



# Legal Services Act 2007

## 2007 CHAPTER 29

### PART 1

#### THE REGULATORY OBJECTIVES

#### 1 The regulatory objectives

- (1) In this Act a reference to “the regulatory objectives” is a reference to the objectives of—
  - (a) protecting and promoting the public interest;
  - (b) supporting the constitutional principle of the rule of law;
  - (c) improving access to justice;
  - (d) protecting and promoting the interests of consumers;
  - (e) promoting competition in the provision of services within subsection (2);
  - (f) encouraging an independent, strong, diverse and effective legal profession;
  - (g) increasing public understanding of the citizen's legal rights and duties;
  - (h) promoting and maintaining adherence to the professional principles.
- (2) The services within this subsection are services such as are provided by authorised persons (including services which do not involve the carrying on of activities which are reserved legal activities).
- (3) The “professional principles” are—
  - (a) that authorised persons should act with independence and integrity,
  - (b) that authorised persons should maintain proper standards of work,
  - (c) that authorised persons should act in the best interests of their clients,
  - (d) that persons who exercise before any court a right of audience, or conduct litigation in relation to proceedings in any court, by virtue of being authorised persons should comply with their duty to the court to act with independence in the interests of justice, and
  - (e) that the affairs of clients should be kept confidential.

**Status:** Point in time view as at 06/10/2011. This version of this Act contains provisions that are not valid for this point in time.

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- (4) In this section “authorised persons” means authorised persons in relation to activities which are reserved legal activities.

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

- C1** S. 1 modified (temp.) (7.3.2008) by [The Legal Services Act 2007 \(Commencement No.1 and Transitory Provisions\) Order 2008 \(S.I. 2008/222\)](#), [art. 7\(1\)](#)

## PART 2

### THE LEGAL SERVICES BOARD

#### *Constitution*

#### **2 The Legal Services Board**

- (1) There is to be a body corporate called the Legal Services Board (“the Board”).  
 (2) Schedule 1 is about the Board.

#### *General functions*

#### **3 The Board's duty to promote the regulatory objectives etc**

- (1) In discharging its functions the Board must comply with the requirements of this section.  
 (2) The Board must, so far as is reasonably practicable, act in a way—  
 (a) which is compatible with the regulatory objectives, and  
 (b) which the Board considers most appropriate for the purpose of meeting those objectives.  
 (3) The Board must have regard to—  
 (a) the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, and  
 (b) any other principle appearing to it to represent the best regulatory practice.

#### **4 Standards of regulation, education and training**

The Board must assist in the maintenance and development of standards in relation to—

- (a) the regulation by approved regulators of persons authorised by them to carry on activities which are reserved legal activities, and  
 (b) the education and training of persons so authorised.

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## **5 Corporate governance**

In managing its affairs, the Board must have regard to such generally accepted principles of good corporate governance as it is reasonable to regard as applicable to it.

## **6 Annual report**

- (1) The Board must prepare a report (“the annual report”) for each financial year.
- (2) The annual report must deal with—
  - (a) the discharge of the Board's functions,
  - (b) the extent to which, in the Board's opinion, the Board has met the regulatory objectives, and
  - (c) such other matters as the Lord Chancellor may from time to time direct.
- (3) As soon as reasonably practicable after the end of each financial year, the Board must give the Lord Chancellor a copy of the annual report prepared for that year.
- (4) The Lord Chancellor must lay a copy of the annual report before Parliament.
- (5) In this section “financial year” means—
  - (a) the period beginning with the day on which the Board is established and ending with the next following 31 March, and
  - (b) each successive period of 12 months.

## **7 Supplementary powers**

The Board may do anything calculated to facilitate, or incidental or conducive to, the carrying out of any of its functions.

### *Consumer Panel*

## **8 The Consumer Panel**

- (1) The Board must establish and maintain a panel of persons (to be known as “the Consumer Panel”) to represent the interests of consumers.
- (2) The Consumer Panel is to consist of such consumers, or persons representing the interests of consumers, as the Board may appoint with the approval of the Lord Chancellor.
- (3) The Board must appoint one of the members of the Consumer Panel to be the chairman of the Panel.
- (4) The Board must secure that the membership of the Consumer Panel is such as to give a fair degree of representation to both—
  - (a) those who are using (or are or may be contemplating using), in connection with businesses carried on by them, services provided by persons who are authorised persons in relation to activities which are reserved legal activities, and
  - (b) those who are using (or are or may be contemplating using) such services otherwise than in connection with businesses carried on by them.
- (5) The Consumer Panel must not include any person who is—

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- (a) a member of the Board or of its staff;
  - (b) a member of the Office for Legal Complaints (see Part 6), an ombudsman appointed by it or a member of its staff appointed under paragraph 13 of Schedule 15;
  - (c) a member of the governing body, or of the staff, of an approved regulator;
  - (d) an authorised person in relation to an activity which is a reserved legal activity;
  - (e) a person authorised, by a person designated under section 5(1) of the Compensation Act 2006 (c. 29), to provide services which are regulated claims management services (within the meaning of that Act);
  - (f) an advocate in Scotland;
  - (g) a solicitor in Scotland;
  - (h) a member of the Bar of Northern Ireland; or
  - (i) a solicitor of the Court of Judicature of Northern Ireland.
- (6) The chairman and other members of the Consumer Panel are to be—
- (a) appointed for a fixed period, and on other terms and conditions, determined by the Board, and
  - (b) paid by the Board in accordance with provision made by or under the terms of appointment.
- (7) But a person may be removed from office in accordance with those terms and conditions only with the approval of the Lord Chancellor.
- (8) A person who ceases to be chairman or another member of the Consumer Panel may be re-appointed.

#### Commencement Information

**II** S. 8 wholly in force at 1.1.2009, see s. 211 and [S.I. 2008/3149](#), [art. 2\(a\)](#) (subject to [art. 3](#))

## 9 Committees and the procedure of the Consumer Panel

- (1) The Consumer Panel may make such arrangements as it thinks fit for committees established by the Panel to give advice to the Panel about matters relating to the carrying out of the Panel's functions.
- (2) The Consumer Panel may make such other arrangements for regulating its own procedure, and for regulating the procedure of the committees established by it, as it thinks fit.
- (3) Those arrangements may include arrangements as to quorums and as to the making of decisions by a majority.
- (4) The committees established by the Consumer Panel may include committees the membership of which includes persons who are not members of the Panel.
- (5) The membership of every committee established by the Consumer Panel must contain at least one person who is a member of the Panel.
- (6) Where a person who is not a member of the Consumer Panel is a member of a committee established by it, the Board may pay to that person such remuneration and expenses as the Board may determine.

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## **10 Representations by the Consumer Panel**

- (1) The Board must consider any representations made to it by the Consumer Panel.
- (2) If the Board disagrees with a view expressed, or proposal made, in the representations, it must give the Consumer Panel a notice to that effect stating its reasons for disagreeing.
- (3) The Consumer Panel may publish such information as it thinks fit about any representations made by it to the Board.
- (4) Where the Consumer Panel publishes information about any representations made by it, the Board must publish any notice it gives under subsection (2) in respect of those representations.

## **11 Advice and research functions of the Consumer Panel**

- (1) The Consumer Panel may, at the request of the Board—
  - (a) carry out research for the Board;
  - (b) give advice to the Board.
- (2) The Board must consider any advice given and the results of any research carried out under this section.
- (3) The Consumer Panel may publish such information as it thinks fit about advice it gives, and about the results of research carried out by it, under this section.

# **PART 3**

## **RESERVED LEGAL ACTIVITIES**

### *Reserved legal activities*

## **12 Meaning of “reserved legal activity” and “legal activity”**

- (1) In this Act “reserved legal activity” means—
  - (a) the exercise of a right of audience;
  - (b) the conduct of litigation;
  - (c) reserved instrument activities;
  - (d) probate activities;
  - (e) notarial activities;
  - (f) the administration of oaths.
- (2) Schedule 2 makes provision about what constitutes each of those activities.
- (3) In this Act “legal activity” means—
  - (a) an activity which is a reserved legal activity within the meaning of this Act as originally enacted, and
  - (b) any other activity which consists of one or both of the following—
    - (i) the provision of legal advice or assistance in connection with the application of the law or with any form of resolution of legal disputes;

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- (ii) the provision of representation in connection with any matter concerning the application of the law or any form of resolution of legal disputes.
- (4) But “legal activity” does not include any activity of a judicial or quasi-judicial nature (including acting as a mediator).
- (5) For the purposes of subsection (3) “legal dispute” includes a dispute as to any matter of fact the resolution of which is relevant to determining the nature of any person's legal rights or liabilities.
- (6) Section 24 makes provision for adding legal activities to the reserved legal activities.

#### Commencement Information

- I2** S. 12 wholly in force at 1.1.2010; s. 12 not in force at Royal Assent see s. 211; s. 12 in force for certain purposes at 7.3.2008 by S.I. 2008/222, art. 3; s. 12 in force for certain further purposes at 31.3.2009 by S.I. 2009/503, art. 3; s. 12 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(b) (with art. 9)

#### *Carrying on the activities*

### 13 Entitlement to carry on a reserved legal activity

- (1) The question whether a person is entitled to carry on an activity which is a reserved legal activity is to be determined solely in accordance with the provisions of this Act.
- (2) A person is entitled to carry on an activity (“the relevant activity”) which is a reserved legal activity where—
  - (a) the person is an authorised person in relation to the relevant activity, or
  - (b) the person is an exempt person in relation to that activity.
- (3) Subsection (2) is subject to section 23 (transitional protection for non-commercial bodies).
- (4) Nothing in this section or section 23 affects section 84 of the Immigration and Asylum Act 1999 (c. 33) (which prohibits the provision of immigration advice and immigration services except by certain persons).

#### *Offences*

### 14 Offence to carry on a reserved legal activity if not entitled

- (1) It is an offence for a person to carry on an activity (“the relevant activity”) which is a reserved legal activity unless that person is entitled to carry on the relevant activity.
- (2) In proceedings for an offence under subsection (1), it is a defence for the accused to show that the accused did not know, and could not reasonably have been expected to know, that the offence was being committed.
- (3) A person who is guilty of an offence under subsection (1) is liable—
  - (a) on summary conviction, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both), and

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- (b) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine (or both).
- (4) A person who is guilty of an offence under subsection (1) by reason of an act done in the purported exercise of a right of audience, or a right to conduct litigation, in relation to any proceedings or contemplated proceedings is also guilty of contempt of the court concerned and may be punished accordingly.
- (5) In relation to an offence under subsection (1) committed before the commencement of section 154(1) of the Criminal Justice Act 2003 (c. 44), the reference in subsection (3) (a) to 12 months is to be read as a reference to 6 months.

## **15 Carrying on of a reserved legal activity: employers and employees etc**

- (1) This section applies for the interpretation of references in this Act to a person carrying on an activity which is a reserved legal activity.
- (2) References to a person carrying on an activity which is a reserved legal activity include a person (“E”) who—
  - (a) is an employee of a person (“P”), and
  - (b) carries on the activity in E's capacity as such an employee.
- (3) For the purposes of subsection (2), it is irrelevant whether P is entitled to carry on the activity.
- (4) P does not carry on an activity (“the relevant activity”) which is a reserved legal activity by virtue of E carrying it on in E's capacity as an employee of P, unless the provision of relevant services to the public or a section of the public (with or without a view to profit) is part of P's business.
- (5) Relevant services are services which consist of or include the carrying on of the relevant activity by employees of P in their capacity as employees of P.
- (6) Where P is an independent trade union, persons provided with relevant services do not constitute the public or a section of the public where—
  - (a) the persons are provided with the relevant services by virtue of their membership or former membership of P or of another person's membership or former membership of P, and
  - (b) the services are excepted membership services.
- (7) Subject to subsection (8), “excepted membership services” means relevant services which relate to or have a connection with—
  - (a) relevant activities of a member, or former member, of the independent trade union;
  - (b) any other activities carried on for the purposes of or in connection with, or arising from, such relevant activities;
  - (c) any event which has occurred (or is alleged to have occurred) in the course of or in connection with such relevant activities or activities within paragraph (b);
  - (d) activities carried on by a person for the purposes of or in connection with, or arising from, the person's membership of the independent trade union;and such other relevant services as the Lord Chancellor may by order specify.

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- (8) The Lord Chancellor may by order make provision about the circumstances in which relevant services do or do not relate to, or have a connection with, the matters mentioned in paragraphs (a) to (d) of subsection (7).
- (9) Subject to that, the Lord Chancellor may by order make provision about—
  - (a) what does or does not constitute a section of the public;
  - (b) the circumstances in which the provision of relevant services to the public or a section of the public does or does not form part of P's business.
- (10) The Lord Chancellor may make an order under subsection (7), (8) or (9) only on the recommendation of the Board.
- (11) If P is a body, references to an employee of P include references to a manager of P.
- (12) In subsection (7), “relevant activities”, in relation to a person who is or was a member of an independent trade union, means any employment (including self-employment), trade, occupation or other activity to which the person's membership of the trade union relates or related.

## **16 Offence to carry on reserved legal activity through person not entitled**

- (1) Where subsection (2) applies it is an offence for a person (“P”) to carry on an activity (“the relevant activity”) which is a reserved legal activity, despite P being entitled to carry on the relevant activity.
- (2) This subsection applies if—
  - (a) P carries on the relevant activity by virtue of an employee of P (“E”) carrying it on in E's capacity as such an employee, and
  - (b) in carrying on the relevant activity, E commits an offence under section 14.
- (3) If P is a body, references in subsection (2) to an employee of P include references to a manager of P.
- (4) In proceedings for an offence under subsection (1), it is a defence for the accused to show that the accused took all reasonable precautions and exercised all due diligence to avoid committing the offence.
- (5) A person who is guilty of an offence under subsection (1) is liable—
  - (a) on summary conviction, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both), and
  - (b) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine (or both).
- (6) A person who is guilty of an offence under subsection (1) by reason of an act done in the purported exercise of a right of audience, or a right to conduct litigation, in relation to any proceedings or contemplated proceedings is also guilty of contempt of the court concerned and may be punished accordingly.
- (7) In relation to an offence under subsection (1) committed before the commencement of section 154(1) of the Criminal Justice Act 2003 (c. 44), the reference in subsection (5) (a) to 12 months is to be read as a reference to 6 months.



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## 17 Offence to pretend to be entitled

- (1) It is an offence for a person—
  - (a) wilfully to pretend to be entitled to carry on any activity which is a reserved legal activity when that person is not so entitled, or
  - (b) with the intention of implying falsely that that person is so entitled, to take or use any name, title or description.
- (2) A person who is guilty of an offence under subsection (1) is liable—
  - (a) on summary conviction, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both), and
  - (b) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine (or both).
- (3) In relation to an offence under subsection (1) committed before the commencement of section 154(1) of the Criminal Justice Act 2003 (c. 44), the reference in subsection (2) (a) to 12 months is to be read as a reference to 6 months.

### *Interpretation*

## 18 Authorised persons

- (1) For the purposes of this Act “authorised person”, in relation to an activity (“the relevant activity”) which is a reserved legal activity, means —
  - (a) a person who is authorised to carry on the relevant activity by a relevant approved regulator in relation to the relevant activity (other than by virtue of a licence under Part 5), or
  - (b) a licensable body which, by virtue of such a licence, is authorised to carry on the relevant activity by a licensing authority in relation to the reserved legal activity.
- (2) A licensable body may not be authorised to carry on the relevant activity as mentioned in subsection (1)(a).
- (3) But where a body (“A”) which is authorised as mentioned in subsection (1)(a) becomes a licensable body, the body is deemed by virtue of this subsection to continue to be so authorised from that time until the earliest of the following events—
  - (a) the end of the period of 90 days beginning with the day on which that time falls;
  - (b) the time from which the relevant approved regulator determines this subsection is to cease to apply to A;
  - (c) the time when A ceases to be a licensable body.
- (4) Subsection (2) is subject to Part 2 of Schedule 5 (by virtue of which licensable bodies may be deemed to be authorised as mentioned in subsection (1)(a) in relation to certain activities during a transitional period).
- (5) A person other than a licensable body may not be authorised to carry on the relevant activity as mentioned in subsection (1)(b).
- (6) But where a body (“L”) which is authorised as mentioned in subsection (1)(b) ceases to be a licensable body, the body is deemed by virtue of this subsection to continue to be so authorised from that time until the earliest of the following events—

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- (a) the end of the period of 90 days beginning with the day on which that time falls;
- (b) the time from which the relevant licensing authority determines this subsection is to cease to apply to L;
- (c) the time when L becomes a licensable body.

#### Commencement Information

- I3** S. 18 not in force at Royal Assent see s. 211; s. 18(1)(a) in force at 1.1.2010 by [S.I. 2009/3250](#), [art. 2\(b\)\(i\)](#) (subject to [art. 3\(1\)](#) and with [art. 9](#))
- I4** S. 18(1)(b)(5)(6) in force at 6.10.2011 by [S.I. 2011/2196](#), [art. 2\(2\)](#) (with [art. 3](#))
- I5** S. 18(2)-(4) in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(a\)](#)

## 19 Exempt persons

In this Act, “exempt person”, in relation to an activity (“the relevant activity”) which is a reserved legal activity, means a person who, for the purposes of carrying on the relevant activity, is an exempt person by virtue of—

- (a) Schedule 3 (exempt persons), or
- (b) paragraph 13 or 18 of Schedule 5 (additional categories of exempt persons during transitional period).

## 20 Approved regulators and relevant approved regulators

- (1) In this Act, the following expressions have the meaning given by this section—
  - “approved regulator”;
  - “relevant approved regulator”.
- (2) “Approved regulator” means—
  - (a) a body which is designated as an approved regulator by Part 1 of Schedule 4 or under Part 2 of that Schedule (or both) and whose regulatory arrangements are approved for the purposes of this Act, and
  - (b) if an order under section 62(1)(a) has effect, the Board.
- (3) An approved regulator is a “relevant approved regulator” in relation to an activity which is a reserved legal activity if—
  - (a) the approved regulator is designated by Part 1, or under Part 2, of Schedule 4 in relation to that reserved legal activity, or
  - (b) where the approved regulator is the Board, it is designated in relation to that reserved legal activity by an order under section 62(1)(a).
- (4) An approved regulator is a “relevant approved regulator” in relation to a person if the person is authorised by the approved regulator to carry on an activity which is a reserved legal activity.
- (5) Schedule 4 makes provision with respect to approved regulators other than the Board.
 

In that Schedule—

  - (a) Part 1 designates certain bodies as approved regulators in relation to certain reserved legal activities,

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- (b) Part 2 makes provision for bodies to be designated by order as approved regulators in relation to one or more reserved legal activities, and
  - (c) Part 3 makes provision relating to the approval of changes to an approved regulator's regulatory arrangements.
- (6) An approved regulator may authorise persons to carry on any activity which is a reserved legal activity in respect of which it is a relevant approved regulator.

#### Commencement Information

- I6** S. 20 wholly in force at 1.1.2010; s. 20 not in force at Royal Assent see s. 211; s. 20(2) in force for certain purposes at 7.3.2008 by S.I. 2008/222, art. 3; s. 20(5) in force at 1.1.2009 by S.I. 2008/3149, art. 2(b)(i); s. 20 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(b)(i) (with art. 9)

## 21 Regulatory arrangements

- (1) In this Act references to the “regulatory arrangements” of a body are to—
- (a) its arrangements for authorising persons to carry on reserved legal activities,
  - (b) its arrangements (if any) for authorising persons to provide immigration advice or immigration services,
  - (c) its practice rules,
  - (d) its conduct rules,
  - (e) its disciplinary arrangements in relation to regulated persons (including its discipline rules),
  - (f) its qualification regulations,
  - (g) its indemnification arrangements,
  - (h) its compensation arrangements,
  - (i) any of its other rules or regulations (however they may be described), and any other arrangements, which apply to or in relation to regulated persons, other than those made for the purposes of any function the body has to represent or promote the interests of persons regulated by it, and
  - (j) its licensing rules (if any), so far as not within paragraphs (a) to (i),
- (whether or not those arrangements, rules or regulations are contained in, or made under, an enactment).

- (2) In this Act—

“compensation arrangements”, in relation to a body, means arrangements to provide for grants or other payments for the purposes of relieving or mitigating losses or hardship suffered by persons in consequence of—

- (a) negligence or fraud or other dishonesty on the part of any persons whom the body has authorised to carry on activities which constitute a reserved legal activity, or of employees of theirs, in connection with their activities as such authorised persons, and
- (b) failure, on the part of regulated persons, to account for money received by them in connection with their activities as such regulated persons;

“conduct rules”, in relation to a body, means any rules or regulations (however they may be described) as to the conduct required of regulated persons;

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“discipline rules”, in relation to a body, means any rules or regulations (however they may be described) as to the disciplining of regulated persons;

“indemnification arrangements”, in relation to a body, means arrangements for the purpose of ensuring the indemnification of those who are or were regulated persons against losses arising from claims in relation to any description of civil liability incurred by them, or by employees or former employees of theirs, in connection with their activities as such regulated persons;

“practice rules”, in relation to a body, means any rules or regulations (however they may be described) which govern the practice of regulated persons;

“qualification regulations”, in relation to a body, means—

- (a) any rules or regulations relating to—
  - (i) the education and training which persons must receive, or
  - (ii) any other requirements which must be met by or in respect of them,

(in order for them to be authorised by the body to carry on an activity which is a reserved legal activity,

- (b) any rules or regulations relating to—
  - (i) the education and training which persons must receive, or
  - (ii) any other requirements which must be met by or in respect of them,

(in order for them to be authorised by the body to provide immigration advice or immigration services, and

- (c) any other rules or regulations relating to the education and training which regulated persons must receive or any other requirements which must be met by or in respect of them,

(however they may be described).

- (3) In this section “regulated persons”, in relation to a body, means any class of persons which consists of or includes—

- (a) persons who are authorised by the body to carry on an activity which is a reserved legal activity;
- (b) persons who are not so authorised, but are employees of a person who is so authorised.

- (4) In relation to an authorised person other than an individual, references in subsection (2) and (3) to employees of the person include managers of the person.

#### Commencement Information

- 17** S. 21 partly in force: s. 21 not in force at Royal Assent see s. 211; s. 21(1)(a)-(i)(2)-(4) in force at 1.1.2010 by [S.I. 2009/3250](#), [art. 2\(b\)\(i\)](#) (with [art. 9](#))
- 18** S. 21 in force at 1.10.2011 so far as not already in force by [S.I. 2011/2196](#), [art. 2\(1\)\(a\)](#)

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### *Continuity of existing rights and transitional protection*

#### **22 Continuity of existing rights to carry on reserved legal activities**

Schedule 5 makes provision for the continuity of existing rights and for certain persons to be deemed, during a transitional period, to be authorised by approved regulators to carry on certain activities.

#### **23 Transitional protection for non-commercial bodies**

- (1) During the transitional period, a body within subsection (2) is entitled to carry on any activity which is a reserved legal activity.
- (2) The bodies are—
  - (a) a not for profit body,
  - (b) a community interest company, or
  - (c) an independent trade union.
- (3) The transitional period is the period which—
  - (a) begins with the day appointed for the coming into force of section 13, and
  - (b) ends with the day appointed by the Lord Chancellor by order for the purposes of this paragraph.
- (4) Different days may be appointed under subsection (3)(b) for different purposes.
- (5) An order may be made under subsection (3)(b) only on the recommendation of the Board.

### *Alteration of reserved legal activities*

#### **24 Extension of the reserved legal activities**

- (1) The Lord Chancellor may, by order, amend section 12 or Schedule 2 (reserved legal activities) so as to add any legal activity to the activities which are reserved legal activities for the purposes of this Act.
- (2) An order under subsection (1) may be made only on the recommendation of the Board.
- (3) Schedule 6 makes provision about the making of recommendations for the purposes of this section.
- (4) Where a recommendation is made in relation to an activity, the Lord Chancellor must—
  - (a) consider the report containing the recommendation given to the Lord Chancellor under paragraph 16(3)(a) of that Schedule,
  - (b) decide whether or not to make an order under this section in respect of the activity, and
  - (c) publish a notice of that decision,within the period of 90 days beginning with the day on which the report was given to the Lord Chancellor.

