

2014 No. 1185

LEGAL SERVICES, ENGLAND AND WALES

**The Legal Services Act 2007 (Levy) (No. 2) (Amendment)
Rules 2014**

<i>Made</i> - - - -	<i>30th April 2014</i>
<i>Laid before Parliament</i>	<i>9th May 2014</i>
<i>Coming into force</i> - -	<i>2nd July 2014</i>

The Legal Services Board with the consent of the Lord Chancellor makes the following Rules in exercise of the powers conferred by sections 173, 174 and 204(2), (3) and (4)(b) of the Legal Services Act 2007(a).

In accordance with section 173(3) of that Act, the Legal Services Board has satisfied itself that the apportionment of the levy as between different leviable bodies is in accordance with fair principles.

The Legal Services Board has complied with the consultation requirements in section 205 of that Act.

Citation and commencement

1. These Rules may be cited as the Legal Services Act 2007 (Levy) (No. 2) (Amendment) Rules 2014 and come into force on 2nd July 2014.

Amendments to the Legal Services Act 2007 (Levy) (No.2) Rules 2010

2. The Legal Services Act 2007 (Levy) (No. 2) Rules 2010(b) are amended in accordance with rules 3 to 8 below.

3. In rule 2 (Levy imposed under these Rules)—

- (a) in paragraph (1), for “A” substitute “Subject to paragraph (6), a”;
- (b) in paragraph (3)(a), after “estimated expenditure” insert “in so far as actual expenditure figures are not available to the Board”;
- (c) after paragraph (5), insert—

“(6) The levy is not to be imposed on a leviable body to whom this paragraph applies until its regulatory arrangements in respect of reserved legal activities are approved by the Board under Part 3 of Schedule 4 to the 2007 Act.

(7) Paragraph (6) applies to—

(a) 2007 c. 29.
(b) S.I. 2010/2911.

- (a) the Institute of Chartered Accountants of Scotland; and
- (b) the Association of Chartered Certified Accountants.”.

4. In rule 3 (Determining the amount of the levy for each leviable body)—

- (a) in paragraph (2), after “becomes a leviable body” insert “or a leviable body to whom rule 2(6) applies has its regulatory arrangements in respect of reserved legal activities approved by the Board under Part 3 of Schedule 4 to the 2007 Act”;
- (b) in paragraph (2)(a), for “no amount” substitute “£3000”.

5. In rule 4 (Apportionment of leviable Board expenditure)—

- (a) in paragraph (1), for “(5)” substitute “(6)”;
- (b) after paragraph (5), insert—

“(6) The total amount of leviable Board expenditure to be used in applying the calculation under paragraph (1) is to be reduced by any amount payable by a leviable body under rule 3(2)(a).”.

6. In rule 5 (Apportionment of leviable OLC expenditure)—

- (a) in paragraph (1), after “is” insert “£5000 plus”;
- (b) for paragraph (2), substitute—

“(2) For these purposes—

 - (a) subject to paragraph (2A), “the relevant proportion” in relation to a leviable body is the number of service complaints in respect of that leviable body accepted in the course of the reference period by the OLC, as a proportion of the total number of service complaints in respect of all leviable bodies accepted in the course of that period by the OLC; and
 - (b) “the reference period” is the three year period ending on 31st March prior to the 12 month period in respect of which the levy is imposed.

(2A) For the purposes of paragraph (2)(a), the number of service complaints in respect of the leviable body accepted in the course of the reference period by the OLC shall be reduced by three.”;
- (c) for paragraph (6), substitute—

“(6) In this rule, “service complaint” means a complaint which is within the jurisdiction of the ombudsman scheme as provided for in Part 6 of the 2007 Act.”.

7. In rule 6 (Duty to provide information required to calculate the levy)—

- (a) for paragraph (2)(b), substitute—

“(b) for the purposes of rule 5, a statement of the number of service complaints accepted in the course of the reference period by the OLC (and for this purpose “reference period” has the meaning given in rule 5).”;
- (b) omit paragraph (5).

8. In rule 8 (Interest payable on late payment), for “the Board is entitled to charge interest on any amount unpaid”, substitute “the unpaid balance from time to time carries interest”.

Made by the Legal Services Board at its meeting on 30th April 2014

*Chris Kenny
David Edmonds CBE
Terry Babbs
Anneliese Day QC
David Eveleigh
Marina Gibbs
Bill Moyes*

I consent
Signed by authority of the Lord Chancellor

Shailesh Vara
Parliamentary Under Secretary of State
Ministry of Justice

9th April 2014

EXPLANATORY NOTE

(This note is not part of the Rules)

These Rules amend the Legal Services Act 2007 (Levy) (No. 2) Rules 2010 (S.I. 2010/2911) (“the 2010 Rules”) made under sections 173, 174 and 204 of the Legal Services Act 2007 (“the Act”) which provide for the imposition of a levy on certain leviable bodies by the Legal Services Board (“the Board”).

Rule 3 amends rule 2 of the 2010 Rules to specify that the levy will not be imposed on the Institute of Chartered Accountants of Scotland and the Association of Chartered Certified Accountants until their regulatory arrangements are approved by the Board. Rule 2 is also amended to specify that estimated expenditure can be used by the Board in determining leviable expenditure where actual expenditure figures are not available.

Rule 4 amends rule 3 of the 2010 Rules to make a fixed-rate levy of £3000 payable to the Board in any initial period of 12 months after a body becomes a leviable body, and to specify when the Institute of Chartered Accountants of Scotland and the Association of Chartered Certified Accountants are to pay that sum, in the event that alterations to their regulatory arrangements are approved.

Rule 5 amends rule 4 of the 2010 Rules to provide that the total amount of leviable Board expenditure to be taken into account in calculating the levy for each body is to be reduced by any amount payable in respect of an initial 12 month period under rule 3.

Rules 6 and 7 amend rules 5 and 6 of the 2010 Rules such that the leviable OLC expenditure payable by each leviable body comprises a fixed-rate levy of £5000 plus an amount apportioned according to the number of complaints in respect of that leviable body accepted during the previous three years by the Legal Ombudsman. For the purposes of this calculation the number of complaints is to be reduced by three.

Rule 8 amends rule 8 of the 2010 Rules to clarify that in the event of late payment any unpaid balance carries interest.

An impact assessment has not been prepared for this instrument because no impact on the private or voluntary sector is foreseen.

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