



# Solicitors Act 1974

## 1974 CHAPTER 47

### PART II

#### PROFESSIONAL PRACTICE, CONDUCT AND DISCIPLINE OF SOLICITORS AND CLERKS

##### *Intervention in solicitor's practice, Compensation Fund and professional indemnity*

#### [<sup>F1</sup>36A Compensation funds

- (1) Compensation rules may require or authorise the Society to establish or maintain a fund or funds ("compensation funds") for the purpose of making grants in respect of compensation claims.
- (2) Compensation rules may require solicitors, or solicitors of a description prescribed in the rules, to make contributions to compensation funds of such amounts, at such times and in such circumstances, as may be prescribed in or determined in accordance with the rules.
- (3) Any amount payable by virtue of such a requirement may be recovered as a debt due to the Society.
- (4) Subsection (2) does not apply to a solicitor who is a Crown Prosecutor.
- (5) The Society may invest any money which forms part of a compensation fund in any investments in which trustees may invest under the general power of investment in section 3 of the Trustee Act 2000 (as restricted by sections 4 and 5 of that Act).
- (6) The Society may insure with authorised insurers, in relation to compensation funds, for such purposes and on such terms as it considers appropriate.
- (7) The Society may, in such circumstances and subject to such conditions as may be prescribed in or determined in accordance with compensation rules—
  - (a) borrow for the purposes of a compensation fund;
  - (b) charge investments which form part of a compensation fund as security for borrowing by the Society for the purposes of that fund.

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*Changes to legislation: There are currently no known outstanding effects for the Solicitors Act 1974, Section 36A. (See end of Document for details)*

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- (8) A compensation fund may be applied by the Society for the purposes mentioned in subsection (9) (in addition to the making of grants in respect of compensation claims).
- (9) The purposes are—
- (a) payment of premiums on insurance policies effected under subsection (6);
  - (b) repayment of money borrowed by the Society for the purposes of the fund and payment of interest on any money so borrowed;
  - (c) payment of any other costs, charges or expenses incurred by the Society in establishing, maintaining, protecting administering or applying the fund;
  - (d) payment of any costs, charges or expenses incurred by the Society in exercising its powers under Part 2 of Schedule 1;
  - (e) payment of any costs or damages incurred by the Society, its employees or agents as a result of proceedings against it or them for any act or omission of its or theirs in good faith and in the exercise or purported exercise of such powers.
- (10) In this section—
- “compensation claim” has the same meaning as in section 36;
- “compensation fund” has the meaning given by subsection (1);
- “compensation rules” means rules under section 36(1).]

#### Textual Amendments

- F1** Ss. 36, 36A substituted (31.3.2009) for s. 36 by [Legal Services Act 2007 \(c. 29\)](#), 177, 211, {Sch. 16 para. 37} (with ss. 29, 192, 193); [S.I. 2009/503](#), [art. 2\(b\)\(i\)](#) (subject to arts. 4, 5)

#### Modifications etc. (not altering text)

- C1** S. 36A modified (13.7.2011) by [Legal Services Act 2007 \(The Law Society and The Council for Licensed Conveyancers\) \(Modification of Functions\) Order 2011 \(S.I. 2011/1716\)](#), [art. 2\(1\)](#), [Sch. para. 4](#)
- C2** S. 36A extended (1.7.2009) by [S.I. 2000/1119](#), Sch. 4 para. 8(1) (as amended by [The Legal Services Act 2007 \(Registered European Lawyers\) Order 2009 \(S.I. 2009/1587\)](#), [art. 3\(8\)\(a\)](#))
- C3** S. 36A(2)(3) applied by [Administration of Justice Act 1985 \(c. 61\)](#), Sch. 2 para. 6(2) (as substituted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 94](#) (with ss. 29, 192, 193)); [S.I. 2009/503](#), [art. 2\(b\)\(ii\)](#) (subject to art. 5)
- S. 36A(2)(3) applied by [Courts and Legal Services Act 1990 \(c. 41\)](#), Sch. 14 para. 7 (as substituted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 133](#) (with ss. 29, 192, 193)); [S.I. 2009/503](#), [art. 2\(b\)\(iii\)](#))

**Changes to legislation:**

There are currently no known outstanding effects for the Solicitors Act 1974, Section 36A.