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- (5) Where the Lord Chancellor decides not to make an order under this section in respect of an activity, the notice under subsection (4)(c) must state the reasons for that decision.

#### Commencement Information

- 19** S. 24 wholly in force at 1.1.2010; s. 24 not in force at Royal Assent see s. 211; s. 24(3) in force at 1.1.2009 by S.I. 2008/3149, art. 2(b)(i); s. 24 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(b)(i) (with art. 9)

## 25 Provisional designation as approved regulators and licensing authorities

- (1) The Lord Chancellor may, by order, make provision—
- (a) enabling applications to be made, considered and determined under Part 2 of Schedule 4 or Part 1 of Schedule 10 in relation to a provisional reserved activity, as if the activity were a reserved legal activity;
  - (b) enabling provisional designation orders to be made by the Lord Chancellor in respect of a provisional reserved activity, as if the activity were a reserved legal activity.
- (2) An order under subsection (1) may, in particular, provide that Part 2 of Schedule 4 or Part 1 of Schedule 10 is to apply, in relation to such cases as may be specified by the order, with such modifications as may be so specified.
- (3) The Lord Chancellor may also, by order, make provision—
- (a) for the purpose of enabling applications for authorisation to carry on an activity which is a provisional reserved activity to be made to and considered and determined by—
    - (i) a body in respect of which a provisional designation order is made, or
    - (ii) the Board in its capacity as a licensing authority;
  - (b) for the purpose of enabling persons to be deemed to be authorised to carry on an activity which is a new reserved legal activity by a relevant approved regulator in relation to the activity, or by the Board in its capacity as a licensing authority, for a period specified in the order.
- (4) For this purpose—
- “provisional reserved activity” means an activity in respect of which a provisional report under paragraph 10 of Schedule 6 states that the Board is minded to make a recommendation for the purposes of section 24;
- “provisional designation order” means an order made by the Lord Chancellor under Part 2 of Schedule 4 or Part 1 of Schedule 10 which is conditional upon the Lord Chancellor making an order under section 24 in respect of the provisional reserved activity, pursuant to a recommendation made by the Board following the provisional report;
- “new reserved legal activity” means a legal activity which has become a reserved legal activity by virtue of an order under section 24.

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#### Commencement Information

- II0** S. 25 partly in force: s. 25 not in force at Royal Assent see s. 211; s. 25 in force for certain purposes at 1.1.2010 by [S.I. 2009/3250](#), [art. 2\(b\)\(i\)](#) (subject to [art. 3\(2\)](#)) (as amended (30.9.2011) by S.I. 2011/2196, arts. 1(2), 5) and with [art. 9](#))
- II1** S. 25 in force at 2.8.2010 subject to the transitional provision previously made in relation to s. 25(3)(a) (b) by [S.I. 2010/1118](#), [art. 2\(a\)](#)

## 26 Recommendations that activities should cease to be reserved legal activities

- (1) The Board may recommend that an activity should cease to be a reserved legal activity.
- (2) Schedule 6 makes provision about the making of recommendations for the purposes of this section.
- (3) The Lord Chancellor must consider any recommendation made by the Board for the purposes of this section (but nothing in section 208 (minor and consequential provision etc) authorises the Lord Chancellor to give effect to such a recommendation).
- (4) Where the Lord Chancellor disagrees with a recommendation (or any part of it), the Lord Chancellor must publish a notice to that effect which must include the Lord Chancellor's reasons for disagreeing.

#### Commencement Information

- II2** S. 26 wholly in force at 1.1.2010; s. 26 not in force at Royal Assent see s. 211; s. 26(2) in force at 1.1.2009 by [S.I. 2008/3149](#), [art. 2\(b\)\(i\)](#); s. 26 in force otherwise at 1.1.2010 by [S.I. 2009/3250](#), [art. 2\(b\)\(i\)](#) (with [art. 9](#))

## PART 4

### REGULATION OF APPROVED REGULATORS

#### *Introductory*

## 27 Regulatory and representative functions of approved regulators

- (1) In this Act references to the “regulatory functions” of an approved regulator are to any functions the approved regulator has—
  - (a) under or in relation to its regulatory arrangements, or
  - (b) in connection with the making or alteration of those arrangements.
- (2) In this Act references to the “representative functions” of an approved regulator are to any functions the approved regulator has in connection with the representation, or promotion, of the interests of persons regulated by it.

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### *General duties of approved regulators*

#### **28 Approved regulator's duty to promote the regulatory objectives etc**

- (1) In discharging its regulatory functions (whether in connection with a reserved legal activity or otherwise) an approved regulator must comply with the requirements of this section.
- (2) The approved regulator must, so far as is reasonably practicable, act in a way—
  - (a) which is compatible with the regulatory objectives, and
  - (b) which the approved regulator considers most appropriate for the purpose of meeting those objectives.
- (3) The approved regulator must have regard to—
  - (a) the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, and
  - (b) any other principle appearing to it to represent the best regulatory practice.

### *Separation of regulatory and representative functions*

#### **29 Prohibition on the Board interfering with representative functions**

- (1) Nothing in this Act authorises the Board to exercise its functions in relation to any representative function of an approved regulator.
- (2) But subsection (1) does not prevent the Board exercising its functions for the purpose of ensuring—
  - (a) that the exercise of an approved regulator's regulatory functions is not prejudiced by its representative functions, or
  - (b) that decisions relating to the exercise of an approved regulator's regulatory functions are, so far as reasonably practicable, taken independently from decisions relating to the exercise of its representative functions.

#### **30 Rules relating to the exercise of regulatory functions**

- (1) The Board must make rules (“internal governance rules”) setting out requirements to be met by approved regulators for the purpose of ensuring—
  - (a) that the exercise of an approved regulator's regulatory functions is not prejudiced by its representative functions, and
  - (b) that decisions relating to the exercise of an approved regulator's regulatory functions are so far as reasonably practicable taken independently from decisions relating to the exercise of its representative functions.
- (2) The internal governance rules must require each approved regulator to have in place arrangements which ensure—
  - (a) that the persons involved in the exercise of its regulatory functions are, in that capacity, able to make representations to, be consulted by and enter into communications with the Board, the Consumer Panel, the OLC and other approved regulators, and



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- (b) that the exercise by those persons of those powers is not prejudiced by the approved regulator's representative functions and is, so far as reasonably practicable, independent from the exercise of those functions.
- (3) The internal governance rules must also require each approved regulator—
  - (a) to take such steps as are reasonably practicable to ensure that it provides such resources as are reasonably required for or in connection with the exercise of its regulatory functions;
  - (b) to make such provision as is necessary to enable persons involved in the exercise of its regulatory functions to be able to notify the Board where they consider that their independence or effectiveness is being prejudiced.
- (4) The first set of rules under this section must be made before the day appointed by the Lord Chancellor by order for the purposes of this section.

### *Performance targets*

## **31 Performance targets and monitoring**

- (1) The Board may—
  - (a) set one or more performance targets relating to the performance by an approved regulator of any of its regulatory functions, or
  - (b) direct an approved regulator to set one or more performance targets relating to the performance by the approved regulator of any of its regulatory functions, if the Board is satisfied that the conditions in subsection (2) are satisfied.
- (2) Those conditions are—
  - (a) that an act or omission of the approved regulator (or a series of such acts or omissions) has had, or is likely to have, an adverse impact on one or more of the regulatory objectives, and
  - (b) that it is appropriate to take the action proposed under subsection (1) in all the circumstances of the case (including in particular the impact of taking the action on the other regulatory objectives).
- (3) A direction under subsection (1)(b) may impose conditions with which the performance targets must conform.
- (4) If the Board proposes to take action under this section in respect of an approved regulator it must give notice to the approved regulator—
  - (a) describing the action it proposes to take,
  - (b) specifying the acts or omissions to which the proposed action relates and any other facts which, in the opinion of the Board, justify the taking of that action, and
  - (c) specifying the time (not being earlier than the end of the period of 28 days beginning with the day on which the notice is given) before which representations with respect to that action may be made.
- (5) Before taking action under this section, the Board must consider any representations which are duly made.
- (6) In exercising its regulatory functions, an approved regulator must seek to meet any performance target set for or by it under this section.

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- (7) The Board must publish any target set or direction given by it under this section.
- (8) An approved regulator must publish any target set by it pursuant to a direction under subsection (1)(b).
- (9) The Board may take such steps as it regards as appropriate to monitor the extent to which any performance target set under this section is being, or has been, met.

### *Directions*

## **32 Directions**

- (1) This section applies if the Board is satisfied—
  - (a) that an act or omission of an approved regulator (or a series of such acts or omissions) has had, or is likely to have, an adverse impact on one or more of the regulatory objectives,
  - (b) that an approved regulator has failed to comply with any requirement imposed on it by or under this Act (including this section) or any other enactment, or
  - (c) that an approved regulator—
    - (i) has failed to ensure that the exercise of its regulatory functions is not prejudiced by any of its representative functions, or
    - (ii) has failed to ensure that decisions relating to the exercise of its regulatory functions are, so far as reasonably practicable, taken independently from decisions relating to the exercise of its representative functions.
- (2) If, in all the circumstances of the case, the Board is satisfied that it is appropriate to do so, it may direct the approved regulator to take—
  - (a) in a case within subsection (1)(a), such steps as the Board considers will counter the adverse impact, mitigate its effect or prevent its occurrence or recurrence;
  - (b) in a case within subsection (1)(b) or (c), such steps as the Board considers will remedy the failure, mitigate its effect or prevent its recurrence.
- (3) In a case within subsection (1)(a), before giving a direction under subsection (2) the Board must in particular consider the impact of giving the direction on the other regulatory objectives.
- (4) A direction under subsection (2)—
  - (a) may only require an approved regulator to take steps which it has power to take;
  - (b) may require an approved regulator to take steps with a view to the modification of any part of its regulatory arrangements.
- (5) The Board may not exercise its powers under this section so as to give a direction requiring an approved regulator to take steps in respect of a specific disciplinary case or other specific regulatory proceedings (as opposed to all, or a specified class of, such cases or proceedings).
- (6) For the purposes of this section a direction to take steps includes a direction which requires an approved regulator to refrain from taking a particular course of action.

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- (7) The power to give a direction under this section is subject to any provision made by or under any other enactment.
- (8) The Board may take such steps as it regards as appropriate to monitor the extent to which a direction under this section is being, or has been, complied with.
- (9) Where the Board revokes a direction under this section, it must—
  - (a) give the approved regulator to whom the direction was given notice of the revocation, and
  - (b) publish that notice.

### **33 Directions: procedure**

Schedule 7 makes provision about the procedure which must be complied with before a direction is given under section 32.

### **34 Enforcement of directions**

- (1) If at any time it appears to the Board that an approved regulator has failed to comply with a direction given under section 32, the Board may make an application to the High Court under this section.
- (2) If, on an application under this section, the High Court decides that the approved regulator has failed to comply with the direction in question, it may order the approved regulator to take such steps as the High Court directs for securing that the direction is complied with.
- (3) This section is without prejudice to any other powers conferred on the Board by this Part.

### *Censure*

### **35 Public censure**

- (1) This section applies if the Board is satisfied—
  - (a) that an act or omission of an approved regulator (or a series of such acts or omissions) has had, or is likely to have, an adverse impact on one or more of the regulatory objectives, and
  - (b) that it is appropriate to act under this section in all the circumstances of the case (including in particular the impact of so acting on the other regulatory objectives).
- (2) The Board may publish a statement censuring the approved regulator for the act or omission (or series of acts or omissions).

### **36 Public censure: procedure**

- (1) If the Board proposes to publish a statement under section 35 in respect of an approved regulator, it must give notice to the approved regulator—
  - (a) stating that the Board proposes to publish such a statement and setting out the terms of the proposed statement,
  - (b) specifying the acts or omissions to which the proposed statement relates, and

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- (c) specifying the time (not being earlier than the end of the period of 28 days beginning with the day on which the notice is given to the approved regulator) before which representations with respect to the proposed statement may be made.
- (2) Before publishing the statement, the Board must consider any representations which are duly made.
- (3) Before varying any proposed statement set out in a notice under subsection (1)(a), the Board must give notice to the approved regulator—
  - (a) setting out the proposed variation and the reasons for it, and
  - (b) specifying the time (not being earlier than the end of the period of 28 days beginning with the day on which the notice is given to the approved regulator) before which representations with respect to the proposed variation may be made.
- (4) Before varying the proposal, the Board must consider any representations which are duly made.

### *Financial penalties*

## **37 Financial penalties**

- (1) This section applies if the Board is satisfied—
  - (a) that an approved regulator has failed to comply with a requirement to which this section applies, and
  - (b) that, in all the circumstances of the case, it is appropriate to impose a financial penalty on the approved regulator.
- (2) This section applies to any requirement imposed on the approved regulator—
  - (a) by rules under section 30 (internal governance rules),
  - (b) by a direction given under section 32 (Board directions), or
  - (c) by section 51 (control of practising fees charged by approved regulators) or by rules under that section.
- (3) The Board may impose a penalty, in respect of the failure, of such an amount as it considers appropriate, but not exceeding the maximum amount prescribed under subsection (4).
- (4) The Board must make rules prescribing the maximum amount of a penalty which may be imposed under this section.
- (5) Rules may be made only under subsection (4) with the consent of the Lord Chancellor.
- (6) A penalty under this section is payable to the Board.
- (7) In sections 38 to 40 references to a “penalty” are to a penalty under this section.

#### **Commencement Information**

**I13** S. 37 wholly in force at 1.1.2010; s. 37 not in force at Royal Assent see s. 211; s. 37(4)(5) in force at 1.1.2009 by S.I. 2008/3149, art. 2(c)(i); s. 37 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(c)(i) (with art. 9)

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### **38 Financial penalties: procedure**

- (1) If the Board proposes to impose a penalty on an approved regulator, it must give notice to the approved regulator—
  - (a) stating that the Board proposes to impose a penalty and the amount of the penalty proposed to be imposed,
  - (b) specifying the failure to which the proposed penalty relates,
  - (c) specifying the other facts which, in the Board's opinion, justify the imposition of a penalty and the amount of the penalty, and
  - (d) specifying the time (not being earlier than the end of the period of 21 days beginning with the day on which the notice is published under subsection (8)) before which representations with respect to the proposed penalty may be made.
- (2) Before imposing a penalty on an approved regulator, the Board must consider any representations which are duly made.
- (3) Where the Board proposes to vary the amount of a proposed penalty stated in a notice under subsection (1)(a), the Board must give notice to the approved regulator—
  - (a) setting out the proposed variation and the reasons for it, and
  - (b) specifying the time (not being earlier than the end of the period of 21 days beginning with the day on which the notice is published under subsection (8)) before which representations with respect to the proposed variation may be made.
- (4) Before varying the proposal, the Board must consider any representations which are duly made.
- (5) As soon as practicable after imposing a penalty, the Board must give notice to the approved regulator—
  - (a) stating that it has imposed a penalty on the approved regulator and its amount,
  - (b) specifying the failure to which the penalty relates,
  - (c) specifying the other facts which, in the Board's opinion, justify the imposition of the penalty and its amount, and
  - (d) specifying a time (not being earlier than the end of the period of 3 months beginning with the day on which the notice is given to the approved regulator), before which the penalty is required to be paid.
- (6) The approved regulator may, within the period of 21 days beginning with the day on which it is given the notice under subsection (5), make an application to the Board for it to specify different times by which different portions of the penalty are to be paid.
- (7) If an application is made under subsection (6) in relation to a penalty, the penalty is not required to be paid until the application has been determined.
- (8) The Board must publish any notice given under this section.

### **39 Appeals against financial penalties**

- (1) An approved regulator on whom a penalty is imposed may appeal to the court on one or more of the appeal grounds.
- (2) The appeal grounds are—

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- (a) that the imposition of the penalty was not within the power of the Board under section 37;
  - (b) that any of the requirements of section 38 have not been complied with in relation to the imposition of the penalty and the interests of the approved regulator have been substantially prejudiced by the non-compliance;
  - (c) that the amount of the penalty is unreasonable;
  - (d) that it was unreasonable of the Board to require the penalty imposed or any portion of it to be paid by the time or times by which it was required to be paid.
- (3) An appeal under subsection (1) must be made—
- (a) within the period of 3 months beginning with the day on which the notice under section 38(5) is given to the approved regulator in respect of the penalty, or
  - (b) where the appeal relates to a decision of the Board on an application by the approved regulator under section 38(6), within the period of 3 months beginning with the day on which the approved regulator is notified of the decision.
- (4) On any such appeal, where the court considers it appropriate to do so in all the circumstances of the case and is satisfied of one or more of the appeal grounds, the court may—
- (a) quash the penalty,
  - (b) substitute a penalty of such lesser amount as the court considers appropriate, or
  - (c) in the case of the appeal ground in subsection (2)(d), substitute for any time imposed by the Board a different time or times.
- (5) Where the court substitutes a penalty of a lesser amount it may require the payment of interest on the substituted penalty at such rate, and from such time, as it considers just and equitable.
- (6) Where the court specifies as a time by which the penalty, or a portion of the penalty, is to be paid a time before the determination of the appeal under this section, it may require the payment of interest on the penalty, or portion, from that time at such rate as it considers just and equitable.
- (7) Except as provided by this section, the validity of a penalty is not to be questioned by any legal proceedings whatever.
- (8) In this section “the court” means the High Court.

#### **40 Recovery of financial penalties**

- (1) If the whole or any part of a penalty is not paid by the time by which it is required to be paid, the unpaid balance from time to time carries interest at the rate for the time being specified in section 17 of the Judgments Act 1838 (c. 110).
- (2) If an appeal is made under section 39 in relation to a penalty, the penalty is not required to be paid until the appeal has been determined or withdrawn.
- (3) If the Board grants an application under subsection (6) of section 38 in relation to a penalty but any portion of the penalty is not paid by the time specified in relation to it by the Board under that subsection, the Board may where it considers it appropriate require so much of the penalty as has not already been paid to be paid immediately.

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- (4) Where a penalty, or any portion of it, has not been paid by the time when it is required to be paid and—
  - (a) no appeal relating to the penalty has been made under section 39 during the period within which such an appeal can be made, or
  - (b) an appeal has been made under that section and determined or withdrawn,the Board may recover from the approved regulator, as a debt due to the Board, any of the penalty and any interest which has not been paid.

### *Intervention*

## **41 Intervention directions**

- (1) The Board may give an approved regulator an intervention direction in relation to any of the approved regulator's regulatory functions if the Board is satisfied—
  - (a) that an act or omission of an approved regulator (or a series of such acts or omissions) has had, or is likely to have, an adverse impact on one or more of the regulatory objectives, and
  - (b) that it is appropriate to give the intervention direction in all the circumstances of the case (including in particular the impact of giving the direction on the other regulatory objectives).
- (2) An intervention direction, in relation to a regulatory function of an approved regulator, is a direction—
  - (a) that the regulatory function is to be exercised by the Board or a person nominated by it, and
  - (b) that the approved regulator must comply with any instructions of the Board or its nominee in relation to the exercise of the function.
- (3) The Board may not determine that it is appropriate to give an intervention direction unless it is satisfied that the matter cannot be adequately addressed by the Board exercising the powers available to it under sections 31 to 40.
- (4) Part 1 of Schedule 8 makes provision about the procedure which must be complied with before an intervention direction is given and the manner in which such a direction is to be given.
- (5) The Board must make rules as to the persons it may nominate for the purposes of subsection (2)(a).

#### **Commencement Information**

**I14** S. 41 wholly in force at 1.1.2010; s. 41 not in force at Royal Assent see s. 211; s. 41(4)(5) in force at 1.1.2009 by S.I. 2008/3149, art. 2(c)(i); s. 41 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(c)(i) (with art. 9)

## **42 Intervention directions: further provision**

- (1) This section applies where an intervention direction has effect in respect of a function of an approved regulator (“the relevant function”).

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- (2) The approved regulator must give the specified person all such assistance, in connection with the proposed exercise of the relevant function by the specified person in pursuance of the direction, as the approved regulator is reasonably able to give.
- (3) On an application by the specified person (or a person appointed by the specified person to act on its behalf) a judge of the High Court, Circuit judge or justice of the peace may issue a warrant authorising that person to—
  - (a) enter and search the premises of the approved regulator, and
  - (b) take possession of any written or electronic records found on the premises.
- (4) The person so authorised may, for the purpose of the exercise by the specified person of the relevant function, take copies of written or electronic records found on a search carried out by virtue of the warrant.
- (5) The judge or justice of the peace may not issue the warrant unless satisfied that its issue is necessary or desirable for the exercise by the specified person of the relevant function.
- (6) The Lord Chancellor must make regulations—
  - (a) specifying further matters which a judge or justice of the peace must be satisfied of, or matters which a judge or justice of the peace must have regard to, before issuing a warrant, and
  - (b) regulating the exercise of a power conferred by a warrant issued under subsection (3) or by subsection (4) (whether by restricting the circumstances in which a power may be exercised, by specifying conditions to be complied with in the exercise of a power, or otherwise).
- (7) Regulations under subsection (6)(b) must in particular make provision as to the circumstances in which written or electronic records of which a person has taken possession by virtue of a warrant issued under subsection (3) may be copied or must be returned.
- (8) But the Lord Chancellor may not make regulations under subsection (6) unless—
  - (a) they are made in accordance with a recommendation made by the Board, or
  - (b) the Lord Chancellor has consulted the Board about the making of the regulations.
- (9) In this section “the specified person” means the Board or, where a person is nominated by it as mentioned in section 41(2), that person.
- (10) The Board must make rules as to the persons a specified person may appoint for the purposes of subsection (3).

#### **Commencement Information**

**I15** S. 42 wholly in force at 1.1.2010; s. 42 not in force at Royal Assent see s. 211; s. 42(6)-(10) in force at 1.1.2009 by S.I. 2008/3149, art. 2(c)(i); s. 42 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(c)(i) (with art. 9)



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#### 43 Intervention directions: enforcement

- (1) If at any time it appears to the Board that an approved regulator has failed to comply with an obligation imposed on it by, or by virtue of, an intervention direction or section 42(2), the Board may make an application to the High Court under this section.
- (2) If, on an application under subsection (1), the High Court decides that the approved regulator has failed to comply with the obligation in question, it may order the approved regulator to take such steps as the High Court directs for securing that the obligation is complied with.
- (3) This section is without prejudice to any other powers conferred on the Board by this Part.

#### 44 Revocation of intervention directions

- (1) An intervention direction has effect until such time as it is revoked by the Board (whether on the application of the approved regulator or otherwise).
- (2) Part 2 of Schedule 8 makes provision about the procedure which must be complied with before an intervention direction is revoked and the manner in which notice of the revocation is to be given.

##### Commencement Information

**I16** S. 44 wholly in force at 1.1.2010; s. 44 not in force at Royal Assent see s. 211; s. 44(2) in force at 1.1.2009 by S.I. 2008/3149, art. 2(c)(i); s. 44 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(c)(i) (with art. 9)

#### *Cancellation of approval*

#### 45 Cancellation of designation as approved regulator

- (1) The Lord Chancellor may by order cancel a body's designation as an approved regulator—
  - (a) in relation to all the reserved legal activities in relation to which it is an approved regulator, or
  - (b) in relation to one or more, but not all, of those reserved legal activities, with effect from a date specified in the order.
- (2) But the Lord Chancellor may only make an order under subsection (1) in accordance with a recommendation made by the Board under subsection (3) or (5).
- (3) The Board must recommend that an order is made cancelling a body's designation as an approved regulator in relation to one or more reserved legal activities, if—
  - (a) the body applies to the Board for such a recommendation to be made,
  - (b) the application is made in such form and manner as may be prescribed by rules made by the Board, and is accompanied by the prescribed fee, and
  - (c) the body publishes a notice giving details of the application in accordance with such requirements as may be specified in rules made by the Board.

