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*Changes to legislation: There are currently no known outstanding effects for the Legal Services Act 2007, Paragraph 81. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 16

#### THE LAW SOCIETY, SOLICITORS, RECOGNISED BODIES AND FOREIGN LAWYERS

##### PART 2

###### THE ADMINISTRATION OF JUSTICE ACT 1985 (C. 61)

- 81 (1) Section 9 (incorporated practices) is amended as follows.
- (2) In subsection (1)—
- (a) for “Council” (in both places) substitute “ Society ”,
  - (b) in paragraph (a) for “by solicitors” to the end substitute “ of legal services bodies; ”,
  - <sup>F1</sup>(c) .....
  - (d) in paragraph (c)—
    - (i) for “conditions” substitute “ requirements ”, and
    - (ii) omit “corporate”.
- (3) After that subsection insert—
- “(1A) Where the Society makes rules under subsection (1), it must by rules under subsection (1)(c) prescribe the requirement that (subject to any exceptions provided by the rules) recognised bodies must not provide services other than—
- (a) solicitor services, or
  - (b) solicitor services and other relevant legal services.
- (1B) “Relevant legal services” means—
- (a) solicitor services, and
  - (b) where authorised persons other than solicitors or registered European lawyers are managers or employees of, or have an interest in, a recognised body, services of the kind provided by individuals practising as such authorised persons (whether or not those services involve the carrying on of reserved legal activities within the meaning of the Legal Services Act 2007).
- (1C) The Society may by rules under this section provide that services specified, or of a description specified, in the rules are not to be treated as solicitor services or other relevant legal services.”
- (4) In subsection (2)—
- (a) for “Council” (in both places) substitute “ Society ”,
  - (b) in paragraph (a) for “are to be” to the end substitute “ , or for the renewal of such recognition, are to be made, and requiring such applications to be

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accompanied by a fee of such amount as the Society may from time to time determine; ”,

(c) after that paragraph insert—

“(aa) for the manner and form in which other applications under the rules are to be made, and requiring such applications to be accompanied by a fee of such amount as the Society may from time to time determine;”,

(d) for paragraphs (c) to (e) substitute—

“(c) about the time when any recognition, or renewal of recognition, takes effect and the period for which it is (subject to the provisions made by or under this Part) to remain in force;

(d) for the suspension or revocation of any such recognition, on such grounds and in such circumstances as may be prescribed by the rules;

(e) about the effect on the recognition of a partnership or other unincorporated body (“the existing body”) of any change in the membership of the existing body, including provision for the existing body's recognition to be transferred where the existing body ceases to exist and another body succeeds to the whole or substantially the whole of its business;

(ea) for the keeping by the Society of a register containing the names and places of business of all bodies which are for the time being recognised under this section, and such other information relating to those bodies as may be specified in the rules;

(eb) for information (or information of a specified description) on such a register to be made available to the public, including provision about the manner in which, and times at which, information is to be made so available;” and

(e) after paragraph (f) insert—

“(fa) about the education and training requirements to be met by managers and employees of recognised bodies;

(fb) for rules made under any provision of the 1974 Act to have effect in relation to managers and employees of recognised bodies with such additions, omissions or other modifications as appear to the Society to be necessary or expedient;

(fc) requiring recognised bodies to appoint a person or persons to monitor compliance, by the recognised body, its managers and its employees, with requirements imposed on them by or by virtue of this Act or any rules applicable to them by virtue of this section;”.

(5) After subsection (2) insert—

“(2A) If rules under this section provide for the recognition of legal services bodies which have one or more managers who are not legally qualified, the rules must make provision—

