition of “**independent intermediary**” and replace with:

“independent financial adviser

means an adviser who provides unbiased and unrestricted advice based on a comprehensive and fair analysis of the relevant market and discloses this in writing to the *client*.”;

(b) delete the definition of "**packaged product**"; and

(c) after the definition of “**reserved work**” insert:

"retail investment product

has the meaning given in the Financial Services Authority Handbook.”

Rule 5

These amendment rules shall come into force on 1 January 2013 or the date of approval by the Legal Services Board, whichever is the later.