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- (4) In this section “the prescribed fee”, in relation to an application, means the fee specified in, or determined in accordance with, rules made by the Board, with the consent of the Lord Chancellor.
- (5) The Board may recommend that an order is made cancelling a body's designation as an approved regulator in relation to one or more reserved legal activities if it is satisfied—
  - (a) that an act or omission of an approved regulator (or a series of such acts or omissions) has had, or is likely to have, an adverse impact on one or more of the regulatory objectives, and
  - (b) that it is appropriate to cancel the body's designation in relation to the activity or activities in question in all the circumstances of the case (including in particular the impact of cancelling the designation on the other regulatory objectives).
- (6) The Board may not determine that it is appropriate to cancel a body's designation in relation to an activity or activities unless it is satisfied that the matter cannot be adequately addressed by the Board exercising the powers available to it under sections 31 to 43.
- (7) Schedule 9 makes further provision about the making of recommendations under subsection (5).
- (8) If the Lord Chancellor decides not to make an order in response to a recommendation made under subsection (3) or (5), the Lord Chancellor must give the Board notice of the decision and the reasons for it.
- (9) The Lord Chancellor must publish a notice given under subsection (8).
- (10) The Board may not make a recommendation under subsection (5) in respect of a body's designation as an approved regulator in relation to a reserved legal activity at any time when, by virtue of Part 2 of Schedule 5 (protection of rights during a transitional period), any person is being treated as authorised by the body to carry on that activity.

#### Commencement Information

**I17** S. 45 wholly in force at 1.1.2010; s. 45 not in force at Royal Assent see s. 211; s. 45(3)(b)(c)(4)(7) in force at 1.1.2009 by S.I. 2008/3149, art. 2(c)(i); s. 45 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(c)(i) (with art. 9)

#### 46 Cancellation of designation: further provision

- (1) This section applies where a body (“the former regulator”) has its designation in relation to one or more reserved legal activities cancelled by an order under section 45.
- (2) The Lord Chancellor may by order make—
  - (a) such modifications of provisions made by or under any enactment (including this Act or any enactment passed after this Act), prerogative instrument or other instrument or document, and
  - (b) such transitional or consequential provision,
 as the Lord Chancellor considers necessary or expedient in consequence of the cancellation.
- (3) The Lord Chancellor may, by order, make transfer arrangements.

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- (4) “Transfer arrangements” are arrangements in accordance with which each person authorised by the former regulator who consents to the arrangements is, from the time the cancellation takes effect, treated as being authorised to carry on each protected activity by either—
- (a) a relevant approved regulator, in relation to the protected activity, who consents to the transfer arrangements, or
  - (b) the Board acting in its capacity as a relevant approved regulator in relation to the protected activity by virtue of an order made under section 62.
- (5) The transfer arrangements—
- (a) must make such provision as is necessary to ensure that, where a person is treated under those arrangements as being authorised to carry on a protected activity by the new regulator, that person is subject to the regulatory arrangements of the new regulator;
  - (b) may make provision requiring amounts held by the former regulator which represent amounts paid to it by way of practising fees by the persons to whom the transfer arrangements apply (or a part of the amounts so held) to be paid to the new regulator and treated as if they were amounts paid by those persons by way of practising fees to the new regulator.
- (6) Subsection (5)(a) is subject to any transitional provision which may be made by the transfer arrangements, including provision modifying the regulatory arrangements of the new regulator as they apply to persons to whom the transfer arrangements apply.
- (7) The Lord Chancellor may make an order under this section only if—
- (a) the Board has made a recommendation in accordance with section 47, and
  - (b) the order is in the same form as, or in a form which is not materially different from, the draft order annexed to that recommendation.
- (8) For the purposes of this section—
- (a) a person is “authorised by the former regulator” if immediately before the time the cancellation takes effect the person is authorised by the former regulator (other than by virtue of a licence under Part 5) to carry on an activity which is a reserved legal activity to which the cancellation relates, and
  - (b) in relation to that person—
    - (i) the activity which that person is authorised to carry on as mentioned in paragraph (a) is a “protected activity”, and
    - (ii) “the new regulator” means the approved regulator within paragraph (a) or (b) of subsection (4).
- (9) In this section “practising fee”, in relation to an approved regulator, means a fee payable by a person under the approved regulator's regulatory arrangements in circumstances where the payment of the fee is a condition which must be satisfied for that person to be authorised by the approved regulator to carry on one or more activities which are reserved legal activities.
- (10) But for the purposes of this section “practising fee” does not include a fee payable by a licensed body to its licensing authority under licensing rules.

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#### **47 The Board's power to recommend orders made under section 46**

- (1) The Board may recommend to the Lord Chancellor that the Lord Chancellor make an order under section 46 in the form of a draft order prepared by the Board and annexed to the recommendation.
- (2) Before making a recommendation under this section, the Board must publish a draft of—
  - (a) the proposed recommendation, and
  - (b) the proposed draft order.
- (3) The draft must be accompanied by a notice which states that representations about the proposals may be made to the Board within a specified period.
- (4) Before making the recommendation, the Board must have regard to any representations duly made.
- (5) If the draft order to be annexed to the recommendation differs from the draft published under subsection (2)(b) in a way which in the opinion of the Board is material, the Board must, before making the recommendation, publish the draft order along with a statement detailing the changes made and the reasons for those changes.

#### **48 Cancellation of designation: powers of entry etc**

- (1) This section applies where a body (“the former regulator”) has its designation in relation to one or more reserved legal activities cancelled by an order under section 45.
- (2) The Board may request the former regulator to provide assistance to the new regulator and the Board, for the purpose of continuing regulation.
- (3) On an application by a person appointed by the Board to act on its behalf, a judge of the High Court, Circuit judge or justice of the peace may issue a warrant authorising that person to—
  - (a) enter and search the premises of the former regulator, and
  - (b) take possession of any written or electronic records found on the premises.
- (4) A person so authorised may, for the purpose of continuing regulation, take copies of written or electronic records found on a search carried out by virtue of the warrant.
- (5) The judge or justice of the peace may not issue the warrant unless satisfied that its issue is necessary or desirable for the purpose of continuing regulation.
- (6) The Lord Chancellor must make regulations—
  - (a) specifying further matters which a judge or justice of the peace must be satisfied of, or matters which a judge or justice of the peace must have regard to, before issuing a warrant, and
  - (b) regulating the exercise of a power conferred by a warrant issued under subsection (3) or by subsection (4) (whether by restricting the circumstances in which a power may be exercised, by specifying conditions to be complied with in the exercise of a power, or otherwise).
- (7) Regulations under subsection (6)(b) must in particular make provision as to circumstances in which written or electronic records of which a person has taken possession by virtue of a warrant issued under subsection (3) may be copied or must be returned.

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- (8) But the Lord Chancellor may not make regulations under subsection (6) unless—
- (a) they are made in accordance with a recommendation made by the Board, or
  - (b) the Lord Chancellor has consulted the Board about the making of the regulations.
- (9) The Board must make rules as to the persons it may appoint for the purposes of subsection (3).
- (10) For the purposes of this section—
- “authorised by the former regulator”, “protected activity” and “new regulator” have the same meaning as for the purposes of section 46;
  - “the purpose of continuing regulation” means the purpose of enabling persons authorised by the former regulator to continue to be authorised and regulated in relation to the protected activity.

#### Commencement Information

**I18** S. 48 wholly in force at 1.1.2010; s. 48 not in force at Royal Assent see s. 211; s. 48(6)-(9) in force at 1.1.2009 by S.I. 2008/3149, art. 2(c)(i); s. 48 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(c)(i) (with art. 9)

### *Policy statements*

#### **49 The Board's policy statements**

- (1) The Board must prepare and issue a statement of policy with respect to the exercise of its functions under—
- (a) section 31 (performance targets and monitoring);
  - (b) section 32 (directions);
  - (c) section 35 (public censure);
  - (d) section 37 (financial penalties);
  - (e) section 41 (intervention directions);
  - (f) section 45 (cancellation of designation as approved regulator);
  - (g) section 76 (cancellation of designation as licensing authority by order).
- (2) The Board may prepare and issue a statement of policy with respect to any other matter.
- (3) In preparing a statement of policy, the Board must have regard to the principle that its principal role is the oversight of approved regulators.
- (4) The statement of policy prepared under subsection (1) must—
- (a) take account of the desirability of resolving informally matters which arise between the Board and an approved regulator, and
  - (b) specify how, in exercising the functions mentioned in that subsection, the Board will comply with the requirements of section 3(3) (regulatory activities to be proportionate, consistent and targeted only at cases in which action is needed, etc),
- and, in preparing that statement, the Board must have regard to the principle that the Board should not exercise any of those functions by reason of an act or omission of an approved regulator unless the act or omission was unreasonable.

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- (5) The Board's policy in determining what the amount of a penalty under section 37 should be must include having regard to—
  - (a) the seriousness of the failure in question, and
  - (b) the extent to which it was deliberate or reckless.
- (6) The Board may at any time alter or replace any statement issued under this section.
- (7) If a statement is altered or replaced, the Board must issue the altered or replacement statement.
- (8) In exercising or deciding whether to exercise any of its functions, the Board must have regard to any relevant policy statement published under this section.
- (9) The Board must publish a statement issued under this section.
- (10) The Board may make a reasonable charge for providing a person with a copy of a statement.

## **50 Policy statements: procedure**

- (1) Before issuing a statement under section 49, the Board must publish a draft of the proposed statement.
- (2) The draft must be accompanied by a notice which states that representations about the proposals may be made to the Board within a specified period.
- (3) Before issuing the statement, the Board must have regard to any representations duly made.
- (4) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the Board, material, the Board must publish details of the differences.
- (5) The Board may make a reasonable charge for providing a person with a copy of a draft published under subsection (1).

### *Practising fees*

## **51 Control of practising fees charged by approved regulators**

- (1) In this section “practising fee”, in relation to an approved regulator, means a fee payable by a person under the approved regulator's regulatory arrangements in circumstances where the payment of the fee is a condition which must be satisfied for that person to be authorised by the approved regulator to carry on one or more activities which are reserved legal activities.
- (2) An approved regulator may only apply amounts raised by practising fees for one or more of the permitted purposes.
- (3) The Board must make rules specifying the permitted purposes.
- (4) Those rules must, in particular, provide that the following are permitted purposes—
  - (a) the regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons, including—
    - (i) the maintaining and raising of their professional standards, and

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- (ii) the giving of practical support, and advice about practice management, in relation to practices carried on by such persons;
  - (b) the payment of a levy imposed on the approved regulator under section 173;
  - (c) the participation by the approved regulator in law reform and the legislative process;
  - (d) the provision by relevant authorised persons, and those wishing to become relevant authorised persons, of reserved legal services, immigration advice or immigration services to the public free of charge;
  - (e) the promotion of the protection by law of human rights and fundamental freedoms;
  - (f) the promotion of relations between the approved regulator and relevant national or international bodies, governments or the legal professions of other jurisdictions.
- (5) A practising fee is payable under the regulatory arrangements of an approved regulator only if the Board has approved the level of the fee.
- (6) The Board must make rules containing provision—
- (a) about the form and manner in which applications for approval for the purposes of subsection (5) must be made and the material which must accompany such applications;
  - (b) requiring applicants to have consulted such persons as may be prescribed by the rules in such manner as may be so prescribed before such an application is made;
  - (c) about the procedures and criteria that will be applied by the Board when determining whether to approve the level of a fee for the purposes of subsection (5).
- (7) Rules under subsection (6)(c) must, in particular, contain—
- (a) provision requiring the Board, before it determines an application for approval of the level of a fee, to consult such persons as it considers appropriate about the impact of the proposed fee on persons providing non-commercial legal services;
  - (b) provision about the time limit for the determining of an application.
- (8) In this section “relevant authorised persons”, in relation to an approved regulator, means persons who are authorised by the approved regulator to carry on activities which are reserved legal activities.

#### **Commencement Information**

**119** S. 51 wholly in force at 1.1.2010; s. 51 not in force at Royal Assent see s. 211; s. 51(1)(3)(4)(6)-(8) in force at 1.1.2009 by S.I. 2008/3149, art. 2(c)(i); s. 51 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(c)(i) (with art. 9)

### *Regulatory conflict*

## **52 Regulatory conflict with approved regulators**

- (1) The regulatory arrangements of an approved regulator must make such provision as is reasonably practicable to prevent regulatory conflicts.

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- (2) For the purposes of this section and section 53, a regulatory conflict is a conflict between—
  - (a) a requirement of the approved regulator's regulatory arrangements, and
  - (b) a requirement of the regulatory arrangements of another approved regulator.
- (3) Subsection (4) applies where a body is authorised by an approved regulator (“the entity regulator”) to carry on an activity which is a reserved legal activity.
- (4) If a conflict arises between—
  - (a) a requirement of the regulatory arrangements of the entity regulator, in relation to the body authorised by the entity regulator or an employee or manager of the body (“an entity requirement”), and
  - (b) a requirement of the regulatory arrangements of another approved regulator in relation to an employee or manager of the body who is authorised by it to carry on a reserved legal activity (“an individual requirement”),
 the entity requirement prevails over the individual requirement.

### **53 Modification of provision made about regulatory conflict**

- (1) An approved regulator (“the applicant regulator”) may make an application under this section if it considers that the regulatory arrangements of another approved regulator (“the conflicting regulator”) do not make appropriate provision to prevent a regulatory conflict with the applicant regulator.
- (2) An application under this section is an application made to the Board for the Board to exercise its powers under section 32 to direct the conflicting regulator—
  - (a) to take steps to modify, in such manner as may be specified in the direction, the provision made by its regulatory arrangements to prevent a regulatory conflict with the applicant regulator, or
  - (b) if its regulatory arrangements do not make any such provision, to make such provision as may be specified in the direction to prevent such a conflict.
- (3) An approved regulator must consider any request made by an affected person—
  - (a) for the approved regulator to reconsider the provision made by its regulatory arrangements to prevent a regulatory conflict with another approved regulator, or
  - (b) for the approved regulator to make an application under this section.
- (4) An “affected person”, in relation to an approved regulator, means—
  - (a) a person authorised by the approved regulator to carry on a reserved legal activity;
  - (b) an employee or manager of such a person.
- (5) Where an application is made under this section, the Board—
  - (a) must give the applicant regulator and the conflicting regulator an opportunity to make representations, and
  - (b) may consult any persons it considers appropriate.
- (6) The Board must decide whether or not to give a warning notice in response to the application.



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- (7) The Board must make that decision before the end of the period of 6 months beginning with the day on which the application is received by it.
- (8) The Board must give notice of its decision, and the reasons for it, to the applicant regulator and the conflicting regulator.
- (9) For the purposes of this section “warning notice” means a notice given under paragraph 2(1) of Schedule 7 (warning of proposed direction under section 32).

#### **54 Regulatory conflict with other regulatory regimes**

- (1) The regulatory arrangements of an approved regulator must make such provision as is reasonably practicable and, in all the circumstances, appropriate—
  - (a) to prevent external regulatory conflicts,
  - (b) to provide for the resolution of any external regulatory conflicts which arise, and
  - (c) to prevent unnecessary duplication of regulatory provisions made by an external regulatory body.
- (2) For the purposes of this section, an external regulatory conflict is a conflict between—
  - (a) a requirement of the regulatory arrangements of the approved regulator, and
  - (b) a requirement of any regulatory provision made by an external regulatory body.
- (3) For this purpose “external regulatory body” means a person (other than an approved regulator) who exercises regulatory functions in relation to a particular description of persons with a view to ensuring compliance with rules (whether statutory or non-statutory) by those persons.
- (4) Regulatory arrangements made for the purposes of subsection (1)(b) may, with the consent of the Board, provide for the Board to exercise functions in connection with the resolution of conflicts.

#### *Information*

#### **55 Provision of information to the Board**

- (1) The Board may, by notice, require an approved regulator—
  - (a) to provide any information, or information of a description, specified in the notice, or
  - (b) to produce documents, or documents of a description, specified in the notice.
- (2) A notice under subsection (1)—
  - (a) may specify the manner and form in which any information is to be provided;
  - (b) must specify the period within which any information is to be provided or document is to be produced;
  - (c) may require any information to be provided, or document to be produced, to the Board or to a person specified in the notice.
- (3) The Board may, by notice, require a person representing the approved regulator to attend at a time and place specified in the notice to provide an explanation of any information provided or document produced under this section.

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- (4) The Board may pay to any person such reasonable costs as may be incurred by that person in connection with—
  - (a) the provision of any information, or the production of any document, by that person pursuant to a notice under subsection (1), or
  - (b) that person's compliance with a requirement imposed under subsection (3).
- (5) The Board, or a person specified under subsection (2)(c), may take copies of or extracts from a document produced pursuant to a notice under subsection (1).
- (6) For the purposes of this section and section 56, references to an approved regulator include a body which was, but is no longer, an approved regulator.

## **56 Enforcement of notices under section 55**

- (1) Where an approved regulator is unable to comply with a notice given to it under section 55(1), it must give the Board a notice to that effect stating the reasons why it cannot comply.
- (2) If an approved regulator refuses, or otherwise fails, to comply with a notice under section 55(1), the Board may apply to the High Court for an order requiring the approved regulator to comply with the notice or with such directions for the like purpose as may be contained in the order.
- (3) This section applies in relation to a person to whom a notice is given under section 55(3) as it applies in relation to an approved regulator to whom a notice is given under section 55(1).

### *Competition*

## **57 Reports by the OFT**

- (1) If the OFT is of the opinion that the regulatory arrangements of an approved regulator (or any part of them) prevent, restrict or distort competition within the market for reserved legal services to any significant extent, or are likely to do so, the OFT may prepare a report to that effect.
- (2) A report under subsection (1)—
  - (a) must state what, in the OFT's opinion, is the effect, or likely effect, on competition of the regulatory arrangements or part of them to which the report relates, and
  - (b) may contain recommendations as to the action which the Board should take for the purpose of ensuring that the regulatory arrangements of the approved regulator do not prevent, restrict or distort competition.
- (3) Where the OFT makes a report under subsection (1), it must—
  - (a) give a copy of the report to the Board, the Consumer Panel and the approved regulator, and
  - (b) publish the report.
- (4) Before publishing a report under subsection (3)(b), the OFT must, so far as practicable, exclude any matter which relates to the private affairs of a particular individual the publication of which, in the opinion of the OFT, would or might seriously and prejudicially affect the interests of that individual.

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- (5) The OFT may exercise any of the powers conferred on it by section 174(3) to (5) of the Enterprise Act 2002 (c. 40) (investigation powers) for the purpose of assisting it in exercising its functions under this section.
- (6) For the purposes of the law of defamation, absolute privilege attaches to any report of the OFT under this section.

## **58 The Board's response to OFT report**

- (1) This section applies where a report is made by the OFT under section 57 in respect of an approved regulator.
- (2) The Board must allow the approved regulator a period of 28 days beginning with the day on which the copy of the report is given to the approved regulator under section 57, or such longer period as the Board may specify in a particular case, to make representations to the Board about the OFT's report.
- (3) The Consumer Panel may give the Board such advice as the Consumer Panel thinks fit regarding the OFT's report.
- (4) Having considered any representations made under subsection (2) and any advice given under subsection (3), the Board must notify the OFT of the action (if any) it proposes to take in response to the report.

## **59 Referral of report by the Lord Chancellor to the Competition Commission**

- (1) This section applies where the OFT is satisfied that the Board has failed to give full and proper consideration to a report made by the OFT, in respect of an approved regulator, under section 57.
- (2) The OFT may give a copy of its report to the Lord Chancellor.
- (3) The OFT must notify the Board and the approved regulator if it gives a copy of its report to the Lord Chancellor.
- (4) On receiving a report under subsection (2), the Lord Chancellor must—
  - (a) give the Competition Commission a copy of the report, and
  - (b) seek its advice on what action (if any) should be taken by the Lord Chancellor under section 61.

## **60 Duties of the Competition Commission**

- (1) Where the Lord Chancellor seeks the advice of the Competition Commission under section 59, the Commission must investigate the matter.
- (2) The Commission must then make its own report on the matter unless it considers that, as a result of any change of circumstances, no useful purpose would be served by a report.
- (3) If the Commission decides in accordance with subsection (2) not to make a report, it must make a statement setting out the change of circumstances which resulted in that decision.

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- (4) The Commission must comply with subsection (2) or (3) within the period of 3 months beginning with the day on which it receives a copy of the OFT's report under section 59(4)(a).
- (5) A report made under this section must state the Commission's conclusion as to whether any of the matters which is the subject of the report has or is likely to have the effect of preventing, restricting or distorting competition within the market for reserved legal services to a significant extent.
- (6) A report under this section stating the Commission's conclusion that there is, or is likely to be, such an effect must also—
  - (a) state whether or not the Commission considers that that effect is justified, and
  - (b) if it states that the Commission considers that it is not justified, state its conclusion as to what action, if any, ought to be taken by the Board.
- (7) When determining under subsection (6)(b) any action to be taken by the Board, the Commission must ensure—
  - (a) that the action stated is action which the Board has power to take, and
  - (b) so far as reasonably possible, that the action stated is compatible with the functions conferred, and obligations imposed, on the Board by or under this Act.
- (8) A report under this section must contain such an account of the Commission's reasons for its conclusions as is expedient, in the opinion of the Commission, for facilitating proper understanding of them.
- (9) Sections 109 to 115 of the Enterprise Act 2002 (c. 40) (investigation powers) apply in relation to an investigation under this section as they apply in relation to an investigation made on a reference made to the Commission under Part 3 of that Act (mergers), but as if—
  - (a) in section 110(4) of that Act, the reference to the publication of the report of the Commission on the reference concerned were a reference to the Commission making a report under subsection (2) or a statement under subsection (3), and
  - (b) in section 111(5)(b)(ii) of that Act the day referred to were the day on which the Commission makes that report or statement.
- (10) If the Commission makes a report or a statement under this section it must—
  - (a) give a copy to the Lord Chancellor, the Board, the Consumer Panel and the approved regulator to which the OFT's report relates, and
  - (b) publish the report or statement.

## **61 Lord Chancellor's power to give directions**

- (1) The Lord Chancellor may direct the Board to take such action as the Lord Chancellor considers appropriate in connection with any matter raised in a report made by the OFT under section 57.
- (2) Before giving a direction under subsection (1), the Lord Chancellor must consider any report from the Competition Commission under section 60 on that matter.
- (3) When exercising the power to give a direction under subsection (1), the Lord Chancellor must ensure—

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- (a) that the action stated is action which the Board has power to take, and
  - (b) so far as reasonably possible, that the action stated in any direction is compatible with the functions conferred, and obligations imposed, on the Board by or under this Act.
- (4) The Lord Chancellor must publish a direction given under this section.

### *The Board as approved regulator*

## **62 The Board as an approved regulator**

- (1) The Lord Chancellor may by order—
- (a) designate the Board as an approved regulator in relation to one or more reserved legal activities;
  - (b) modify the functions of the Board, and make such other provision relating to those functions as the Lord Chancellor considers necessary or expedient, with a view to enabling the Board to discharge its functions as an approved regulator effectively and efficiently;
  - (c) cancel the Board's designation as an approved regulator in relation to one or more reserved legal activities.
- (2) But the Lord Chancellor may make an order under subsection (1) only if—
- (a) the Board has made a recommendation in accordance with section 66, and
  - (b) the order is in the same form as, or in a form which is not materially different from, the draft order annexed to that recommendation.
- (3) If the Lord Chancellor decides not to make an order pursuant to a recommendation made under section 66, the Lord Chancellor must—
- (a) give the Board a notice stating the reasons for that decision, and
  - (b) publish the notice.
- (4) In discharging its functions as an approved regulator the Board must take such steps as are necessary to ensure an appropriate financial and organisational separation between the activities of the Board that relate to the carrying out of those functions and the other activities of the Board.
- (5) An order under this section may make such modifications of provision made by or under any enactment (including this Act or any Act passed after this Act) as the Lord Chancellor considers necessary or expedient.