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- (a) for the recognition of such bodies to be suspended or revoked, on such grounds and in such circumstances as may be prescribed by the rules;
    - (b) as to the criteria and procedure for the Society's approving, as suitable to be a manager of a recognised body, an individual who is not legally qualified (and for the Society's withdrawing such approval).
  - (2B) Rules under this section may make provision for appeals to the High Court against decisions made by the Society under the rules—
    - (a) to suspend or revoke the recognition of any body;
    - (b) not to approve, as suitable to be the manager of a recognised body, an individual who is not legally qualified (or to withdraw such approval).
  - (2C) The rules may provide for appeals against decisions within subsection (2B)
    - (b) to be brought by the individual to whom the decision relates (as well as the body).
  - (2D) In relation to an appeal under rules made by virtue of subsection (2B), the High Court may make such order as it thinks fit as to payment of costs.
  - (2E) The decision of the High Court on such an appeal shall be final.
  - (2F) Where the Society decides to recognise a body under this section it must grant that recognition subject to one or more conditions if—
    - (a) the case is of a kind prescribed for the purposes of this section by rules made by the Society, and
    - (b) the Society considers that it is in the public interest to do so.
  - (2G) While a body is recognised under this section, the Society—
    - (a) must direct that the body's recognition is to have effect subject to one or more conditions if—
      - (i) the case is of a prescribed kind, and
      - (ii) the Society considers that it is in the public interest to do so;
    - (b) may, in such circumstances as may be prescribed, direct that the body's recognition is to have effect subject to such conditions as the Society may think fit.
- “Prescribed” means prescribed by rules made by the Society.
- (2H) The conditions which may be imposed under subsection (2F) or (2G) include—
  - (a) conditions requiring the body to take specified steps that will, in the opinion of the Society, be conducive to the carrying on by the body of an efficient business;
  - (b) conditions which prohibit the body from taking any specified steps except with the approval of the Society;
  - (c) if rules under this section provide for the recognition of legal services bodies which have one or more managers who are not legally qualified, a condition that all the managers of the body must be legally qualified.

“Specified” means specified in the condition.

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- (2I) Rules made by the Society may make provision about when conditions imposed under this section take effect (including provision conferring power on the Society to direct that a condition is not to have effect until the conclusion of any appeal in relation to it).
- (2J) Section 86A of the 1974 Act applies to rules under this section as it applies to rules under that Act.
- (2K) Rules under this section may contain such incidental, supplemental, transitional or transitory provisions or savings as the Society considers necessary or expedient.”
- (6) For subsection (3) substitute—
- “(3) Despite section 24(2) of the 1974 Act, section 20 of that Act (prohibition on unqualified person acting as solicitor) does not apply to a recognised body; and nothing in section 24(1) of that Act applies in relation to such a body.”
- (7) Omit subsection (4).
- (8) In subsection (5) omit “corporate”.
- (9) In subsection (7)—
- (a) for “Secretary of State” (in both places) substitute “ Lord Chancellor ”, and
- (b) for “the commencement of this section” substitute “ or in the same session as the Legal Services Act 2007 was passed ”.
- (10) In subsection (8)—
- (a) after the definition of “the 1974 Act” insert—
- ““authorised person” means an authorised person in relation to an activity which is a reserved legal activity (within the meaning of the Legal Services Act 2007);”,
- (b) for “the Council” and “the Society” have” substitute “ “the Society” has ”,
- (c) after the definition of “the Society” insert—
- ““legally qualified” and “legal services body” have the meaning given by section 9A;
- “manager”, in relation to a body, has the same meaning as in the Legal Services Act 2007 (see section 207 of that Act);”,
- (d) omit the definition of “officer”,
- (e) in the definition of “recognised body” omit “corporate”, and
- (f) after the definition of “registered European lawyer” insert—
- ““solicitor services” means professional services such as are provided by individuals practising as solicitors or lawyers of other jurisdictions;
- and a person has an interest in a body if the person has an interest in the body within the meaning of Part 5 of the Legal Services Act 2007 (see sections 72 and 109 of that Act). ”
- (11) Omit subsection (9).

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#### Textual Amendments

- F1** Sch. 16 para. 81(2)(c) repealed (1.11.2015) by [The Legal Services Act 2007 \(The Law Society\) \(Modification of Functions\) Order 2015 \(S.I. 2015/401\)](#), arts. 1(3), **3(3)**
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#### Commencement Information

- I1** Sch. 16 para. 81(1)(9) in force at 30.6.2008 by [S.I. 2008/1436](#), **art. 2(d)(ii)**; Sch. 16 para. 81 in force at 31.3.2009 by [S.I. 2009/503](#), **art. 2(b)(ii)** (subject to [art. 4](#))

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