

Release notes for SRA Handbook, Version 2

23 December 2011

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The second version of the Handbook was published on 23 December 2011, with effect from that date. It incorporates a number of changes to the first version to make the Handbook consistent with the Law Society's designation as a licensing authority for ABS under The Legal Services Act 2007 (Designation as a Licensing Authority) (No. 2) Order 2011.

The opportunity has also been taken to make a number of other amendments. These include omissions, minor typographical errors and points of clarification.

The changes are summarised in these Release notes for Version 2. The notes give a brief update only and you will need to refer to the Handbook itself for full details. Any sets of rules or regulations not referred to below remain unchanged.

SRA Code of Conduct 2011

This section contains the Outcomes we require which, when achieved, benefit users of legal services and the public at large.

O (1.16) has been amended to clarify that the requirement to disclose to clients an act or omission which could give rise to a claim, applies only in relation to current clients.

In Chapter 14 the definition of separate business has been amended to exclude a legitimate overseas practice in which a solicitor has an interest.

SRA Accounts Rules 2011

The Order designating the Law Society as a licensing authority on 23 December 2011 contains provisions which mean that:

- the client accounts of ABSs will have the same statutory protection as that afforded by the Solicitors Act to those of "traditional" firms. Rule 13.6 has, therefore, been deleted and guidance note (iii) to rule 13 details the statutory provision for licensed bodies;
- the duty to whistleblow in suspicious circumstances has been extended to the reporting accountant of a licensed body; rule 35.1(a) has been amended to refer to the statutory provision for licensed bodies.



Rule 29.24(c) has been amended to clarify that there is no requirement to keep hard copies of "on-line" authorities for client account withdrawals, although the information recorded must be capable of being reproduced reasonably quickly in printed form for at least six years.

Note (i)(d) to rule 22 has been expanded to clarify the position in relation to interest earned on a separate designated client account as a result of the tax regime.

Minor corrections, involving no changes of substance, have also been made to rules 8.2(d), 9.1(e), 10.1(b), 12.6(b) and (c), 12.7(b), (c) and (d), guidance note (ii) to rule 14, rules 29.17(a) and 48.2 (definition of "practice from an office") and paragraph 5.6 of Appendix 3.

Authorisation and Practising Requirements

SRA Training Regulations 2011 - Part 1 - Qualification Regulations

A typographical error in the definition of 'satisfactory completion' has been corrected. Regulation 25.1(b) has been amended to bring trainee solicitors' annual leave entitlement into line with Working Time Regulations.

Regulation 30.1 (FILEX route to qualification) has been amended to remove a conflict with regulation 29 (commencement of Professional Skills Course).

SRA Higher Rights of Audience Regulations 2011

An incorrect definition of "CPD" has been corrected.

SRA Suitability Test 2011

Guidance note (iii) to 1.3 has been amended, to reflect the fact that Police National Computer checks are not carried out by the SRA.

Guidance note (i) to 10.1 has been amended, to clarify why corporate convictions do not become spent.

Client Protection

This section contains key elements for the financial protection of clients.

SRA Indemnity Insurance Rules 2011

The definition of "private practice" in Appendix 4 (Definitions) has been amended. A carve-out from the definition has been added in relation to

sole solicitors and sole RELs whose practice consists entirely of administering oaths and statutory declarations.

This is a minor change which is designed to partially undo a change introduced in the SIIR 2011 which has had an unintended adverse impact on sole solicitors and sole RELs whose practice consists entirely of administering oaths and statutory declarations. It will principally impact upon retired solicitors and other solicitors not in private practice.

SRA Compensation Fund Rules 2011

Rule 2.12(d) has been amended to refer to the SRA's powers in relation to the application of the Fund where the SRA has intervened in an ABS.

Specialist Services

This section contains provisions which are only applicable when certain services are being provided to clients.

SRA Financial Services (Conduct of Business) Rules 2001

The website address of the Financial Services Authority has been updated in rule 3.3.

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