## **63 The Board's designation under section 62(1)(a)**

- (1) This section applies in relation to an order under section 62(1)(a) (an order designating the Board as an approved regulator).
- (2) Subject to subsection (3), the order may designate the Board as an approved regulator in relation to a reserved legal activity only where—
- (a) a body's designation as an approved regulator in relation to the activity is cancelled under section 45, or
  - (b) the activity becomes a reserved legal activity by virtue of an order under section 24.

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- (3) Subsection (2) does not prevent the order having effect in advance of an event within paragraph (a) or (b) of that subsection for the purpose of enabling the Board to authorise persons to carry on activities which constitute the reserved legal activity in question with effect from the occurrence of the event.
- (4) The order must ensure that the Board, acting as an approved regulator, may make regulatory arrangements or modify its regulatory arrangements only with the approval of the Board (acting otherwise than in its capacity as an approved regulator or as a licensing authority under Part 5).

#### **64 Modification of the Board's functions under section 62(1)(b)**

- (1) This section applies in relation to an order under section 62(1)(b) (an order modifying the functions of the Board).
- (2) The order may include (among other things) provision conferring on the Board powers to do any of the following—
  - (a) to authorise (otherwise than by the grant of a licence under Part 5) persons or any category of persons (whether corporate or unincorporate) to carry on one or more activities which are reserved legal activities in relation to which the Board is designated as an approved regulator;
  - (b) to make qualification regulations;
  - (c) to make provision as to the educational, training and other requirements to be met by regulated persons who are not relevant authorised persons;
  - (d) to make practice rules and conduct rules;
  - (e) to make disciplinary arrangements in relation to regulated persons (including discipline rules);
  - (f) to make rules requiring the payment of fees specified in or determined in accordance with the rules;
  - (g) to make indemnification arrangements;
  - (h) to make compensation arrangements;
  - (i) to make rules as to the treatment of money (including money held in trust) which is received, held or dealt with for clients, or other persons, by regulated persons, and as to the keeping by such persons of accounts in respect of such money;
  - (j) to take steps for the purpose of ascertaining whether or not the provisions of rules or regulations made, or any code or guidance issued, by the Board in its capacity as an approved regulator are being complied with, and to make rules requiring relevant authorised persons to produce documents and provide information for that purpose;
  - (k) to delegate any of the functions exercisable by the Board in its capacity as an approved regulator to such persons as it considers appropriate;
  - (l) to make regulations or rules providing for appeals to the High Court or another body against decisions made by the Board in its capacity as an approved regulator (including regulations or rules providing for a decision on such an appeal to be final and for orders as to payment of costs).
- (3) The order may—
  - (a) provide for any provision of Schedule 14 (licensing authority's powers of intervention)—

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- (i) to apply in relation to the Board (in its capacity as an approved regulator) and regulated persons as it applies in relation to a licensing authority and licensed bodies (or managers or employees of such bodies), or
    - (ii) to so apply with such modifications as are prescribed by the order, or
  - (b) make provision, in relation to the Board (in that capacity) and regulated persons, corresponding to any of the provisions made, in relation to licensing authorities and licensed bodies (or managers or employees of such bodies), by that Schedule.
- (4) For the purposes of giving effect to indemnification arrangements and compensation arrangements, the order may authorise the Board to make rules—
- (a) authorising or requiring the Board to establish and maintain a fund or funds;
  - (b) authorising or requiring the Board to take out and maintain insurance with authorised insurers;
  - (c) requiring relevant authorised persons or relevant authorised persons of any specific description to take out and maintain insurance with authorised insurers.
- (5) In this section—
- “authorised insurer” means a person within any of the following paragraphs—
- (a) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 (c. 8) to effect or carry out contracts of insurance of a relevant class;
  - (b) an EEA firm (within the meaning of that Act) of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of a relevant class;
  - (c) a person who does not fall within paragraph (a) or (b) and who may lawfully effect or carry out contracts of insurance of a relevant class in a member State other than the United Kingdom;
- “regulated person” has the meaning given by section 21;
- “relevant authorised person” means a person authorised by the Board (other than by the grant of a licence under Part 5) to carry on one or more activities which are reserved legal activities.
- (6) For the purposes of this section—
- (a) a contract of insurance is of a relevant class if it insures against a risk arising from accident, credit, legal expenses, general liability to third parties, sickness, suretyship or miscellaneous financial loss, and
  - (b) the definition of “authorised insurer” in subsection (5) must be read with section 22 of the Financial Services and Markets Act 2000, and any relevant order under that section, and with Schedule 2 to that Act.

#### Commencement Information

**I20** S. 64 partly in force; s. 64 not in force at Royal Assent see s. 211; s. 64(1)(2)(4)(5)(6) in force at 1.1.2010 by [S.I. 2009/3250](#), [art. 2\(c\)\(i\)](#) (subject to [art. 3\(2\)](#) (as amended (30.9.2011) by S.I. 2011/2196, arts. 1(2), 5) and with [art. 9](#))

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**I21** S. 64(3) in force at 1.10.2011 so far as not already in force by S.I. 2011/2196, art. 2(1)(b)

## **65 Cancellation of the Board's designation under section 62(1)(c)**

- (1) This section applies in relation to an order under section 62(1)(c) (cancellation of Board's designation as an approved regulator).
- (2) Where such an order is made, section 46 (other than subsection (4)(b)) and section 47 (transfer arrangements etc on cancellation of approved regulator's designation) apply in relation to the Board and relevant authorised persons as they apply to an approved regulator whose designation is cancelled under section 45 and persons authorised by that approved regulator to carry on activities which are reserved legal activities.
- (3) In this section “relevant authorised persons” has the same meaning as in section 64.

## **66 The Board's power to recommend orders made under section 62**

- (1) The Board may recommend to the Lord Chancellor that the Lord Chancellor make an order under section 62 in the form of a draft order prepared by the Board and annexed to the recommendation.
- (2) Before making a recommendation under this section, the Board must give each of the persons listed in subsection (3) a notice containing—
  - (a) a copy of the proposed recommendation,
  - (b) a copy of the proposed draft order, and
  - (c) a statement specifying a period within which representations may be made about the proposals.
- (3) Those persons are—
  - (a) the Lord Chancellor,
  - (b) the OFT,
  - (c) the Consumer Panel,
  - (d) the Lord Chief Justice, and
  - (e) such other persons as the Board considers it reasonable to consult regarding the proposals.
- (4) The Board must publish a notice given under subsection (2).
- (5) Before making the recommendation, the Board must have regard to any representations duly made (whether by persons within subsection (3) or otherwise).
- (6) If the draft order to be annexed to the recommendation differs from the draft contained in the notice under subsection (2) in a way which is, in the opinion of the Board, material, the Board must, before making the recommendation, publish the draft order along with a statement detailing the changes made and the reasons for those changes.

## **67 Effect of the Board's designation as an approved regulator**

- (1) The powers of the Board under sections 31 to 51 and 55 (regulatory powers in respect of approved regulators) are not exercisable by it in relation to the Board in its capacity as an approved regulator.



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- (2) In section 53 references to an approved regulator do not include the Board in its capacity as an approved regulator.
- (3) Sections 57 to 61 (reports by OFT etc) do not apply in relation to the Board in its capacity as an approved regulator.

## **68 Regulatory conflict and the Board as approved regulator**

- (1) An approved regulator may make a request under subsection (4) if it considers that the regulatory arrangements of the Board (in its capacity as an approved regulator) do not make appropriate provision to prevent a conflict between—
  - (a) a requirement of those regulatory arrangements, and
  - (b) a requirement of the regulatory arrangements of the approved regulator.
- (2) An affected person in relation to an approved regulator may request the approved regulator to exercise its powers under subsection (1).
- (3) An affected person in relation to the Board may make a request under subsection (4) if the person considers that the regulatory arrangements of the Board (in its capacity as an approved regulator) do not make appropriate provision to prevent a conflict between—
  - (a) a requirement of those regulatory arrangements, and
  - (b) a requirement of the regulatory arrangements of an approved regulator.
- (4) The request is a request made to the Board (in its capacity as an approved regulator) that it reconsider the provision made by its regulatory arrangements to prevent a regulatory conflict with the conflicting regulator.
- (5) An affected person in relation to the Board may make an application under subsection (6) if the person considers that the regulatory arrangements of an approved regulator do not make appropriate provision to prevent a conflict between—
  - (a) a requirement of those regulatory arrangements, and
  - (b) a requirement of the regulatory arrangements of the Board (in its capacity as an approved regulator).
- (6) The application is an application to the Board for it to exercise its powers under section 32 to direct the approved regulator—
  - (a) to take steps to modify, in such manner as may be specified in the direction, the provision made by its regulatory arrangements to prevent a regulatory conflict with the Board (in its capacity as an approved regulator), or
  - (b) if its regulatory arrangements do not make any such provision, to make such provision as may be specified in the direction to prevent such a conflict.
- (7) An affected person in relation to an approved regulator (other than the Board) may make a request under subsection (8) if the person considers that the regulatory arrangements of the approved regulator do not make appropriate provision to prevent a conflict between—
  - (a) a requirement of those regulatory arrangements, and
  - (b) a requirement of the regulatory arrangements of the Board (in its capacity as an approved regulator).
- (8) The request is a request to the approved regulator that it reconsider the provision made by its regulatory arrangements to prevent a regulatory conflict with the Board.

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- (9) The Board (in its capacity as an approved regulator) and any other approved regulator must consider any request made to it under this section.
- (10) Subsections (5) to (8) of section 53 apply in relation to an application under subsection (6) as they apply in relation to an application under that section, except that—
- (a) references to the applicant regulator are to be read as references to the person who made the application, and
  - (b) references to the conflicting regulator are to be construed in accordance with this section.
- (11) In this section—
- “affected person” in relation to the Board or any other approved regulator, means—
- (a) any person authorised by the body to carry on a reserved legal activity, or
  - (b) an employee or manager of such a person;
- “conflicting regulator” means—
- (a) in a case within subsection (1), the approved regulator making the request, and
  - (b) in a case within subsection (3) or (5), the approved regulator whose regulatory arrangements are considered to conflict with those of the Board.

#### *Functions of approved regulators etc*

### **69 Modification of the functions of approved regulators etc**

- (1) The Lord Chancellor may by order modify, or make other provision relating to, the functions of an approved regulator or any other body (other than the Board).
- (2) The Lord Chancellor may make an order under subsection (1) only if—
- (a) the Board has made a recommendation under this section,
  - (b) a draft order was annexed to the recommendation, and
  - (c) the order is in the same form as, or a form not materially different from, that draft order.
- (3) The Board may make a recommendation under this section only with a view to an order being made which enables the body to which it relates to do one or more of the following—
- (a) to become designated by an order under Part 2 of Schedule 4 as an approved regulator, or designated by an order under Part 1 of Schedule 10 as a licensing authority, in relation to one or more reserved legal activities;
  - (b) to authorise persons or any category of persons (whether corporate or unincorporate) to carry on one or more activities which are reserved legal activities in relation to which the body is (at the time the authorisation has effect) designated as an approved regulator, or to make regulatory arrangements;
  - (c) to carry out its role as an approved regulator (including its role, if any, as a licensing authority) more effectively or efficiently;
  - (d) to become a qualifying regulator under Part 1 of Schedule 18;

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- (e) if it is a designated qualifying regulator under section 86A of the Immigration and Asylum Act 1999 (c. 33), to authorise persons to provide any additional advice or services the provision of which amounts to the provision of immigration advice or immigration services.
- (4) Subsections (2) (other than paragraph (a)), (3) and (4) of section 64 apply in relation to an order under this section as they apply in relation to an order under section 62(1) (b) in relation to the Board.
- (5) An order under this section also may make provision in relation to—
  - (a) the provision of immigration advice or immigration services, and
  - (b) persons authorised to provide such advice and services by the body to which the order relates,corresponding to the provision which may be made by virtue of section 64(2) to (4) in relation to reserved legal activities and persons authorised to carry on those activities.
- (6) An order under this section may modify provisions made by or under any enactment (including this Act or any Act passed after this Act), prerogative instrument or other instrument or document.
- (7) Any provision made by an order under this section may be expressed to be conditional upon—
  - (a) the body to which the order relates being designated by an order under Part 2 of Schedule 4 as an approved regulator, or by an order under Part 1 of Schedule 10 as a licensing authority, in relation to one or more reserved legal activities specified in the proposed draft order, or
  - (b) the body to which the order relates becoming a designated qualifying regulator under section 86A of the Immigration and Asylum Act 1999 (c. 33).
- (8) The powers to make an order conferred by this section are without prejudice to any powers (statutory or non-statutory) which an approved regulator or other body may have apart from this section.

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

**C2** S. 69 modified (temp.) (7.3.2008) by [The Legal Services Act 2007 \(Commencement No.1 and Transitory Provisions\) Order 2008 \(S.I. 2008/222\)](#), [art. 4](#)

**70 Procedural requirements relating to recommendations under section 69**

- (1) A recommendation may be made under section 69 only with the consent of the approved regulator or other body to which the recommendation relates.
- (2) Before making a recommendation under that section, the Board must publish a draft of—
  - (a) the proposed recommendation, and
  - (b) the proposed draft order.
- (3) The draft must be accompanied by a notice which states that representations about the proposals may be made to the Board within a specified period.
- (4) Before making the recommendation, the Board must have regard to any representations duly made.

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- (5) If the draft order to be annexed to the recommendation differs from the draft published under subsection (2)(b) in a way which is, in the opinion of the Board, material, the Board must, before making the recommendation, publish the draft order along with a statement detailing the changes made and the reasons for those changes.

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

- C3** S. 70 modified (temp.) (7.3.2008) by [The Legal Services Act 2007 \(Commencement No.1 and Transitory Provisions\) Order 2008 \(S.I. 2008/222\)](#), **art. 5**

## PART 5

### ALTERNATIVE BUSINESS STRUCTURES

#### *Introductory*

#### **71 Carrying on of activities by licensed bodies**

- (1) The provisions of this Part have effect for the purpose of regulating the carrying on of reserved legal activities and other activities by licensed bodies.
- (2) In this Act “licensed body” means a body which holds a licence in force under this Part.

**Commencement Information**

- I22** S. 71 in force at 1.10.2011 by [S.I. 2011/2196](#), **art. 2(1)(c)**

#### **72 “Licensable body”**

- (1) A body (“B”) is a licensable body if a non-authorised person—
- (a) is a manager of B, or
  - (b) has an interest in B.
- (2) A body (“B”) is also a licensable body if—
- (a) another body (“A”) is a manager of B, or has an interest in B, and
  - (b) non-authorised persons are entitled to exercise, or control the exercise of, at least 10% of the voting rights in A.
- (3) For the purposes of this Act, a person has an interest in a body if—
- (a) the person holds shares in the body, or
  - (b) the person is entitled to exercise, or control the exercise of, voting rights in the body.
- (4) A body may be licensable by virtue of both subsection (1) and subsection (2).
- (5) For the purposes of this Act, a non-authorised person has an indirect interest in a licensable body if the body is licensable by virtue of subsection (2) and the non-authorised person is entitled to exercise, or control the exercise of, voting rights in A.
- (6) In this Act “shares” means—

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- (a) in relation to a body with a share capital, allotted shares (within the meaning of the Companies Acts);
- (b) in relation to a body with capital but no share capital, rights to share in the capital of the body;
- (c) in relation to a body without capital, interests—
  - (i) conferring any right to share in the profits, or liability to contribute to the losses, of the body, or
  - (ii) giving rise to an obligation to contribute to the debts or expenses of the body in the event of a winding up;

and references to the holding of shares, or to a shareholding, are to be construed accordingly.

#### Commencement Information

**I23** S. 72 partly in force: s. 72 not in force at Royal Assent see s. 211; s. 72 in force for certain purposes at 31.3.2009 by S.I. 2009/503, art. 3

**I24** S. 72 in force at 1.10.2011 in so far as not already in force by S.I. 2011/2196, art. 2(1)(c)

### *Licensing authorities*

## **73 Licensing authorities and relevant licensing authorities**

- (1) In this Act “licensing authority” means—
  - (a) the Board, or
  - (b) an approved regulator which is designated as a licensing authority under Part 1 of Schedule 10 and whose licensing rules are approved for the purposes of this Act.
- (2) For the purposes of this Act—
  - (a) the Board is a licensing authority in relation to all reserved legal activities, and
  - (b) an approved regulator within subsection (1)(b) is a licensing authority in relation to any reserved legal activity in relation to which the designation is made.
- (3) The Board—
  - (a) may delegate any of its functions as a licensing authority to such persons as it considers appropriate;
  - (b) must take such steps as are necessary to ensure an appropriate financial and organisational separation between the activities of the Board that relate to the carrying out of its functions as a licensing authority and the other activities of the Board.
- (4) In this Part “relevant licensing authority”—
  - (a) in relation to a licensed body, means the licensing authority by which the licensed body is authorised to carry on an activity which is a reserved legal activity;
  - (b) in relation to an applicant for a licence, means the licensing authority to which the application is made.

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#### Commencement Information

- I25** S. 73 partly in force; s. 73 not in force at Royal Assent see s. 211; s. 73(1) in force for certain purposes at 7.3.2008 by S.I. 2008/222, art. 3
- I26** S. 73(1)(b) in force at 1.10.2011 in so far as not already in force by S.I. 2011/2196, art. 2(1)(c)
- I27** S. 73(2)(b)(4) in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

### 74 Designation of approved regulator as licensing authority

Part 1 of Schedule 10 makes provision for approved regulators to be designated, by order, as licensing authorities in relation to one or more reserved legal activities.

### 75 Automatic cancellation of designation as licensing authority

- (1) This section applies where a body is designated—
- (a) as an approved regulator in relation to a reserved legal activity (“the activity”), and
  - (b) as a licensing authority in relation to the activity.
- (2) If the Lord Chancellor makes an order under section 45 cancelling the body's designation as an approved regulator in relation to the activity, the body's designation as a licensing authority in relation to the activity is also cancelled.
- (3) The cancellation takes effect at the same time as cancellation of the body's designation as an approved regulator.

#### Commencement Information

- I28** S. 75 in force at 2.8.2010 by S.I. 2010/1118, art. 2(a)

### 76 Cancellation of designation as licensing authority by order

- (1) The Lord Chancellor may by order cancel an approved regulator's designation as a licensing authority—
- (a) in relation to all the reserved legal activities in relation to which it is designated, or
  - (b) in relation to one or more, but not all, of those reserved legal activities, with effect from a date specified in the order.
- (2) But the Lord Chancellor may only make an order under subsection (1) in accordance with a recommendation made by the Board under subsection (3) or (5).
- (3) The Board must recommend that an order is made cancelling an approved regulator's designation as a licensing authority in relation to one or more reserved legal activities, if—
- (a) the approved regulator applies to the Board for such a recommendation to be made,
  - (b) the application is made in such form and manner as may be prescribed by rules made by the Board, and is accompanied by the prescribed fee, and

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- (c) the approved regulator publishes a notice giving details of the application in accordance with such requirements as may be specified in rules made by the Board.
- (4) In this section “the prescribed fee”, in relation to an application, means the fee specified in or determined in accordance with rules made by the Board, with the consent of the Lord Chancellor.
- (5) The Board may recommend that an order is made cancelling an approved regulator's designation as a licensing authority in relation to one or more reserved legal activities if it is satisfied—
  - (a) that an act or omission of the licensing authority (or a series of such acts or omissions) has had, or is likely to have, an adverse impact on one or more of the regulatory objectives, and
  - (b) that it is appropriate to cancel the approved regulator's designation in relation to the activity or activities in question in all the circumstances of the case (including in particular the impact of cancelling the designation on the other regulatory objectives).
- (6) The Board may not determine that it is appropriate to cancel an approved regulator's designation as a licensing authority in relation to an activity or activities unless it is satisfied that the matter cannot be adequately addressed by the Board exercising the powers available to it under sections 31 to 43.
- (7) Part 2 of Schedule 10 makes further provision about the making of recommendations under subsection (5).
- (8) If the Lord Chancellor decides not to make an order in response to a recommendation made under subsection (3) or (5), the Lord Chancellor must give the Board notice of the decision and the reasons for it.
- (9) The Lord Chancellor must publish a notice given under subsection (8).

#### **Commencement Information**

- I29** S. 76 partly in force; s. 76 not in force at Royal Assent see s. 211; s. 76(3)(b)(c)(4)(7) in force at 1.1.2009 by S.I. 2008/3149, **art. 2(d)(i)**
- I30** S. 76(1)(2)(3)(a)(5)(6)(8)(9) in force at 2.8.2010 by S.I. 2010/1118, **art. 2(a)**

## **77 Cancellation of designation: further provision**

- (1) This section applies where an approved regulator (“the former authority”) has its designation as a licensing authority in relation to one or more reserved legal activities cancelled—
  - (a) by virtue of section 75, or
  - (b) by an order under section 76.
- (2) The Lord Chancellor may by order make—
  - (a) such modifications of provisions made by or under any enactment (including this Act or any enactment passed after this Act), prerogative instrument or other instrument or document, and
  - (b) such transitional or consequential provision,

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as the Lord Chancellor considers necessary or expedient in consequence of the cancellation.

- (3) The Lord Chancellor may, by order, make transfer arrangements.
- (4) “Transfer arrangements” are arrangements in accordance with which each consenting licensed body is, from the time the cancellation takes effect, treated as being authorised to carry on each protected activity by virtue of a licence issued under this Part by a licensing authority, in relation to the protected activity, which consents to the transfer arrangements.
- (5) “Consenting licensed body” means a licensed body authorised by the former authority which consents to the transfer arrangements.
- (6) The transfer arrangements—
  - (a) must make such provision as is necessary to ensure that, where a licensed body is treated under those arrangements as being authorised to carry on a protected activity by the new authority, that licensed body is subject to the licensing rules of the new authority;
  - (b) may make provision requiring amounts held by the former authority which represent amounts paid to it by way of licensing fees by the consenting licensed bodies (or a part of the amounts so held) to be paid to the new authority and treated as if they were amounts paid by those licensed bodies by way of licensing fees to the new authority.
- (7) Subsection (6)(a) is subject to any transitional provision which may be made by the transfer arrangements, including provision modifying the licensing rules of the new authority as they apply to the bodies to whom the transfer arrangements apply.
- (8) The Lord Chancellor may make an order under this section only if—
  - (a) the Board has made a recommendation in accordance with section 78, and
  - (b) the order is in the same form as, or in a form which is not materially different from, the draft order annexed to that recommendation.
- (9) For the purposes of this section—
  - (a) a licensed body is “authorised by the former authority” if immediately before the time the cancellation takes effect the body is, by virtue of a licence under this Part, authorised by the former authority to carry on an activity which is a reserved legal activity to which the cancellation relates, and
  - (b) in relation to that body—
    - (i) the activity which the body is authorised to carry on as mentioned in paragraph (a) is a “protected activity”, and
    - (ii) “the new authority” means the licensing authority by which (in accordance with transfer arrangements under subsection (4)) the body is treated as authorised to carry on a protected activity.
- (10) In this section “licensing fee”, in relation to a licensing authority, means a fee payable by a licensed body under the authority's licensing rules made in accordance with paragraph 21 of Schedule 11.

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**Commencement Information**

**I31** S. 77 in force at 2.8.2010 by S.I. 2010/1118, art. 2(a)



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## **78 The Board's power to recommend orders made under section 77**

- (1) The Board may recommend to the Lord Chancellor that the Lord Chancellor make an order under section 77 in the form of a draft order prepared by the Board and annexed to the recommendation.
- (2) Before making a recommendation under this section, the Board must publish a draft of—
  - (a) the proposed recommendation, and
  - (b) the proposed draft order.
- (3) The draft must be accompanied by a notice which states that representations about the proposals may be made to the Board within a specified period.
- (4) Before making the recommendation, the Board must have regard to any representations duly made.
- (5) If the draft order to be annexed to the recommendation differs from the draft published under subsection (2)(b) in a way which is, in the opinion of the Board, material, the Board must, before making the recommendation, publish the draft order along with a statement detailing the changes made and the reasons for those changes.

