
SCOTTISH STATUTORY INSTRUMENTS

2012 No. 154

**The Licensed Legal Services (Interests in
Licensed Providers) (Scotland) Regulations 2012**

Majority interests in licensed providers

2.—(1) For the purposes of section 49(1) of the Act (majority ownership), the qualifying investors in an entity are regarded as having at least a 51% stake in the total ownership or control of that entity only if, taken together, they—

- (a) are entitled to exercise, and control the exercise of, 51% or more of the voting or equivalent rights in the entity;
- (b) would be entitled to receive, if all of the income of the entity were to be distributed among the members, 51% or more of the amount so distributed; and
- (c) would be entitled to receive, if all of the assets of the entity were to be distributed among the members (for example, on the winding-up or dissolution of the entity), 51% or more of the amount so distributed.

(2) In the operation of paragraph (1)—

- (a) any rights that a person has as a loan creditor are to be disregarded; and
- (b) the references to “members” are to be construed as—
 - (i) in relation to a company, the holders of shares in the company;
 - (ii) in relation to a limited liability partnership, the members;
 - (iii) in relation to a partnership, the partners; and
 - (iv) in relation to any other body or association, the members of that body or association.