### **Commencement Information**

**I32** S. 78 in force at 2.8.2010 by S.I. 2010/1118, art. 2(a)

## **79 Cancellation of designation: powers of entry etc**

- (1) This section applies where an approved regulator (“the former authority”) has its designation in relation to one or more reserved legal activities cancelled by virtue of section 75 or an order under section 76.
- (2) The Board may request the former authority to provide assistance to the new authority and the Board, for the purpose of continuing regulation.
- (3) On an application by a person appointed by the Board to act on its behalf, a judge of the High Court, Circuit judge or justice of the peace may issue a warrant authorising that person to—
  - (a) enter and search the premises of the former authority, and
  - (b) take possession of any written or electronic records found on the premises.
- (4) A person so authorised may, for the purpose of continuing regulation, take copies of written or electronic records found on a search carried out by virtue of the warrant.
- (5) The judge or justice of the peace may not issue the warrant unless satisfied that its issue is necessary or desirable for the purpose of continuing regulation.
- (6) The Lord Chancellor must make regulations—
  - (a) specifying further matters which a judge or justice of the peace must be satisfied of, or matters which a judge or justice of the peace must have regard to, before issuing a warrant, and
  - (b) regulating the exercise of a power conferred by a warrant issued under subsection (3) or by subsection (4) (whether by restricting the circumstances

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in which a power may be exercised, by specifying conditions to be complied with in the exercise of a power, or otherwise).

- (7) Regulations under subsection (6)(b) must in particular make provision as to circumstances in which written or electronic records of which a person has taken possession by virtue of a warrant issued under subsection (3) may be copied or must be returned.
- (8) But the Lord Chancellor may not make regulations under subsection (6) unless—
  - (a) they are made in accordance with a recommendation made by the Board, or
  - (b) the Lord Chancellor has consulted the Board about the making of the regulations.
- (9) The Board must make rules as to the persons it may appoint for the purposes of subsection (3).
- (10) For the purposes of this section—
 

“authorised by the former authority”, “protected activity” and “new authority” have the same meaning as for the purposes of section 77;

“the purpose of continuing regulation” means the purpose of enabling bodies authorised by the former authority to continue to be authorised and regulated in relation to the protected activity.

#### **Commencement Information**

- I33** S. 79 partly in force; s. 79 not in force at Royal Assent see s. 211; s. 79(6)-(10) in force at 1.1.2009 by S.I. 2008/3149, art. 2(d)(i)
- I34** S. 79(1)-(5) in force at 2.8.2010 by S.I. 2010/1118, art. 2(a)

### *Appeals*

#### **80 Functions of appellate bodies**

- (1) The Lord Chancellor may by order—
  - (a) establish a body to hear and determine appeals from decisions, made by a person specified in the order in the person's capacity as a licensing authority, which are appealable under this Part or licensing rules made by the person;
  - (b) modify, or make any other provision relating to, the functions of a body within subsection (2) or any other body, for the purpose of enabling the body to hear and determine appeals from such decisions.
- (2) The bodies mentioned in subsection (1)(b) are—
  - (a) the Solicitors Disciplinary Tribunal;
  - (b) the Discipline and Appeals Committee established by the Council of Licensed Conveyancers under section 25 of the Administration of Justice Act 1985 (c. 61).
- (3) The Lord Chancellor may make an order under subsection (1) only if—
  - (a) the Board has made a recommendation in accordance with section 81,
  - (b) a draft order was annexed to the recommendation, and

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- (c) the order is in the same form as, or not materially different from, that draft order.
- (4) An order under this section may—
  - (a) make provision as to the payment of fees, and award of costs, in relation to such appeals;
  - (b) modify provisions made by or under any enactment (including this Act or any Act passed after this Act), prerogative instrument or other instrument or document.
- (5) Any provision made by an order under this section may be expressed to be conditional upon the person specified in the order being designated by an order under Part 1 of Schedule 10 as a licensing authority in relation to one or more reserved legal activities.
- (6) The powers to make an order conferred by this section are without prejudice to any powers (statutory or non-statutory) which a body may have apart from this section.

**Commencement Information**

**I35** S. 80 in force at 30.11.2010 by S.I. 2010/2842, art. 2

**81 Procedural requirements relating to recommendations under section 80**

- (1) A recommendation may be made under section 80 only with the consent of—
  - (a) the person from whose decisions the appeals are to be made, and
  - (b) where the recommendation is for an order under section 80(1)(b), the body to which appeals are to be made.
- (2) Before making a recommendation under that section, the Board must publish a draft of—
  - (a) the proposed recommendation, and
  - (b) the proposed draft order.
- (3) The draft must be accompanied by a notice which states that representations about the proposals may be made to the Board within a specified period.
- (4) Before making any recommendation, the Board must have regard to any representations duly made.
- (5) If the draft order to be annexed to the recommendation differs from the draft published under subsection (2)(b) in a way which is, in the opinion of the Board, material, the Board must, before making the recommendation, publish the draft order along with a statement detailing the changes made and the reasons for those changes.

**Commencement Information**

**I36** S. 81 in force at 30.11.2010 by S.I. 2010/2842, art. 2

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### *Policy statement*

## **82 Licensing authority policy statement**

- (1) Each licensing authority must prepare and issue a statement of policy as to how, in exercising its functions under this Part, it will comply with the requirements of section 28 (or, in the case of the Board, section 3) (duties to promote regulatory objectives etc).
- (2) A licensing authority may issue a statement under subsection (1) only with the approval of the Board (acting otherwise than in its capacity as a licensing authority or as an approved regulator).
- (3) A licensing authority may, with the approval of the Board (acting otherwise than in its capacity as a licensing authority or as an approved regulator), alter or replace a statement issued under this section.
- (4) If it does so, it must issue the altered or replacement statement.
- (5) In exercising its functions under this Part, a licensing authority must have regard to the statement issued by it under this section.
- (6) A licensing authority must publish a statement issued by it under this section.

#### **Commencement Information**

**I37** S. 82 in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(c\)](#) (with [art. 4](#))

### *Licensing rules*

## **83 Licensing rules**

- (1) The Board (acting in its capacity as a licensing authority)—
  - (a) must make suitable licensing rules before the end of the period of 12 months beginning with the day on which a licensable body first becomes entitled to make an application to it for a licence by virtue of a decision of the Board (acting otherwise than in its capacity as a licensing authority or as an approved regulator) under Schedule 12;
  - (b) may make or modify its licensing rules only with the approval of the Board (acting otherwise than in its capacity as a licensing authority or as an approved regulator).
- (2) In subsection (1)(a), “suitable licensing rules” means licensing rules which constitute suitable regulatory arrangements (within the meaning of Schedule 12) in respect of licensable bodies entitled by virtue of a decision under that Schedule to make an application to the Board for a licence.
- (3) Licensing rules made by an approved regulator have effect only at a time when the approved regulator is a licensing authority (subject to any provision made by an order under section 25).
- (4) Licensing rules of a licensing authority are rules as to—
  - (a) the licensing by the authority of licensable bodies, and

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- (b) the regulation by the licensing authority of licensable bodies licensed by it, and their managers and employees.
- (5) Licensing rules of a licensing authority must contain—
- (a) appropriate qualification regulations in respect of licensable bodies to which the licensing authority proposes to issue licences under this Part,
  - (b) provision as to how the licensing authority, when considering the regulatory objectives (in compliance with its duties under section 3(2) or 28(2)) in connection with an application for a licence, should take account of the objective of improving access to justice,
  - (c) appropriate arrangements (including conduct rules, discipline rules and practice rules) under which the licensing authority will be able to regulate the conduct of bodies licensed by it, and their managers and employees,
  - (d) appropriate indemnification arrangements,
  - (e) appropriate compensation arrangements,
  - (f) the provision required by sections 52 and 54 (resolution of regulatory conflict) (including those provisions as applied by section 103),
  - (g) the provision required by sections 112 and 145 (requirements imposed in relation to the handling of complaints), and
  - (h) any other provision required to be contained in licensing rules by this Act.
- (6) Without prejudice to the generality of subsection (4), licensing rules of a licensing authority may contain any provision authorised by this Act.
- (7) Schedule 11 makes further provision as to the contents of licensing rules.
- (8) Subsections (5) to (7) are subject to—
- (a) section 105 (which exempts trade unions from certain provisions), and
  - (b) section 106 (which provides for the modification of licensing rules in their application to bodies to which that section applies).
- (9) Licensing rules may not apply to bodies to which section 106 applies in a way which is different from the way they apply to other bodies, except by virtue of an order under that section.

#### Commencement Information

**I38** S. 83(3)-(7) in force at 2.8.2010 by S.I. 2010/1118, art. 2(a)

### Licensing

#### 84 Application for licence

- (1) A licensing authority other than the Board must determine any application for a licence which is made to it.
- (2) The Board (acting in its capacity as a licensing authority) may determine an application for a licence which is made to it only if the applicant is entitled to make the application by virtue of a decision of the Board (acting otherwise than in its capacity as a licensing authority) under Schedule 12.

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- (3) A licensing authority may not grant an application for a licence unless it is satisfied that if the licence is granted the applicant will comply with its licensing rules.
- (4) If the licensing authority grants an application for a licence, it must issue the licence as soon as reasonably practicable.
- (5) The licence has effect from the date on which it is issued.
- (6) References in this section to an application for a licence are to an application for a licence which is—
  - (a) made to a licensing authority by a licensable body, in accordance with the authority's licensing rules, and
  - (b) accompanied by the required application fee (if any).

#### Commencement Information

- I39** S. 84 partly in force; s. 84 not in force at Royal Assent see s. 211; s. 84(2) in force at 1.1.2009 by [S.I. 2008/3149](#), [art. 2\(d\)\(i\)](#)
- I40** S. 84(1)(3)-(6) in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(c\)](#) (with [arts. 3, 4](#))

## 85 Terms of licence

- (1) A licence issued under section 84 must specify—
  - (a) the activities which are reserved legal activities and which the licensed body is authorised to carry on by virtue of the licence, and
  - (b) any conditions subject to which the licence is granted.
- (2) If an order under section 106 has been made in relation to the licensed body, the licence must also specify the terms of the order.
- (3) In the case of a licensing authority other than the Board, the licence may authorise the licensed body to carry on activities which are reserved legal activities only if the licensing authority is designated in relation to the reserved legal activities in question.
- (4) A licence must be granted subject to the condition that—
  - (a) any obligation which may from time to time be imposed on the licensed body or a person within subsection (5) by or under the licensing authority's licensing rules is complied with, and
  - (b) any other obligations imposed on the licensed body or a person within that subsection by or under this or any other enactment (whether passed before or after this Act) are complied with.
- (5) The persons mentioned in subsection (4) are the managers and employees of a licensed body, and non-authorised persons having an interest or an indirect interest, or holding a material interest, in the licensed body (in their capacity as such).
- (6) A licence may be granted subject to such other conditions as the licensing authority considers appropriate.
- (7) Those conditions may include conditions as to the non-reserved activities which the licensed body may or may not carry on.

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- (8) In this Part references to the terms of the licence are to the matters listed in subsections (1) and (2).

#### Commencement Information

**I41** S. 85 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c) (with art. 4)

### 86 Modification of licence

- (1) A licensing authority may modify the terms of a licence granted by it—
- if the licensed body applies to the licensing authority, in accordance with its licensing rules, for it to do so;
  - in such other circumstances as may be specified in its licensing rules.
- (2) If a licensed body is a body to which section 106 applies, the licensing authority may modify the terms of its licence in accordance with sections 106 and 107.
- (3) A licensing authority modifies the terms of a licensed body's licence by giving the licensed body notice in writing of the modifications; and the modifications have effect from the time the licensing authority gives the licensed body the notice or such later time as may be specified in the notice.
- (4) The licensing authority's power under this section is subject to—
- section 85(3) and (4), and
  - licensing rules made under paragraph 6 of Schedule 11.

#### Commencement Information

**I42** S. 86(1)(3)(4) in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

### 87 Registers of licensed bodies

- (1) Each licensing authority must keep a register containing the names and places of business of all bodies which hold or have held licences granted by the licensing authority.
- (2) Where any licence held by a body is for the time being suspended, the licensing authority shall cause that fact to be noted in the register in the entry for that body.
- (3) A licensing authority must provide facilities for making the information contained in the entries in its register available for inspection by any person during office hours and without payment.
- (4) The Board may make rules about—
- the register to be kept by the Board under this section, and
  - the register to be kept under this section by each licensing authority designated under Part 1 of Schedule 10.
- (5) Rules under subsection (4) may in particular prescribe any further information which must be contained in an entry in the register in relation to a licensed body or former licensed body.

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**Commencement Information**

**I43** S. 87 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

**88 Evidence of status**

- (1) A certificate signed by an officer of a licensing authority appointed for the purpose and stating one of the matters within subsection (2) is, unless the contrary is proved, evidence of the facts stated in the certificate.
- (2) The matters are that any person does or does not, or did or did not at any time, hold a licence granted by the licensing authority under this Part.
- (3) A certificate purporting to be so signed is to be taken to have been so signed unless the contrary is proved.

**Commencement Information**

**I44** S. 88 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

*Ownership of licensed bodies*

**89 Ownership of licensed bodies**

Schedule 13 makes provision about the holding of certain interests in licensed bodies by non-authorised persons.

*Regulation of licensed bodies*

**90 Duties of non-authorised persons**

A non-authorised person who is an employee or manager of a licensed body, or has an interest or an indirect interest, or holds a material interest, in a licensed body, must not do anything which causes or substantially contributes to a breach by—

- (a) the licensed body, or
  - (b) an employee or manager of the licensed body who is an authorised person in relation to an activity which is a reserved legal activity,
- of the duties imposed on them by section 176.

**Commencement Information**

**I45** S. 90 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

**91 Duties of Head of Legal Practice**

- (1) The Head of Legal Practice of a licensed body must—
  - (a) take all reasonable steps to ensure compliance with the terms of the licensed body's licence, and



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- (b) as soon as reasonably practicable, report to the licensing authority any failure to comply with the terms of the licence.
- (2) Subsection (1) does not apply to the terms of the licence so far as they require compliance with licensing rules made under paragraph 20 of Schedule 11 (accounts) (as to which see section 92).
- (3) The Head of Legal Practice of a licensed body must—
  - (a) take all reasonable steps to ensure that the licensed body, and any of its employees or managers who are authorised persons in relation to an activity which is a reserved legal activity, comply with the duties imposed by section 176, and
  - (b) as soon as reasonably practicable, report to the licensing authority such failures by those persons to comply with those duties as may be specified in licensing rules.
- (4) The Head of Legal Practice of a licensed body must—
  - (a) take all reasonable steps to ensure that non-authorised persons subject to the duty imposed by section 90 in relation to the licensed body comply with that duty, and
  - (b) as soon as reasonably practicable, report to the licensing authority any failure by a non-authorised person to comply with that duty.

**Commencement Information**

**I46** S. 91 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

**92 Duties of Head of Finance and Administration**

- (1) The Head of Finance and Administration of a licensed body must take all reasonable steps to ensure compliance with licensing rules made under paragraph 20 of Schedule 11 (accounts).
- (2) The Head of Finance and Administration must report any breach of those rules to the licensing authority as soon as reasonably practicable.

**Commencement Information**

**I47** S. 92 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

**93 Information**

- (1) The relevant licensing authority in relation to a licensed body may by notice require a person within subsection (2)—
  - (a) to provide information, or information of a description, specified in the notice, or
  - (b) produce documents, or documents of a description, specified in the notice, for the purpose of enabling the licensing authority to ascertain whether the terms of the licensed body's licence are being, or have been, complied with.
- (2) The persons are—

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- (a) the licensed body;
  - (b) any manager or employee (or former manager or employee) of the licensed body;
  - (c) any non-authorised person who has an interest or an indirect interest, or holds a material interest, in the licensed body.
- (3) A notice under subsection (1)—
- (a) may specify the manner and form in which any information is to be provided;
  - (b) must specify the period within which the information is to be provided or the document produced;
  - (c) may require the information to be provided, or the document to be produced, to the licensing authority or to a person specified in the notice.
- (4) The licensing authority may, by notice, require a person within subsection (2) (or a representative of such a person) to attend at a time and place specified in the notice to provide an explanation of any information provided or document produced under this section.
- (5) The licensing authority may pay to any person such reasonable costs as may be incurred by that person in connection with—
- (a) the provision of any information, or production of any document, by that person pursuant to a notice under subsection (1), or
  - (b) that person's compliance with a requirement imposed under subsection (4).
- (6) The licensing authority, or a person specified under subsection (3)(c) in a notice, may take copies of or extracts from a document produced pursuant to a notice under subsection (1).
- (7) For the purposes of this section and section 94, references to a licensed body include a body which was, but is no longer, a licensed body.

**Commencement Information**

**I48** S. 93 in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(c\)](#)

**94 Enforcement of notices under section 93**

- (1) Where a person is unable to comply with a notice given to the person under section 93, the person must give the licensing authority a notice to that effect stating the reasons why the person cannot comply.
- (2) If a person refuses or otherwise fails to comply with a notice under section 93, the licensing authority may apply to the High Court for an order requiring the person to comply with the notice or with such directions for the like purpose as may be contained in the order.

**Commencement Information**

**I49** S. 94 in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(c\)](#)

*Status: Point in time view as at 06/10/2011. This version of this Act contains provisions that are not valid for this point in time.*

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## 95 Financial penalties

- (1) A licensing authority may, in accordance with its licensing rules, impose on a licensed body, or a manager or employee of a licensed body, a penalty of such amount as it considers appropriate.
- (2) The amount must not exceed the maximum amount prescribed under subsection (3).
- (3) The Board must make rules prescribing the maximum amount of a penalty which may be imposed under this section.
- (4) Rules may be made under subsection (3) only with the consent of the Lord Chancellor.
- (5) A penalty under this section is payable to the licensing authority.
- (6) For the purposes of this section—
  - (a) references to a licensed body are to a body which was a licensed body at the time the act or omission in respect of which the penalty is imposed occurred, and
  - (b) references to a manager or employee of a licensed body are to a person who was a manager or employee of a licensed body at that time,(whether or not the body subsequently ceased to be a licensed body or the person subsequently ceased to be a manager or employee).
- (7) In sections 96 and 97 references to a “penalty” are to a penalty under this section.

### Commencement Information

- 150** S. 95 partly in force; s. 95 not in force at Royal Assent see s. 211; s. 95(3)(4) in force at 1.1.2009 by [S.I. 2008/3149](#), [art. 2\(d\)\(i\)](#)
- 151** S. 95(1)(2)(5)-(7) in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(c\)](#)

## 96 Appeals against financial penalties

- (1) A person on whom a penalty is imposed under section 95 may, before the end of such period as may be prescribed by rules made by the Board, appeal to the relevant appellate body on one or more of the appeal grounds.
- (2) The appeal grounds are—
  - (a) that the imposition of the penalty is unreasonable in all the circumstances of the case;
  - (b) that the amount of the penalty is unreasonable;
  - (c) that it is unreasonable of the licensing authority to require the penalty imposed or any portion of it to be paid by the time or times by which it was required to be paid.
- (3) On any such appeal, where the relevant appellate body considers it appropriate to do so in all the circumstances of the case and is satisfied of one or more of the appeal grounds, that body may—
  - (a) quash the penalty,
  - (b) substitute a penalty of such lesser amount as it considers appropriate, or
  - (c) in the case of the appeal ground in subsection (2)(c), substitute for any time imposed by the licensing authority a different time or times.

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- (4) Where the relevant appellate body substitutes a penalty of a lesser amount it may require the payment of interest on the substituted penalty at such rate, and from such time, as it considers just and equitable.
- (5) Where the relevant appellate body specifies as a time by which the penalty, or a portion of the penalty, is to be paid a time before the determination of the appeal under this section it may require the payment of interest on the penalty, or portion, from that time at such rate as it considers just and equitable.
- (6) A party to the appeal may appeal to the High Court on a point of law arising from the decision of the relevant appellate body, but only with the permission of the High Court.
- (7) The High Court may make such order as it thinks fit.
- (8) Except as provided by this section, the validity of a penalty is not to be questioned by any legal proceedings whatever.

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

- C4** S. 96 modified (with effect in accordance with art. 2 of the amending S.I.) by [Legal Services Act 2007 \(Appeals from Licensing Authority Decisions\) Order 2011 \(S.I. 2011/1712\)](#), arts. 2(1), 5, [Sch. para. 1](#)

**Commencement Information**

- I52** S. 96 partly in force; s. 96 not in force at Royal Assent see s. 211; s. 96(1) in force at 1.1.2009 by [S.I. 2008/3149](#), [art. 2\(d\)\(i\)](#)
- I53** S. 96(2)-(8) in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(c\)](#)

**97 Recovery of financial penalties**

- (1) If the whole or any part of a penalty is not paid by the time by which, in accordance with licensing rules, it is required to be paid, the unpaid balance from time to time carries interest at the rate for the time being specified in section 17 of the Judgments Act 1838 (c. 110).
- (2) Where a penalty, or any portion of it, has not been paid by the time by which, in accordance with licensing rules, it is required to be paid and—
  - (a) no appeal relating to the penalty has been made under section 96 during the period within which such an appeal can be made, or
  - (b) an appeal has been made under that section and determined or withdrawn,
 the licensing authority may recover from the person on whom the penalty was imposed, as a debt due to the licensing authority, any of the penalty and any interest which has not been paid.
- (3) A licensing authority must pay into the Consolidated Fund any sum received by it as a penalty (or as interest on a penalty).

**Commencement Information**

- I54** S. 97 in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(c\)](#)

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## 98 Referral of employees etc to appropriate regulator

- (1) The relevant licensing authority may refer to an appropriate regulator any matter relating to the conduct of—
  - (a) an employee or manager of a licensed body;
  - (b) a person designated as a licensed body's Head of Legal Practice or Head of Finance and Administration.
- (2) The licensing authority may also refer any matter relating to the conduct of such a person to the Board.
- (3) Appropriate regulators are—
  - (a) if the person is an authorised person in relation to a reserved legal activity, any relevant approved regulator in relation to that person, and
  - (b) if the person carries on non-reserved activities, any person who exercises regulatory functions in relation to the carrying on of such activities by the person.

### Commencement Information

**I55** S. 98 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

## 99 Disqualification

- (1) A licensing authority may in accordance with its licensing rules disqualify a person from one or more of the activities mentioned in subsection (2) if—
  - (a) the disqualification condition is satisfied in relation to the person, and
  - (b) the licensing authority is satisfied that it is undesirable for the person to engage in that activity or those activities.
- (2) The activities are—
  - (a) acting as Head of Legal Practice of any licensed body,
  - (b) acting as Head of Finance and Administration of any licensed body,
  - (c) being a manager of any licensed body, or
  - (d) being employed by any licensed body.
- (3) The disqualification condition is satisfied in relation to a person if, in relation to a licensed body licensed by the licensing authority, the person (intentionally or through neglect)—
  - (a) breaches a relevant duty to which the person is subject, or
  - (b) causes, or substantially contributes to, a significant breach of the terms of the licensed body's licence.
- (4) The relevant duties are—
  - (a) the duties imposed on a Head of Legal Practice by section 91,
  - (b) the duties imposed on a Head of Finance and Administration by section 92,
  - (c) the duties imposed by section 176 on regulated persons (within the meaning of that section), and
  - (d) the duty imposed on non-authorised persons by section 90.

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**Commencement Information**

**I56** S. 99 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

**100 Lists of disqualified persons**

- (1) The Board must keep lists of persons who are disqualified from—
  - (a) acting as Head of Legal Practice of any licensed body,
  - (b) acting as Head of Finance and Administration of any licensed body,
  - (c) being a manager of any licensed body, or
  - (d) being employed by any licensed body.
- (2) A person is disqualified from acting in a way mentioned in subsection (1) if—
  - (a) the person has been disqualified from so acting by a licensing authority under section 99, and
  - (b) the disqualification continues in force.
- (3) The disqualification ceases to be in force if the appropriate licensing authority so determines, on a review or otherwise, in accordance with licensing rules made under paragraph 23 of Schedule 11.
- (4) The appropriate licensing authority is—
  - (a) the licensing authority which disqualified the person, or
  - (b) if the person was disqualified by an approved regulator which is no longer designated as a licensing authority, the successor licensing authority.
- (5) The successor licensing authority is—
  - (a) the licensing authority which licenses the body in relation to which the disqualification condition (within the meaning of section 99) was satisfied in respect of the person, or
  - (b) if there is no such licensing authority, the licensing authority designated by the Board on an application by the disqualified person.
- (6) The Board must publish the lists kept by it under subsection (1).

**Commencement Information**

**I57** S. 100 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

**101 Suspension and revocation of licence**

- (1) A licensing authority may, in accordance with its licensing rules, suspend or revoke any licence granted by it under this Part.
- (2) A licence is to be treated as not being in force at any time while it is suspended under this section.

**Commencement Information**

**I58** S. 101 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

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## 102 Intervention

Schedule 14 confers powers of intervention on licensing authorities.

### Commencement Information

**I59** S. 102 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

PROSPECTIVE

## 103 Regulatory conflict and the Board as licensing authority

- (1) Sections 52 and 54 (regulatory conflict between approved regulators and between approved regulators and other regulators) apply in relation to the Board in its capacity as a licensing authority and its licensing rules as they apply in relation to an approved regulator (including the Board in its capacity as approved regulator) and its regulatory arrangements.
- (2) Section 68 (regulatory conflict and the Board as approved regulator) applies in relation to the Board in its capacity as a licensing authority and its licensing rules as it applies in relation to the Board in its capacity as an approved regulator and its regulatory arrangements.

## 104 Prevention of regulatory conflict: accounts rules

- (1) Where a licensed body carries on an activity through a solicitor, the rules made under paragraph 20 of Schedule 11 apply instead of those made under sections 32 to 34 of the Solicitors Act 1974 (c. 47).
- (2) Where a licensed body carries on an activity through a licensed conveyancer, the rules made under paragraph 20 of Schedule 11 apply instead of those made under sections 22 and 23 of the Administration of Justice Act 1985 (c. 61).

### Commencement Information

**I60** S. 104 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

*Special kinds of body*

PROSPECTIVE

## 105 Trade union exemptions

- (1) Paragraphs 11 to 14 of Schedule 11 (Head of Legal Practice and Head of Finance and Administration) do not apply in relation to a licensed body which is an independent trade union.

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- (2) Schedule 13 (ownership) does not apply in relation to an applicant for a licence, or a licensed body, which is an independent trade union.

PROSPECTIVE

## 106 Power to modify application of licensing rules etc to special bodies

- (1) This section applies to a licensed body (or an applicant for a licence) which is—
- (a) an independent trade union,
  - (b) a not for profit body,
  - (c) a community interest company,
  - (d) a low-risk body (see section 108), or
  - (e) a body of such other description as may be prescribed by order made by the Lord Chancellor on the recommendation of the Board.
- (2) A body to which this section applies may apply to the relevant licensing authority, in accordance with its licensing rules, for the authority to make an order under this section.
- (3) The licensing authority may make one or both of the following orders—
- (a) that the authority's licensing rules apply in relation to the body with such modifications as may be specified in the order;
  - (b) that Schedule 13 does not apply in relation to the body, or applies in relation to the body with such modifications as may be specified in the order.
- (4) On an application under subsection (2), the licensing authority may make any order which the authority—
- (a) has power to make under subsection (3), and
  - (b) considers appropriate in all the circumstances of the case, whether or not it is the order for which the applicant applied.
- (5) In deciding what order (if any) is appropriate in all the circumstances of the case, the licensing authority must in particular have regard to—
- (a) the reserved legal activities and non-reserved activities which the body carries on (or proposes to carry on),
  - (b) the nature of the persons to whom the body provides (or proposes to provide) services,
  - (c) any non-authorised persons who have an interest or an indirect interest in the licensed body or hold a material interest in the licensed body, or are managers of the body, and
  - (d) any other matter specified in the authority's licensing rules.
- (6) If the licensing authority makes an order under subsection (3), the authority's licensing rules or Schedule 13 or both (as the case may be) have effect in relation to that body in accordance with that order.
- (7) The licensing authority may not make an order under subsection (3)(a) in relation to provisions of its licensing rules made in accordance with the following paragraphs of Schedule 11—
- (a) paragraphs 2 and 3 (determination and review of applications for a licence);



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- (b) paragraphs 7 and 8 (applications under this section);
  - (c) paragraphs 9(3), 18 and 23 (disqualifications);
  - (d) paragraph 10(2) (management);
  - (e) paragraph 16 (carrying on of licensed activities);
  - (f) paragraph 24(1), (2), (3) and (8) (grounds for suspending and revoking licences);
  - (g) paragraph 24(10) and (11) (procedure for suspending or revoking licence);
  - (h) paragraph 26(2) (review of decision to suspend or revoke licence).
- (8) The licensing authority may not make an order under subsection (3)(a) which results in its licensing rules, as they apply in relation to the body to which the order relates, not making the provision required by—
- (a) section 83(5)(a) to (g);
  - (b) paragraph 1 of Schedule 11 (applications for licences);
  - (c) paragraph 4(3) of that Schedule (renewal of licences);
  - (d) paragraph 6 of that Schedule (modification of licence);
  - (e) paragraph 20 of that Schedule (accounts).
- (9) If the licensing authority's licensing rules, as they apply in relation to a body to which an order under subsection (3)(a) relates, make provision requiring the body to have—
- (a) a Head of Legal Practice approved by the licensing authority, or
  - (b) a Head of Finance and Administration approved by the licensing authority,
- they must also provide for a review by the licensing authority of any decision by it to refuse or withdraw that approval.

PROSPECTIVE

### 107 Modifications under section 106: supplementary

- (1) This section applies where a licensing authority has made an order under section 106 in relation to a body to which that section applies.
- (2) The licensing authority must revoke the order under section 106 if it becomes aware that the body in respect of which the order was made is no longer a body to which that section applies.
- (3) The licensing authority may revoke or otherwise modify an order under section 106—
  - (a) on the application of the body in relation to which the order was made, or
  - (b) of its own motion.
- (4) It may do so only if it considers it appropriate to do so in all the circumstances of the case, having regard to the matters mentioned in section 106(5).

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PROSPECTIVE

**108 “Low risk body”**

- (1) A body (“B”) is a low risk body if the management condition and the ownership condition are satisfied in relation to it.
- (2) The management condition is that the number of managers of the body who are within subsection (4) is less than 10% of the total number of managers.
- (3) The ownership condition is that—
  - (a) the proportion of shares in B held by persons within subsection (4) is less than 10%, and
  - (b) the proportion of the voting rights in B which such persons are entitled to exercise, or control the exercise of, is less than 10%, and
  - (c) if B has a parent undertaking (“P”)—
    - (i) the proportion of shares in P held by such persons is less than 10%, and
    - (ii) the proportion of the voting rights in P which such persons are entitled to exercise, or control the exercise of, is less than 10%.
- (4) The persons within this subsection are—
  - (a) non-authorized persons;
  - (b) licensed bodies.
- (5) For the purposes of this section “parent undertaking” has the same meaning as in the Financial Services and Markets Act 2000 (c. 8) (see section 420 of that Act).

**109 Foreign bodies**

The Lord Chancellor may by order make provision for the modification of any provision of this Part in its application to a body of persons formed under, or in so far as the body is recognised by, law having effect outside England and Wales.

**Commencement Information**

**I61** S. 109 partly in force: s. 109 not in force at Royal Assent see s. 211; s. 109 in force for certain purposes at 31.3.2009 by S.I. 2009/503, art. 3

*Supplementary provision*

**110 Reporting requirements relating to Part 5**

- (1) The Board's annual report must deal with how, in the Board's opinion, the activities of licensing authorities and licensed bodies have affected the regulatory objectives.
- (2) This section does not apply to an annual report for a financial year before the first financial year in which a licence is issued under this Part.

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- (3) In this section “annual report” and “financial year” have the same meaning as in section 6.

#### Commencement Information

**I62** S. 110 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

## 111 Interpretation of Part 5

- (1) In this Part—

“licensed activity”, in relation to a licensed body, means an activity—

- (a) which is a reserved legal activity, and
- (b) which the licensed body is authorised to carry on by virtue of its licence;

“non-authorised person” means a person who is not within subsection (2);

“non-reserved activity” means an activity which is not a reserved legal activity;

“relevant appellate body”, in relation to decisions made by a licensing authority under this Part, means the body having power to hear appeals from those decisions (whether by virtue of an order under section 80 or otherwise).

- (2) The following persons are within this subsection—

- (a) an authorised person in relation to an activity which constitutes a reserved legal activity,
- (b) a registered foreign lawyer (within the meaning of section 89 of the Courts and Legal Services Act 1990 (c. 41)),
- (c) a person entitled to pursue professional activities under a professional title to which the Directive applies in a state to which the Directive applies (other than the title of barrister or solicitor in England and Wales),
- (d) a body which provides professional services such as are provided by persons within paragraph (a) or lawyers of other jurisdictions, and all the managers of which and all the persons with an interest in which—
  - (i) are within paragraphs (a) to (c), or
  - (ii) are bodies in which persons within paragraphs (a) to (c) are entitled to exercise, or control the exercise of, more than 90% of the voting rights.

- (3) In subsection (2)(c) “the Directive” means Directive 98/5/EC of the European Parliament and the Council, to facilitate practice of the profession of lawyer on a permanent basis in a Member State other than that in which the qualification was obtained.

#### Commencement Information

**I63** S. 111 in force at 1.10.2011 by S.I. 2011/2196, art. 2(1)(c)

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## PART 6

### LEGAL COMPLAINTS

#### *Complaints procedures of authorised persons*

#### 112 Complaints procedures of authorised persons

- (1) The regulatory arrangements of an approved regulator must make provision requiring each relevant authorised person—
  - (a) to establish and maintain procedures for the resolution of relevant complaints, or
  - (b) to participate in, or make arrangements to be subject to, such procedures established and maintained by another person, and provision for the enforcement of that requirement.
- (2) The provision made for the purposes of subsection (1) must satisfy such requirements as the Board may, from time to time, specify for the purposes of that subsection.
- (3) In this section—
 

“relevant authorised person”, in relation to an approved regulator, means a person in relation to whom the approved regulator is a relevant approved regulator;

“relevant complaint”, in relation to a relevant authorised person, means a complaint which—

  - (a) relates to an act or omission of that person, and
  - (b) may be made under the scheme provided for by this Part.
- (4) The Board must publish any requirements specified by it for the purposes of subsection (2).
- (5) This section applies in relation to the licensing rules of the Board as it applies in relation to the regulatory arrangements of an approved regulator except that subsection (3) has effect as if for the definition of “relevant authorised person” there were substituted—
 

““relevant authorised person”, in relation to the Board, means a person licensed by the Board under Part 5;”.

#### Commencement Information

- I64** S. 112 partly in force; s. 112 not in force at Royal Assent see s. 211; s. 112(2)(4) in force at 1.1.2009 by S.I. 2008/3149, art. 2(e)(i)
- I65** S. 112(1)(3) in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

#### *Overview of the scheme*

#### 113 Overview of the scheme

- (1) This Part provides for a scheme under which complaints which—

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- (a) relate to an act or omission of a person (“the respondent”) in carrying on an activity, and
  - (b) are within the jurisdiction of the scheme (see section 125),may be resolved quickly and with minimum formality by an independent person.
- (2) Under the scheme—
  - (a) redress may be provided to the complainant, but
  - (b) no disciplinary action may be taken against the respondent.
- (3) Section 157 prevents provision relating to redress being included in the regulatory arrangements of an approved regulator, or licensing rules made by the Board in its capacity as a licensing authority.
- (4) But neither the scheme nor any provision made by this Part affects any power of an approved regulator, or the Board in its capacity as a licensing authority, to take disciplinary action.
- (5) “Disciplinary action” means the imposition of sanctions, in respect of a breach of conduct rules or discipline rules, on a person who is an authorised person in relation to an activity which is a reserved legal activity.

#### **Commencement Information**

**166** S. 113 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a) (with art. 5) (as amended (30.9.2011) by S.I. 2011/2196, art. 6)

### *The Office for Legal Complaints*

#### **114 The Office for Legal Complaints**

- (1) There is to be a body corporate called the Office for Legal Complaints (in this Act referred to as “the OLC”).
- (2) Schedule 15 is about the OLC.

#### **115 The ombudsman scheme**

- (1) The scheme provided for by this Part is to be administered by the OLC in accordance with this Part and with scheme rules made under this Part.
- (2) In this Part “scheme rules” means rules made by the OLC.
- (3) The scheme is to be operated under a name (which must include the word “ombudsman”) chosen by the OLC, and is referred to in this Act as “the ombudsman scheme”.

#### **116 General obligations**

- (1) In discharging its functions the OLC must comply with the requirements of this section.
- (2) The OLC must, so far as is reasonably practicable, act in a way—
  - (a) which is compatible with the regulatory objectives, and

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(b) which it considers most appropriate for the purpose of meeting those objectives.

(3) The OLC must have regard to any principles appearing to it to represent the best practice of those who administer ombudsman schemes.

### **117 Corporate governance**

In managing its affairs, the OLC must have regard to such generally accepted principles of good corporate governance as it is reasonable to regard as applicable to it.

### **118 Annual report**

- (1) The OLC must prepare a report (“the annual report”) for each financial year.
- (2) The annual report must deal with—
  - (a) the discharge of the functions of the OLC,
  - (b) the extent to which, in the OLC's opinion, the OLC has met the regulatory objectives, and
  - (c) such other matters as the Board may from time to time direct.
- (3) The OLC must include in the annual report a copy of the report prepared by the Chief Ombudsman under section 123 for the financial year in question.
- (4) As soon as reasonably practicable after the end of each financial year, the OLC must give the Board a copy of the annual report prepared for that year.
- (5) The Board must give a copy of the annual report to the Lord Chancellor.
- (6) The Lord Chancellor must lay a copy of the annual report before Parliament.
- (7) In this section “financial year” means—
  - (a) the period beginning with the day on which the OLC is established and ending with the next following 31 March, and
  - (b) each successive period of 12 months.

### **119 Supplementary powers**

The OLC may do anything calculated to facilitate, or incidental or conducive to, the carrying out of any of its functions.

### **120 Reporting to the Board**

- (1) The Board may require the OLC to prepare and give the Board, within a specified period, a report in respect of any specified matter relating to the functions of the OLC.
- (2) In subsection (1) “specified” means specified in the requirement.
- (3) The Board must publish any report given to it under this section.

### **121 Performance targets and monitoring**

- (1) The Board may—

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- (a) set one or more performance targets relating to the performance by the OLC of any of its functions, or
  - (b) direct the OLC to set one or more performance targets relating to the performance by the OLC of any of its functions.
- (2) A direction under subsection (1)(b) may impose conditions with which the performance targets must conform.
- (3) The Board must publish any target set or direction given by it under this section.
- (4) The OLC must publish any target set by it pursuant to a direction under subsection (1)(b).
- (5) The Board may take such steps as it regards as appropriate to monitor the extent to which any performance target set under this section is being, or has been, met.

### *The ombudsmen*

## **122 Appointment of the Chief Ombudsman and assistant ombudsmen**

- (1) The OLC—
  - (a) must appoint a person to act as Chief Ombudsman for the purposes of the ombudsman scheme, and
  - (b) may, with the consent of the Chief Ombudsman, appoint one or more other persons to act as assistant ombudsmen for those purposes.
- (2) The person appointed under subsection (1)(a) must be a lay person.
- (3) It is a condition of an appointment under subsection (1)(b) that the person appointed must not during the appointment carry on any activity which is a reserved legal activity for or in expectation of any fee, gain or reward.
- (4) Each person appointed under subsection (1)(a) or (b) must be a person appearing to the OLC to have appropriate qualifications and experience to act as an ombudsman for the purposes of the ombudsman scheme.
- (5) In this Act a reference to an “ombudsman” (except in the expressions “ombudsman scheme”, “Chief Ombudsman” and “assistant ombudsman”) is a reference to the Chief Ombudsman or an assistant ombudsman.
- (6) A person's appointment as Chief Ombudsman ceases if that person ceases to be a lay person.
- (7) The terms and conditions on which a person is appointed as an assistant ombudsman must specify the consequences of a breach of the condition imposed by subsection (3).
- (8) Subject to that, a person's appointment as an ombudsman is to be on such terms and conditions (including terms as to the duration and termination of a person's appointment and as to remuneration) as the OLC considers—
  - (a) consistent with ensuring the independence of the person appointed, and
  - (b) otherwise appropriate.
- (9) Appointment as an ombudsman does not confer the status of Crown servant.
- (10) In this section “lay person” has the same meaning as in Schedule 15.

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### 123 Annual report of Chief Ombudsman

- (1) The Chief Ombudsman must prepare a report for each financial year on the discharge of the functions of the ombudsmen.
- (2) A report under this section must comply with any requirements specified by the OLC.
- (3) The OLC must publish any requirements specified for the purposes of subsection (2).
- (4) As soon as reasonably practicable after the end of each financial year, the Chief Ombudsman must give the OLC a copy of the report prepared under this section for the year.
- (5) In this section “financial year” has the meaning given by section 118(7).

### 124 Additional reports of Chief Ombudsman

- (1) The OLC may require the Chief Ombudsman to prepare and give the OLC, within a specified period, a report in respect of any specified matter relating to the functions of the ombudsmen.
- (2) In subsection (1) “specified” means specified in the requirement.

#### *Jurisdiction and operation of the ombudsman scheme*

### 125 Jurisdiction of the ombudsman scheme

- (1) A complaint which relates to an act or omission of a person (“the respondent”) in carrying on an activity is within the jurisdiction of the ombudsman scheme if—
  - (a) the complaint is not excluded from the jurisdiction of the scheme by section 126, or by scheme rules made under section 127,
  - (b) the respondent is within section 128, and
  - (c) the complainant is within section 128 and wishes to have the complaint dealt with under the scheme.
- (2) In subsection (1) references to an act or omission include an act or omission which occurs before the coming into force of this section.
- (3) The right of a person to make a complaint under the ombudsman scheme, and the jurisdiction of an ombudsman to investigate, consider and determine a complaint, may not be limited or excluded by any contract term or by notice.

#### **Commencement Information**

**I67** S. 125 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### 126 Complaints excluded because respondent's complaints procedures not used

- (1) A complaint is excluded from the jurisdiction of the ombudsman scheme if the complainant has not first used the respondent's complaints procedures in relation to the complaint.



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- (2) The respondent's complaints procedures are the procedures established by the respondent, or which the respondent participates in or is subject to, in accordance with regulatory arrangements (or licensing rules of the Board) made in accordance with section 112.
- (3) Scheme rules may provide that subsection (1) does not apply in specified circumstances.

#### Commencement Information

- I68** S. 126 partly in force; s. 126 not in force at Royal Assent see s. 211; s. 126(3) in force at 1.1.2009 by S.I. 2008/3149, art. 2(e)(i)
- I69** S. 126(1)(2) in force at 6.10.2010 by S.I. 2010/2089, art. 2(a) (with art. 5) (as amended (30.9.2011) by S.I. 2011/2196, art. 6)

### 127 Complaints excluded by scheme rules

- (1) Scheme rules may make provision excluding complaints of a description specified in the rules from the jurisdiction of the ombudsman scheme.
- (2) But they may not make provision excluding a complaint from the jurisdiction of the ombudsman scheme on the ground that it relates to a matter which has been or could be dealt with under the disciplinary arrangements of the respondent's relevant authorising body.

### 128 Parties

- (1) The respondent is within this section if, at the relevant time, the respondent was an authorised person in relation to an activity which was a reserved legal activity (whether or not the act or omission relates to a reserved legal activity).
- (2) The complainant ("C") is within this section if C—
  - (a) meets the first and second conditions, and
  - (b) is not excluded by subsection (5).
- (3) The first condition is that C is—
  - (a) an individual, or
  - (b) a person (other than an individual) of a description prescribed by order made by the Lord Chancellor in accordance with a recommendation made under section 130.
- (4) The second condition is that—
  - (a) the services to which the complaint relates were provided by the respondent to C;
  - (b) the services to which the complaint relates were provided by the respondent to an authorised person who procured them on C's behalf;
  - (c) the services to which the complaint relates were provided by the respondent—
    - (i) in the respondent's capacity as a personal representative or trustee, or
    - (ii) to a person acting as a personal representative or trustee,and C is a beneficiary of the estate or trust in question; or

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- (d) C satisfies such other conditions, in relation to the services to which the complaint relates, as may be prescribed by order made by the Lord Chancellor in accordance with a recommendation made under section 130.
- (5) C is excluded if, at the relevant time—
- (a) C was an authorised person in relation to an activity which was a reserved legal activity and the services to which the complaint relates were procured by C on behalf of another person,
  - (b) C was a public body or was acting on behalf of such a body in relation to the services to which the complaint relates, or
  - (c) C was a person prescribed, or of a description prescribed, as excluded by order made by the Lord Chancellor in accordance with a recommendation made under section 130.
- (6) In subsection (4)(b) “authorised person” means an authorised person in relation to any activity which is a reserved legal activity.
- (7) In this section—
- “public body” means any government department, local authority or other body constituted for purposes of the public services, local government or the administration of justice;
- “relevant time”, in relation to a complaint, means the time when the act or omission to which the complaint relates took place.

#### Commencement Information

**I70** S. 128 partly in force; s. 128 not in force at Royal Assent see s. 211; s. 128(3)(b)(4)(d)(5)(c) in force at 1.1.2009 by S.I. 2008/3149, **art. 2(e)(i)**

**I71** S. 128(1)(2)(3)(a)(4)(a)-(c)(5)(a)(b)(6)(7) in force at 6.10.2010 by S.I. 2010/2089, **art. 2(a)**

## 129 Pre-commencement acts and omissions

- (1) For the purposes of section 128 a person is to be regarded as an authorised person in relation to an activity which is a reserved legal activity, at a time before section 125 comes into force, if the person was at that time—
- (a) a person of the kind mentioned in paragraph 2(4) of Schedule 15,
  - (b) a body recognised under section 9 or 32 of the Administration of Justice Act 1985 (c. 61) (recognised bodies), or
  - (c) a legal partnership, a conveyancing partnership, a patent attorney body or a trade mark attorney body.
- (2) In this section—
- “conveyancing partnership” has the meaning given by paragraph 11(5) of Schedule 5;
- “legal partnership” has the meaning given by paragraph 7(4) of that Schedule;
- “patent attorney body” has the meaning given by paragraph 14(7) of that Schedule;
- “trade mark attorney body” has the meaning given by paragraph 16(7) of that Schedule.

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#### Commencement Information

**I72** S. 129 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### 130 Orders under section 128

- (1) An interested body may, at any time, recommend to the Lord Chancellor that the Lord Chancellor make an order under section 128(3)(b), (4)(d) or (5)(c).
- (2) An interested body must, if requested to do so by the Lord Chancellor, consider whether or not it is appropriate to make a recommendation under subsection (1).
- (3) An interested body must, before making a recommendation under subsection (1)—
  - (a) publish a draft of the proposed recommendation,
  - (b) invite representations regarding the proposed recommendation, and
  - (c) consider any such representations which are made.
- (4) Where the Lord Chancellor receives a recommendation under subsection (1), the Lord Chancellor must consider whether to follow the recommendation.
- (5) If the Lord Chancellor decides not to follow the recommendation, the Lord Chancellor must publish a notice to that effect which includes the Lord Chancellor's reasons for the decision.
- (6) In this section “interested body” means—
  - (a) the OLC,
  - (b) the Board, or
  - (c) the Consumer Panel.

### 131 Acts and omissions by employees etc

- (1) For the purposes of this Part and the ombudsman scheme, any act or omission by a person in the course of the person's employment is to be treated as also an act or omission by the person's employer, whether or not it was done with the employer's knowledge or approval.
- (2) For the purposes of this Part and the ombudsman scheme, any act or omission by a partner in a partnership in the course of carrying on, in the usual way, business of the kind carried on by the partnership is to be treated as also an act or omission by the partnership.
- (3) But subsection (2) does not apply if the partner had no authority to act for the partnership and the person purporting to rely on that subsection knew, at the time of the act or omission, that the partner had no such authority.

#### Commencement Information

**I73** S. 131 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

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### **132 Continuity of complaints**

- (1) The ability of a person to make a complaint about an act or omission of a partnership or other unincorporated body is not affected by any change in the membership of the partnership or body.
- (2) Scheme rules must make provision determining the circumstances in which, for the purposes of the ombudsman scheme, an act or omission of a person (“A”) is, where A ceases to exist and another person (“B”) succeeds to the whole or substantially the whole of the business of A, to be treated as an act or omission of B.
- (3) Rules under subsection (2) must, in relation to cases where an act or omission of A is treated as an act or omission of B, make provision about the treatment of complaints under the ombudsman scheme which are outstanding against A at the time A ceases to exist.
- (4) Scheme rules must make provision permitting such persons as may be specified in the rules to continue a complaint made by a person who has died or is otherwise unable to act; and for that purpose may modify references to the complainant in this Part and in scheme rules.

### **133 Operation of the ombudsman scheme**

- (1) Scheme rules must set out the procedure for—
  - (a) the making of complaints under the ombudsman scheme, and
  - (b) the investigation, consideration and determination of complaints by an ombudsman.
- (2) Scheme rules—
  - (a) must provide that a complaint is to be entertained under the ombudsman scheme only if the complainant has made the complaint under that scheme before the applicable time limit (determined in accordance with the scheme rules) has expired, and
  - (b) may provide that an ombudsman may extend that time limit in specified circumstances.
- (3) Scheme rules made under subsection (1) may (among other things) make provision—
  - (a) for the whole or part of a complaint to be dismissed, in specified circumstances, without consideration of its merits;
  - (b) for the reference of a complaint, in specified circumstances and with the consent of the complainant, to another body with a view to it being determined by that body instead of by an ombudsman;
  - (c) for a person who, at the relevant time (within the meaning of section 128(7)) was an authorised person in relation to an activity to be treated in specified circumstances, for the purposes of the scheme and this Part, as if that person were a co-respondent in relation to a complaint;
  - (d) about the evidence which may be required or admitted and the extent to which it should be oral or written;
  - (e) for requiring parties to the complaint to attend to give evidence and produce documents, and for authorising the administration of oaths by ombudsmen;
  - (f) about the matters which are to be taken into account in determining whether an act or omission was fair and reasonable;

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- (g) for an ombudsman, in such circumstances as may be specified, to award expenses to persons in connection with attendance at a hearing before an ombudsman;
  - (h) for an ombudsman to award costs against the respondent in favour of the complainant;
  - (i) for an ombudsman to award costs against the complainant or the respondent in favour of the OLC for the purpose of providing a contribution to resources deployed in dealing with the complaint, if in the ombudsman's opinion that person acted so unreasonably in relation to the complaint that it is appropriate in all the circumstances of the case to make such an award;
  - (j) for the purpose of facilitating the settlement of a complaint with the agreement of the parties to it;
  - (k) for specified persons to be notified of complaints, determinations and directions under the ombudsman scheme.
- (4) The circumstances specified under subsection (3)(a) may include the following—
- (a) the ombudsman considers the complaint or part to be frivolous or vexatious or totally without merit;
  - (b) the ombudsman considers that the complaint or part would be better dealt with under another ombudsman scheme, by arbitration or by other legal proceedings;
  - (c) the ombudsman considers that there has been undue delay in the making of the complaint or part, or the provision of evidence to support it;
  - (d) the ombudsman is satisfied that the matter which is the subject of the complaint or part has previously been dealt with under another ombudsman scheme, by arbitration or by other legal proceedings;
  - (e) the ombudsman considers that there are other compelling reasons why it is inappropriate for the complaint or part to be dealt with under the ombudsman scheme.
- (5) No person may be required by scheme rules—
- (a) to provide any information or give any evidence which that person could not be compelled to provide or give in evidence in civil proceedings before the High Court, or
  - (b) to produce any document which that person could not be compelled to produce in such proceedings.
- (6) Scheme rules may authorise an ombudsman making an award of costs in accordance with rules within subsection (3)(h) or (i) to order that the amount payable under the award bears interest, from a time specified in or determined in accordance with the order, at a rate specified in or determined in accordance with the rules.
- (7) An amount due under an award made in favour of a person by virtue of provision made under subsection (3)(g), (h) or (i) is recoverable as a debt due to that person.
- (8) In this section—
- “party”, in relation to a complaint, means—
    - (a) the complainant,
    - (b) the respondent, and
    - (c) any other person who in accordance with scheme rules is to be regarded as a party to the complaint;
  - “specified” means specified in scheme rules.

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### 134 Delegation of an ombudsman's functions

- (1) An ombudsman may delegate to a member of the OLC's staff appointed under paragraph 13 of Schedule 15—
  - (a) any function of the ombudsman in relation to the making, investigation or consideration of a complaint;
  - (b) any other function conferred on the ombudsman by or by virtue of this Part.
- (2) Nothing in subsection (1) applies to the following functions—
  - (a) the function of determining a complaint;
  - (b) the function of deciding that a complaint should be dismissed by virtue of rules under section 133(3)(a);
  - (c) the Chief Ombudsman's power to consent to the appointment of an assistant ombudsman under section 122;
  - (d) the duties imposed on the Chief Ombudsman by section 123 (Chief Ombudsman's report).

#### Commencement Information

**I74** S. 134 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### 135 Notification requirements

- (1) This section applies where a complaint—
  - (a) is excluded from the jurisdiction of the ombudsman scheme under section 126, or by virtue of scheme rules made under section 127;
  - (b) is dismissed, or referred to another body, by virtue of scheme rules;
  - (c) is settled, withdrawn or abandoned (or treated as withdrawn or abandoned by virtue of scheme rules).
- (2) The ombudsman must notify—
  - (a) the complainant;
  - (b) the respondent;
  - (c) any relevant authorising body, in relation to the respondent, notified of the complaint in accordance with rules within section 133(3)(k),
 and, in a case within subsection (1)(a) or (b), must give reasons for the exclusion, dismissal or referral.

#### Commencement Information

**I75** S. 135 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### 136 Charges payable by respondents

- (1) Scheme rules must require respondents, in relation to complaints under the ombudsman scheme, to pay to the OLC such charges as may be specified in the rules.
- (2) The rules must provide for charges payable in relation to a complaint to be waived (or wholly refunded) where—

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- (a) the complaint is determined or otherwise resolved in favour of the respondent, and
  - (b) the ombudsman is satisfied that the respondent took all reasonable steps to try to resolve the complaint under the respondent's complaints procedures.
- (3) The rules may make provision as to—
- (a) the circumstances in which a complaint is to be treated as determined or otherwise resolved in favour of the respondent (which may include circumstances where a complaint is settled, withdrawn or abandoned (or treated as withdrawn or abandoned by virtue of scheme rules));
  - (b) matters to be taken into account by the ombudsman for the purposes of subsection (2)(b).
- (4) The respondent's complaints procedures are the procedures established by the respondent, or which the respondent participates in or is subject to, in accordance with regulatory arrangements (or licensing rules of the Board) made in accordance with section 112.
- (5) The rules may, among other things—
- (a) provide for the OLC to reduce or waive a charge in such other circumstances as may be specified;
  - (b) set different charges for different stages of the proceedings on a complaint;
  - (c) provide for charges to be wholly or partly refunded in such other circumstances as may be specified;
  - (d) provide that if the whole or any part of a charge is not paid by the time by which it is required to be paid under the rules, the unpaid balance from time to time carries interest at the rate specified in, or determined in accordance with, the rules.
- (6) Any charge which is owed to the OLC by virtue of rules made under this section may be recovered as a debt due to the OLC.

#### *Determinations under the scheme*

### **137 Determination of complaints**

- (1) A complaint is to be determined under the ombudsman scheme by reference to what is, in the opinion of the ombudsman making the determination, fair and reasonable in all the circumstances of the case.
- (2) The determination may contain one or more of the following—
- (a) a direction that the respondent make an apology to the complainant;
  - (b) a direction that—
    - (i) the fees to which the respondent is entitled in respect of the services to which the complaint relates (“the fees”) are limited to such amount as may be specified in the direction, and
    - (ii) the respondent comply, or secure compliance, with such one or more of the permitted requirements as appear to the ombudsman to be necessary in order for effect to be given to the direction under subparagraph (i);
  - (c) a direction that the respondent pay compensation to the complainant of such an amount as is specified in the direction in respect of any loss which has been

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- suffered by, or any inconvenience or distress which has been caused to, the complainant as a result of any matter connected with the complaint;
- (d) a direction that the respondent secure the rectification, at the expense of the respondent, of any such error, omission or other deficiency arising in connection with the matter in question as the direction may specify;
- (e) a direction that the respondent take, at the expense of the respondent, such other action in the interests of the complainant as the direction may specify.
- (3) For the purposes of subsection (2)(b) “the permitted requirements” are—
- (a) that the whole or part of any amount already paid by or on behalf of the complainant in respect of the fees be refunded;
- (b) that the whole or part of the fees be remitted;
- (c) that the right to recover the fees be waived, whether wholly or to any specified extent.
- (4) Where—
- (a) a direction is made under subsection (2)(b) which requires that the whole or part of any amount already paid by or on behalf of the complainant in respect of the fees be refunded, or
- (b) a direction is made under subsection (2)(c),
- the direction may also provide for the amount payable under the direction to carry interest from a time specified in or determined in accordance with the direction, at the rate specified in or determined in accordance with scheme rules.
- (5) The power of the ombudsman to make a direction under subsection (2) is not confined to cases where the complainant may have a cause of action against the respondent for negligence.

#### Commencement Information

- I76** S. 137 partly in force; s. 137 not in force at Royal Assent see s. 211; s. 137(4) in force at 1.1.2009 by S.I. 2008/3149, art. 2(e)(i)
- I77** S. 137(1)-(3)(5) in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### 138 Limitation on value of directions under the ombudsman scheme

- (1) Where a determination is made under the ombudsman scheme in respect of a complaint, the total value of directions under section 137(2)(c) to (e) contained in the determination must not exceed £30,000.
- (2) For this purpose the total value of such directions is the aggregate of—
- (a) the amount of any compensation specified in a direction under subsection (2) (c) of section 137, and
- (b) the amount of any expenses reasonably incurred by the respondent when complying with a direction under subsection (2)(d) or (e) of that section.
- (3) For the purposes of determining that total value, any interest payable on an amount within subsection (2)(a) of this section, by virtue of section 137(4), is to be ignored.



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#### Commencement Information

**178** S. 138 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### 139 Alteration of limit

- (1) The Lord Chancellor may by order amend section 138(1) in accordance with a recommendation made by an interested body under subsection (2).
- (2) An interested body may, at any time, recommend to the Lord Chancellor that section 138(1) should be amended so as to substitute the amount specified in the recommendation for the amount for the time being specified in that provision.
- (3) An interested body must, if requested to do so by the Lord Chancellor, consider whether or not it is appropriate to make a recommendation under subsection (2).
- (4) An interested body must, before making a recommendation under subsection (2)—
  - (a) publish a draft of the proposed recommendation,
  - (b) invite representations regarding the proposed recommendation, and
  - (c) consider any such representations which are made.
- (5) Where the Lord Chancellor receives a recommendation under subsection (2), the Lord Chancellor must consider whether to follow the recommendation.
- (6) If the Lord Chancellor decides not to follow the recommendation, the Lord Chancellor must publish a notice to that effect which includes the Lord Chancellor's reasons for the decision.
- (7) In this section “interested body” means—
  - (a) the OLC,
  - (b) the Board, or
  - (c) the Consumer Panel.

#### Commencement Information

**179** S. 139 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### 140 Acceptance or rejection of determination

- (1) When an ombudsman has determined a complaint the ombudsman must prepare a written statement of the determination.
- (2) The statement must—
  - (a) give the ombudsman's reasons for the determination,
  - (b) be signed by the ombudsman, and
  - (c) require the complainant to notify the ombudsman, before a time specified in the statement (“the specified time”), whether the complainant accepts or rejects the determination.
- (3) The ombudsman must give a copy of the statement to—
  - (a) the complainant,

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- (b) the respondent, and
  - (c) any relevant authorising body in relation to the respondent.
- (4) If the complainant notifies the ombudsman that the determination is accepted by the complainant, it is binding on the respondent and the complainant and is final.
- (5) If, by the specified time, the complainant has not notified the ombudsman of the complainant's acceptance or rejection of the determination, the complainant is to be treated as having rejected it.
- (6) But if—
- (a) the complainant notifies the ombudsman after the specified time that the determination is accepted by the complainant,
  - (b) the complainant has not previously notified the ombudsman of the complainant's rejection of the determination, and
  - (c) the ombudsman is satisfied that such conditions as may be prescribed by the scheme rules for the purposes of this subsection are satisfied,
- the determination is treated as if it had never been rejected by virtue of subsection (5).
- (7) The ombudsman must give notice of the outcome to—
- (a) the complainant,
  - (b) the respondent, and
  - (c) any relevant authorising body in relation to the respondent.
- (8) Where a determination is rejected by virtue of subsection (5), that notice must contain a general description of the effect of subsection (6).
- (9) A copy of the determination on which appears a certificate signed by an ombudsman is evidence that the determination was made under the scheme.
- (10) Such a certificate purporting to be signed by an ombudsman is to be taken to have been duly signed unless the contrary is shown.
- (11) Neither the complainant nor the respondent, in relation to a complaint, may institute or continue legal proceedings in respect of a matter which was the subject of a complaint, after the time when a determination by an ombudsman of the complaint becomes binding and final in accordance with this section.

#### Commencement Information

**I80** S. 140 partly in force; s. 140 not in force at Royal Assent see s. 211; s. 140(6)(c) in force at 1.1.2009 by S.I. 2008/3149, art. 2(e)(i)

**I81** S. 140(1)-(5)(6)(a)(b)(7)-(11) in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### 141 Enforcement by complainant of directions under section 137

- (1) This section applies where—
- (a) a determination is made in respect of a complaint under the ombudsman scheme,
  - (b) one or more directions are made under section 137(2), and
  - (c) the determination is final by virtue of section 140(4).
- (2) An amount payable in accordance with—

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- (a) a direction under subsection (2)(b) of section 137 which requires that the whole or part of any amount already paid by or on behalf of the complainant in respect of the fees be refunded, or
  - (b) a direction under subsection (2)(c) of that section, including any interest payable by virtue of subsection (4) of that section, is recoverable, if a court so orders on the application of the complainant or an ombudsman, as if it were payable under an order of that court.
- (3) If the respondent fails to comply with any other direction under section 137(2), the complainant or an ombudsman may make an application to the court under this subsection.
- (4) If, on an application under subsection (3), the court decides that the respondent has failed to comply with the direction in question, it may order the respondent to take such steps as the court directs for securing that the direction is complied with.
- (5) An ombudsman may make an application under subsection (2) or (3) only in such circumstances as may be specified in scheme rules, and with the complainant's consent.
- (6) If the court makes an order under subsection (2) on the application of an ombudsman, the ombudsman may in such circumstances as may be specified in scheme rules and with the complainant's consent recover the amount mentioned in that subsection on behalf of the complainant.
- (7) In this section “court” means the High Court or a county court.

#### Commencement Information

- 182** S. 141 partly in force; s. 141 not in force at Royal Assent see s. 211; s. 141(5)-(7) in force at 1.1.2009 by [S.I. 2008/3149, art. 2\(e\)\(i\)](#)
- 183** S. 141(1)-(4) in force at 6.10.2010 by [S.I. 2010/2089, art. 2\(a\)](#)

## 142 Reporting court orders made against authorised persons

- (1) Where a court makes an order under section 141, it must give the OLC notice to that effect.
- (2) Where the order is made against a person who is an authorised person in relation to any activity which is a reserved legal activity, the OLC must make arrangements to ensure that an ombudsman gives to each relevant authorising body, in relation to that person, a report which states that the order has been made.
- (3) A report under subsection (2) may require the relevant authorising body to report to the ombudsman the action which has been or is to be taken by it in response to the report under subsection (2) and the reasons for that action being taken.
- (4) If an ombudsman, having regard to any report produced by the relevant authorising body in compliance with a requirement imposed under subsection (3), or any failure to comply with such a requirement, considers—
  - (a) that there has been a serious failure by the relevant authorising body to discharge its regulatory functions, or

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- (b) if such a requirement has been imposed on the body on more than one occasion, that the relevant authorising body has persistently failed adequately to discharge its regulatory functions,  
 the ombudsman may make a report to that effect to the Board.

**Commencement Information**

**184** S. 142 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

*Reporting misconduct*

**143 Reporting possible misconduct to approved regulators**

- (1) This section applies where—
- (a) an ombudsman is dealing, or has dealt, with a complaint under the ombudsman scheme, and
  - (b) the ombudsman is of the opinion that the conduct of the respondent or any other person in relation to any matter connected with the complaint is such that a relevant authorising body in relation to that person should consider whether to take action against that person.
- (2) The ombudsman must give the relevant authorising body a report which—
- (a) states that the ombudsman is of that opinion, and
  - (b) gives details of that conduct.
- (3) The ombudsman must give the complainant a notice stating that a report under subsection (2) has been given to the relevant authorising body.
- (4) A report under subsection (2) may require the relevant authorising body to report to the ombudsman the action which has been or is to be taken by it in response to the report and the reasons for that action being taken.
- (5) The duty imposed by subsection (2) is not affected by the withdrawal or abandonment of the complaint.
- (6) If an ombudsman, having regard to any report produced by the relevant authorising body in compliance with a requirement imposed under subsection (4), or any failure to comply with such a requirement, considers—
- (a) that there has been a serious failure by the relevant authorising body to discharge its regulatory functions, or
  - (b) if such a requirement has been imposed on the body on more than one occasion, that the relevant authorising body has persistently failed adequately to discharge its regulatory functions,
- the ombudsman may make a report to that effect to the Board.

**Commencement Information**

**185** S. 143 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

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### *Co-operation with investigations*

#### **144 Duties to share information**

- (1) Scheme rules must make provision requiring persons within subsection (3) to disclose to an approved regulator information of such description as may be specified in the rules, in such circumstances as may be so specified.
- (2) The regulatory arrangements of an approved regulator must make provision requiring the approved regulator to disclose to persons within subsection (3) information of such description as may be specified in the arrangements, in such circumstances as may be so specified.
- (3) The persons are—
  - (a) the OLC;
  - (b) an ombudsman;
  - (c) a member of the OLC's staff appointed under paragraph 13 of Schedule 15.
- (4) Provision made under subsection (1) or (2) must satisfy such requirements as the Board may, from time to time, specify.
- (5) In specifying requirements under subsection (4) the Board must have regard to the need to ensure that, so far as reasonably practicable—
  - (a) duplication of investigations is avoided;
  - (b) the OLC assists approved regulators to carry out their regulatory functions, and approved regulators assist with the investigation, consideration and determination of complaints under the ombudsman scheme.
- (6) The Board must publish any requirements specified by it under subsection (4).
- (7) The OLC must—
  - (a) before publishing under section 205(2) a draft of rules it proposes to make under subsection (1), consult each approved regulator to which the proposed rules apply, and
  - (b) when seeking the Board's consent to such rules under section 155, identify any objections made by an approved regulator to the rules and not withdrawn.
- (8) An approved regulator must—
  - (a) consult the OLC before making provisions in its regulatory arrangements of the kind mentioned in subsection (2), and
  - (b) where an application is made for the Board's approval of such provisions, identify any objections made by the OLC to the provisions and not withdrawn.
- (9) This section applies to the Board in its capacity as a licensing authority and licensing rules made by the Board as it applies to an approved regulator and its regulatory arrangements; and for this purpose the reference in subsection (5)(b) to “regulatory functions” is to be read as a reference to the Board's functions under its licensing rules.

#### **Commencement Information**

**186** S. 144 partly in force; s. 144 not in force at Royal Assent see s. 211; s. 144(1)(3) in force at 1.1.2009 by S.I. 2008/3149, art. 2(e)(i)

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**187** S. 144(2)(8)(9) in force at 6.10.2010 by S.I. 2010/2089, **art. 2(a)** (with **art. 5**) (as amended (30.9.2011) by S.I. 2011/2196, art. 6)

## **145 Duties of authorised persons to co-operate with investigations**

- (1) The regulatory arrangements of an approved regulator, and licensing rules made by the Board in its capacity as a licensing authority, must make—
  - (a) provision requiring each relevant authorised person to give ombudsmen all such assistance requested by them, in connection with the investigation, consideration or determination of complaints under the ombudsman scheme, as that person is reasonably able to give, and
  - (b) provision for the enforcement of that requirement.
- (2) The provision made for the purposes of subsection (1) must satisfy such requirements as the Board may, from time to time, specify for the purposes of that subsection.
- (3) The Board must publish any requirements specified by it under subsection (2).
- (4) In this section “relevant authorised person”—
  - (a) in relation to an approved regulator, has the same meaning as in section 112, and
  - (b) in relation to the Board in its capacity as a licensing authority, means a person licensed by the Board under Part 5.

### **Commencement Information**

- 188** S. 145 partly in force; s. 145 not in force at Royal Assent see s. 211; s. 145(2)(3) in force at 1.1.2009 by S.I. 2008/3149, **art. 2(e)(i)**
- 189** S. 145(1)(4) in force at 6.10.2010 by S.I. 2010/2089, **art. 2(a)** (with **art. 5**) (as amended (30.9.2011) by S.I. 2011/2196, art. 6)

## **146 Reporting failures to co-operate with an investigation to approved regulators**

- (1) This section applies where an ombudsman is of the opinion that an authorised person has failed to give an ombudsman all such assistance requested by the ombudsman, in connection with the investigation, consideration or determination of a complaint under the ombudsman scheme, as that person is reasonably able to give.
- (2) The ombudsman must give each relevant authorising body, in relation to that person, a report which—
  - (a) states that the ombudsman is of that opinion, and
  - (b) gives details of the failure.
- (3) A report under subsection (2) may require the relevant authorising body to report to the ombudsman the action which has been or is to be taken by it in response to the report under that subsection and the reasons for that action being taken.
- (4) The duty imposed by subsection (2) is not affected by the withdrawal or abandonment of the complaint.

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- (5) If an ombudsman, having regard to any report produced by the relevant authorising body in compliance with a requirement imposed under subsection (3), or any failure to comply with such a requirement, considers—
- (a) that there has been a serious failure by the relevant authorising body to discharge its regulatory functions, or
  - (b) if such a requirement has been imposed on the body on more than one occasion, that the relevant authorising body has persistently failed adequately to discharge its regulatory functions,
- the ombudsman may make a report to that effect to the Board.
- (6) In this section “authorised person” means an authorised person in relation to any activity which is a reserved legal activity.

#### Commencement Information

**190** S. 146 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### Information

#### 147 Information and documents

- (1) An ombudsman may, by notice, require a party to a complaint under the ombudsman scheme—
- (a) to produce documents, or documents of a description, specified in the notice, or
  - (b) to provide information, or information of a description, specified in the notice.
- (2) A notice under subsection (1) may require the information or documents to be provided or produced—
- (a) before the end of such reasonable period as may be specified in the notice, and
  - (b) in the case of information, in such manner or form as may be so specified.
- (3) This section applies only to information and documents the provision or production of which the ombudsman considers necessary for the determination of the complaint.
- (4) An ombudsman may—
- (a) take copies of or extracts from a document produced under this section, and
  - (b) require the person producing the document to provide an explanation of it.
- (5) If a person who is required under this section to produce a document fails to do so, an ombudsman may require that person to state, to the best of that person's knowledge and belief, where the document is.
- (6) No person may be required under this section—
- (a) to provide any information which that person could not be compelled to provide or give in evidence in civil proceedings before the High Court, or
  - (b) to produce any document which that person could not be compelled to produce in such proceedings.
- (7) In this section “party”, in relation to a complaint, means—
- (a) the complainant;

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- (b) the respondent;
- (c) any other person who in accordance with the scheme rules is to be regarded as a party to the complaint.

**Commencement Information**

**I91** S. 147 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

**148 Reporting failures to provide information or produce documents**

- (1) This section applies where an ombudsman is of the opinion that an authorised person has failed to comply with a requirement imposed under section 147(1).
- (2) The ombudsman must give each relevant authorising body, in relation to that person, a report which—
  - (a) states that the ombudsman is of that opinion, and
  - (b) gives details of the failure.
- (3) A report under subsection (2) may require the relevant authorising body to report to the ombudsman the action which has been or is to be taken by it in response to the report under that subsection and the reasons for that action being taken.
- (4) The duty imposed by subsection (2) is not affected by the withdrawal or abandonment of the complaint in relation to which the requirement was imposed under section 147(1).
- (5) If an ombudsman, having regard to any report produced by the relevant authorising body in compliance with a requirement imposed under subsection (3), or any failure to comply with such a requirement, considers—
  - (a) that there has been a serious failure by the relevant authorising body to discharge its regulatory functions, or
  - (b) if such a requirement has been imposed on the body on more than one occasion, that the relevant authorising body has persistently failed adequately to discharge its regulatory functions,
 the ombudsman may make a report to that effect to the Board.
- (6) In this section “authorised person” means an authorised person in relation to any activity which is a reserved legal activity.

**Commencement Information**

**I92** S. 148 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

**149 Enforcement of requirements to provide information or produce documents**

- (1) This section applies where an ombudsman is of the opinion that a person (“the defaulter”) has failed to comply with a requirement imposed under section 147(1).
- (2) The ombudsman may certify the defaulter's failure to comply with the requirement to the court.



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- (3) Where an ombudsman certifies a failure to the court under subsection (2), the court may enquire into the case.
- (4) If the court is satisfied that the defaulter has failed without reasonable excuse to comply with the requirement, it may deal with—
  - (a) the defaulter, and
  - (b) in the case of a body, any manager of the body,as if that person were in contempt.
- (5) Subsection (6) applies in a case where the defaulter is an authorised person in relation to any activity which is a reserved legal activity.
- (6) The ombudsman (“the enforcing ombudsman”) may not certify the defaulter's failure to the court until a report by that or another ombudsman has been made as required by section 148(2) and the enforcing ombudsman is satisfied—
  - (a) that each relevant authorising body to whom such a report was made has been given a reasonable opportunity to take action in respect of the defaulter's failure, and
  - (b) that the defaulter has continued to fail to provide the information or produce the documents to which the requirement under section 147 related.
- (7) In this section “court” means the High Court.

#### Commencement Information

**I93** S. 149 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### 150 Reports of investigations

- (1) The OLC may, if it considers it appropriate to do so in any particular case, publish a report of the investigation, consideration and determination of a complaint made under the ombudsman scheme.
- (2) A report under subsection (1) must not (unless the complainant consents)—
  - (a) mention the name of the complainant, or
  - (b) include any particulars which, in the opinion of the OLC, are likely to identify the complainant.

#### Commencement Information

**I94** S. 150 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### 151 Restricted information

- (1) Except as provided by section 152, restricted information must not be disclosed—
  - (a) by a restricted person, or
  - (b) by any person who receives the information directly or indirectly from a restricted person.
- (2) In this section and section 152—

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“restricted information” means information (other than excluded information) which is obtained by a restricted person in the course of, or for the purposes of, an investigation into a complaint made under the ombudsman scheme (including information obtained for the purposes of deciding whether to begin such an investigation or in connection with the settlement of a complaint);

“restricted person” means—

- (a) the OLC,
- (b) an ombudsman, or
- (c) a person who exercises functions delegated under paragraph 22 of Schedule 15.

(3) For the purposes of subsection (2) “excluded information” means—

- (a) information which is in the form of a summary or collection of information so framed as not to enable information relating to any particular person to be ascertained from it;
- (b) information which at the time of the disclosure is or has already been made available to the public from other sources;
- (c) information which was obtained more than 70 years before the date of the disclosure.

#### Commencement Information

**195** S. 151 partly in force: s. 151 not in force at Royal Assent see s. 211; s. 151 in force for certain purposes at 1.1.2010 by S.I. 2009/3250, art. 2(d) (with art. 9)

**196** S. 151 in force at 6.10.2010 in so far as not already in force by S.I. 2010/2089, art. 2(a)

## 152 Disclosure of restricted information

- (1) A restricted person may disclose restricted information to another restricted person.
- (2) Restricted information may be disclosed for the purposes of the investigation in the course of which, or for the purposes of which, it was obtained.
- (3) Section 151 also does not preclude the disclosure of restricted information—
  - (a) in a report made under—
    - (i) section 143(2) (report of possible misconduct to approved regulators),
    - (ii) section 146(2) (report of failure to co-operate with investigation),
    - (iii) section 148 (reporting failures to provide information or produce documents), or
    - (iv) section 150 (reports of investigations),
  - (b) for the purposes of enabling or assisting the Board to exercise any of its functions,
  - (c) to an approved regulator for the purposes of enabling or assisting the approved regulator to exercise any of its regulatory functions,
  - (d) with the consent of the person to whom it relates and (if different) the person from whom the restricted person obtained it,
  - (e) for the purposes of an inquiry with a view to the taking of any criminal proceedings or for the purposes of any such proceedings,

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- (f) where the disclosure is required by or by virtue of any provision made by or under this Act or any other enactment or other rule of law,
  - (g) to such persons (other than approved regulators) who exercise regulatory functions as may be prescribed by order made by the Lord Chancellor, for such purposes as may be so prescribed.
- (4) Subsections (2) and (3) are subject to subsection (5).
- (5) The Lord Chancellor may by order prevent the disclosure of restricted information by virtue of subsection (2) or (3) in such circumstances, or for such purposes, as may be prescribed in the order.

#### Commencement Information

- I97** S. 152 partly in force: s. 152 not in force at Royal Assent see s. 211; s. 152 in force for certain purposes at 1.1.2010 by S.I. 2009/3250, art. 2(d) (with art. 9)
- I98** S. 152 in force at 6.10.2010 in so far as not already in force by S.I. 2010/2089, art. 2(a)

### 153 Data protection

In section 31 of the Data Protection Act 1998 (c. 29) (regulatory activity), after subsection (4B) (inserted by section 170) insert—

“(4C) Personal data processed for the purposes of the function of considering a complaint under the scheme established under Part 6 of the Legal Services Act 2007 (legal complaints) are exempt from the subject information provisions in any case to the extent to which the application of those provisions to the data would be likely to prejudice the proper discharge of the function.”

#### Commencement Information

- I99** S. 153 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### Defamation

### 154 Protection from defamation claims

For the purposes of the law of defamation—

- (a) proceedings in relation to a complaint under the ombudsman scheme are to be treated as if they were proceedings before a court, and
- (b) the publication of any matter by the OLC under this Part is absolutely privileged.

#### Commencement Information

- I100** S. 154 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

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### *Scheme rules*

#### **155 Consent requirements for rules**

- (1) Before making scheme rules under any provision of this Part, the OLC must obtain—
  - (a) the consent of the Board, and
  - (b) in the case of rules under section 136 (charges payable by respondents), the consent of the Lord Chancellor.
- (2) In subsection (1) the reference to making rules includes a reference to modifying rules.

#### **156 The Board's powers in respect of rules**

- (1) The Board may direct the OLC to take such steps as are necessary—
  - (a) to modify its scheme rules in accordance with such general requirements as are specified in the direction, or
  - (b) to make a specified modification to its scheme rules.
- (2) Before giving a direction under subsection (1)(b), the Board must—
  - (a) give the OLC a notice giving details of the proposed modification and containing a statement that representations about the proposal may be made to the Board within a period specified in the notice,
  - (b) publish a copy of that notice, and
  - (c) have regard to any representations duly made.
- (3) The following provisions do not apply in relation to any modification made by the OLC to its rules in compliance with a direction under subsection (1)(b)—
  - (a) section 155(1)(a) (requirement to obtain the Board's consent to rules);
  - (b) section 205 (requirement to consult before making rules).
- (4) Where the Board revokes a direction, it must—
  - (a) give the OLC notice of the revocation, and
  - (b) publish that notice.

### *Effect on existing arrangements for redress etc*

#### **157 Approved regulators not to make provision for redress**

- (1) The regulatory arrangements of an approved regulator must not include any provision relating to redress.
- (2) If at the time this subsection comes into force the regulatory arrangements of an approved regulator contravene subsection (1), any provision relating to redress included in those regulatory arrangements ceases to have effect at that time, subject to subsection (3).
- (3) An order under section 211 which appoints a day for the coming into force of subsection (2) may include transitional provision in respect of any proceedings which, immediately before that day are awaiting determination under any provision relating to redress made by an approved regulator.

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This subsection is without prejudice to any other transitional provision which may be made by or under this Act.

- (4) For the purposes of this section “provision relating to redress” means any provision made in regulatory arrangements (whether it is statutory or non-statutory) for redress in respect of acts or omissions of authorised persons and any provision connected with such provision.
- (5) Nothing in this section prevents an approved regulator making—
  - (a) provision in its regulatory arrangements of the kind required by section 112 (requirement for authorised persons to have complaints procedures etc),
  - (b) indemnification arrangements or compensation arrangements, or
  - (c) provision which by virtue of section 158 is not prohibited by this section.
- (6) In subsection (4) “authorised person” means an authorised person in relation to any activity which is a reserved legal activity.
- (7) This section applies to licensing rules made by the Board in its capacity as a licensing authority as it applies in relation to the regulatory arrangements of an approved regulator.

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

- C5** S. 157 restricted (7.3.2008) by 1985 c. 61 s. 43(3A) (as inserted by Legal Services Act 2007 (c. 29), ss. 177, 211 {Sch. 16 para. 84(3)} (with ss. 29, 192, 193)); S.I. 2008/222, art. 2(f)
- C6** S. 157 restricted by 1985 c. 61, s. 43(3A) (as inserted (1.10.2011) by Legal Services Act 2007 (c. 29), s. 211(2), Sch. 16 para. 84(3) (with ss. 29, 192, 193); S.I. 2011/2196, art. 2(1)(f))

#### Commencement Information

- I101** S. 157(1)(2)(4)-(7) in force at 6.10.2010 by S.I. 2010/2089, art. 2(a) (with arts. 5-8) (as amended (30.9.2011) by S.I. 2011/2196, art. 6)
- I102** S. 157(3) in force at 2.8.2010 by S.I. 2010/1118, art. 2(a)

### 158 Regulatory arrangements not prohibited by section 157

- (1) Section 157 does not prohibit the regulatory arrangements of an approved regulator from making provision requiring, or authorising the approved regulator to require, a relevant authorised person—
  - (a) to investigate whether there are any persons who may have a claim against the relevant authorised person in relation to a matter specified by the approved regulator;
  - (b) to provide the approved regulator with a report on the outcome of the investigation;
  - (c) to identify persons (“affected persons”) who may have such a claim;
  - (d) to notify affected persons that they may have such a claim;
  - (e) to provide affected persons with information about the relevant authorised person's complaints procedures and the ombudsman scheme;
  - (f) to ensure that the relevant authorised person's complaints procedures operate as if an affected person had made a complaint against the relevant authorised person in respect of the act or omission to which the claim relates.

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- (2) For the purposes of subsection (1) “claim”, in relation to a relevant authorised person, means a claim for redress resulting from an act or omission of that person.
- (3) For the purposes of this section—
- (a) “relevant authorised person”, in relation to an approved regulator, means a person authorised by that approved regulator to carry on an activity which is a reserved legal activity, and
  - (b) a relevant authorised person's complaints procedures are the procedures established by that person, or which that person participates in or is subject to, in accordance with regulatory arrangements made in accordance with section 112.
- (4) This section applies in relation to the Board in its capacity as a licensing authority as it applies in relation to an approved regulator, and in relation to the Board references to regulatory arrangements are to be read as references to the Board's licensing rules.

#### Commencement Information

**I103** S. 158 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a) (with art. 5) (as amended (30.9.2011) by S.I. 2011/2196, art. 6)

### 159 Legal Services Complaints Commissioner and Legal Services Ombudsman

- (1) The offices of Legal Services Complaints Commissioner and Legal Services Ombudsman are abolished.
- (2) Accordingly—
- (a) sections 51 and 52 of, and Schedule 8 to, the Access to Justice Act 1999 (c. 22), and
  - (b) sections 21 to 26 of, and Schedule 3 to, the Courts and Legal Services Act 1990 (c. 41),
- are repealed.

#### Commencement Information

**I104** S. 159(1)(2)(b) in force at 6.10.2010 for specified purposes by S.I. 2010/2089, art. 2(a)

**I105** S. 159(2)(a) in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

**I106** S. 159(2)(b) in force at 1.1.2011 for specified purposes by S.I. 2010/2089, art. 3(a)

### Interpretation

### 160 Interpretation of Part 6

In this Part—

“complainant”, in relation to a complaint, means the person who makes the complaint;

“relevant authorising body”, in relation to a person, means—

- (a) an approved regulator by which the person is authorised to carry on an activity which is a reserved legal activity, or

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(b) where the person is authorised to carry on such an activity by the Board in its capacity as a licensing authority, the Board;

“respondent”, in relation to a complaint, is to be construed in accordance with section 125 (except that, where scheme rules of the kind mentioned in section 133(3)(c) have effect, references to the “respondent” include a person treated as a co-respondent under those rules).

VALID FROM 29/11/2018

### *Claims management services*

#### **161 Extension of Part 6 to claims management services**

- (1) For the purposes of this Part (and sections 1, 21 and 27 as they apply in relation to this Part)—
- (a) the Claims Management Services Regulator is to be treated as an approved regulator;
  - (b) regulated claims management services are to be treated as a reserved legal activity;
  - (c) a person authorised by the Claims Management Services Regulator, under Part 2 of the Compensation Act 2006 (c. 29), to provide regulated claims management services is to be treated as an authorised person in relation to that activity;
  - (d) the Claims Management Services Regulator is to be treated as a relevant authorising body in relation to such a person; and
  - (e) regulations under section 9 of, and the Schedule to, the Compensation Act 2006 (regulations about the functions of the Claims Management Services Regulator etc) are to be treated as regulatory arrangements of the Claims Management Services Regulator.
- (2) For the purposes of sections 112 and 145 (as extended by this section) a person authorised by the Claims Management Services Regulator under Part 2 of the Compensation Act 2006 to provide regulated claims management services is to be treated as a “relevant authorised person” in relation to the Regulator.
- (3) Section 9 of, and the Schedule to, the Compensation Act 2006 (regulations about the functions of the Claims Management Regulator etc) are subject to any requirements imposed by this Part in relation to the regulatory arrangements of the Claims Management Regulator.
- (4) In this section—
- “Claims Management Services Regulator” means—
    - (a) the person designated under section 5(1) of the Compensation Act 2006, or
    - (b) at a time when no person is so designated, the Board;
  - “regulated claims management services” has the same meaning as in Part 2 of the Compensation Act 2006.

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## PART 7

### FURTHER PROVISIONS RELATING TO THE BOARD AND THE OLC

#### *Guidance*

#### **162 Guidance**

- (1) The Board may give guidance—
  - (a) about the operation of this Act and of any order made under it;
  - (b) about the operation of any rules made by the Board under this Act;
  - (c) about any matter relating to the Board's functions;
  - (d) for the purpose of meeting the regulatory objectives;
  - (e) about the content of licensing rules;
  - (f) about any other matters about which it appears to the Board to be desirable to give guidance.
- (2) Guidance under this section may consist of such information and advice as the Board considers appropriate.
- (3) The Board may give financial or other assistance to persons giving information or advice of a kind which the Board could give under this section.
- (4) The Board may—
  - (a) publish its guidance,
  - (b) offer copies of its published guidance for sale at a reasonable price, and
  - (c) if it gives guidance in response to a request made by any person, make a reasonable charge for that guidance.
- (5) When exercising its functions, the Board may have regard to the extent to which an approved regulator has complied with any guidance issued under this section which is applicable to the approved regulator.
- (6) When exercising its functions—
  - (a) in its capacity as an approved regulator by virtue of an order under section 62(1)(a), or
  - (b) in its capacity as a licensing authority under Part 5,
 the Board must have regard to any guidance it has issued under this section.

#### *Voluntary arrangements*

#### **163 Voluntary arrangements**

- (1) The Board may enter into arrangements with any person under which the Board is to provide assistance for the purpose of improving standards of service and promoting best practice in connection with the carrying on of any legal activity.
- (2) These arrangements may (among other things) provide for the Board to give advice on—
  - (a) the best regulatory practice, or
  - (b) the contents of codes of practice or other voluntary arrangements.



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- (3) Arrangements under this section may include provision as to the terms on which assistance is to be provided by the Board (including provision as to payment).
- (4) Where the Board enters into arrangements under this section, it must publish a statement giving details of the arrangements and explaining what they are intended to achieve.

## **164 Power to establish voluntary scheme for resolving complaints**

- (1) This section and section 166 provide for a scheme under which legal services complaints may be resolved quickly and with minimum formality by an independent person.
- (2) The OLC may make rules (“voluntary scheme rules”) establishing such a scheme (“the voluntary scheme”), but only in relation to such kinds of legal services complaints as may be specified by order made by the Lord Chancellor for the purposes of this section.
- (3) An order under subsection (2) may in particular specify a kind of legal services complaint by reference to the description of the complainant, of the respondent, or of the legal services to which the complaint relates.
- (4) “Legal services complaint” means a complaint which relates to an act or omission of an eligible person (“the respondent”) in the course of that person providing legal services.
- (5) For that purpose a person is eligible if at the time the act or omission took place there was no activity in relation to which the person—
  - (a) was an authorised person, or
  - (b) is to be regarded as having been such a person by virtue of section 129.
- (6) Under the voluntary scheme—
  - (a) redress may be provided to the complainant, but
  - (b) no disciplinary action may be taken against the respondent.
- (7) Voluntary scheme rules may confer functions on ombudsmen for the purposes of the voluntary scheme.
- (8) Section 131 applies for the purposes of the voluntary scheme as it applies for the purposes of the ombudsman scheme.
- (9) Sections 155 and 156 apply in relation to voluntary scheme rules as they apply in relation to scheme rules.
- (10) In this section—

“legal services” means services provided by a person which consist of or include legal activities carried on by, or on behalf of, that person;

“the voluntary scheme” and “voluntary scheme rules” have the meaning given by subsection (2).

### **Commencement Information**

**I107** S. 164 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

**Status:** Point in time view as at 06/10/2011. This version of this Act contains provisions that are not valid for this point in time.

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## 165 Procedure for making orders under section 164

- (1) The Lord Chancellor may make an order under section 164(2) only on the recommendation of an interested body.
- (2) An interested body must, if requested to do so by the Lord Chancellor, consider whether or not it is appropriate to make a recommendation for such an order.
- (3) An interested body must, before making a recommendation for such an order—
  - (a) publish a draft of the proposed recommendation,
  - (b) invite representations regarding the proposed recommendation, and
  - (c) consider any such representations which are made.
- (4) Where the Lord Chancellor receives a recommendation from an interested body for an order under section 164(2), the Lord Chancellor must consider whether to follow the recommendation.
- (5) If the Lord Chancellor decides not to follow the recommendation, the Lord Chancellor must publish a notice to that effect which includes the Lord Chancellor's reasons for the decision.
- (6) In this section “interested body” means—
  - (a) the OLC,
  - (b) the Board, or
  - (c) the Consumer Panel.

### Commencement Information

**I108** S. 165 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

## 166 Operation of voluntary scheme

- (1) A complaint may be determined under the voluntary scheme only if—
  - (a) the complainant falls within a class of persons specified in voluntary scheme rules as qualified to make a complaint,
  - (b) the complainant wishes to have the complaint dealt with under the scheme,
  - (c) at the time of the act or omission to which the complaint relates, the respondent was participating in the scheme and voluntary scheme rules were in force in relation to the legal services in question, and
  - (d) at the time the complaint is made under the scheme the respondent has not withdrawn from the scheme in accordance with its provisions.
- (2) A person qualifies for participation in the voluntary scheme if the person falls within a class of persons specified as qualified in voluntary scheme rules.
- (3) In such circumstances as may be specified in voluntary scheme rules, a complaint may be dealt with under the voluntary scheme even though subsection (1)(c) would otherwise prevent that.
- (4) Subsection (3) applies only if the respondent participates in the voluntary scheme on the basis that complaints of that kind are to be dealt with under the scheme.

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- (5) Complaints are to be dealt with and determined under the voluntary scheme on standard terms fixed by the OLC with the consent of the Board.
- (6) The OLC may modify standard terms only with the consent of the Board.
- (7) Section 204(3) applies to standard terms as it applies to rules made by the OLC.
- (8) The standard terms may in particular make provision—
  - (a) requiring the making of payments to the OLC by persons participating in the scheme of such amounts, at such times and in such circumstances, as may be determined by the OLC;
  - (b) as to the award of costs on the determination of a complaint (including provision for an award of costs in favour of the OLC for the purpose of providing a contribution to resources deployed in dealing with the complaint).
- (9) In this section “legal services”, “the voluntary scheme” and “voluntary scheme rules” have the same meaning as in section 164.

#### Commencement Information

**I109** S. 166 in force at 6.10.2010 by S.I. 2010/2089, art. 2(a)

### *Disclosure and use of information*

#### **167 Restricted information**

- (1) Except as provided by section 168, restricted information must not be disclosed—
  - (a) by a restricted person, or
  - (b) by any person who receives the information directly or indirectly from a restricted person.
- (2) In this section and section 168—

“restricted information” means information (other than excluded information) which is obtained by the Board in the exercise of its functions;

“restricted person” means—

  - (a) the Board (including the Board in its capacity as an approved regulator or a licensing authority),
  - (b) a person who exercises functions delegated under paragraph 23 of Schedule 1 or section 73 or by virtue of section 64(2)(k).
- (3) For the purposes of subsection (2) “excluded information” means—
  - (a) information which is in the form of a summary or collection of information so framed as not to enable information relating to any particular person to be ascertained from it;
  - (b) information which at the time of the disclosure is or has already been made available to the public from other sources;
  - (c) information which was obtained more than 70 years before the date of the disclosure.

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#### Commencement Information

**II10** S. 167 wholly in force at 1.1.2010 see s. 211 and S.I. 2009/3250, **art. 2(e)** (subject to **art. 3(2)** (as amended (30.9.2011) by S.I. 2011/2196, arts. 1(2), 5) and with **art. 9**)

### 168 Disclosure of restricted information

- (1) A restricted person may disclose restricted information to another restricted person.
- (2) Restricted information may be disclosed for the purposes of enabling or assisting the Board to exercise its functions (whether as an approved regulator, a licensing authority or otherwise).
- (3) Section 167 also does not preclude the disclosure of restricted information—
  - (a) where the disclosure is a result of the Board exercising any power to publish information under this Act;
  - (b) for the purposes of enabling or assisting the OLC, ombudsmen or persons who exercise functions delegated under paragraph 22 of Schedule 15, to exercise any of its or their functions,
  - (c) to an approved regulator for the purposes of enabling or assisting the approved regulator to exercise any of its functions,
  - (d) with the consent of the person to whom it relates and (if different) the person from whom the restricted person obtained it,
  - (e) for the purposes of an inquiry with a view to the taking of any criminal proceedings or for the purposes of any such proceedings,
  - (f) where the disclosure is required by or by virtue of any provision made by or under this Act or any other enactment or other rule of law, or
  - (g) to such persons (other than approved regulators) who exercise regulatory functions as may be prescribed by order made by the Lord Chancellor, for such purposes as may be so prescribed.
- (4) Subsections (2) and (3) are subject to subsection (5).
- (5) The Lord Chancellor may by order prevent the disclosure of restricted information by virtue of subsection (2) or (3) in such circumstances, or for such purposes, as may be prescribed in the order.

#### Commencement Information

**II11** S. 168 wholly in force at 1.1.2010 see s. 211 and S.I. 2009/3250, **art. 2(e)** (subject to **art. 3(2)** (as amended (30.9.2011) by S.I. 2011/2196, arts. 1(2), 5) and with **art. 9**)

### 169 Disclosure of information to the Board

- (1) Information which is held by or on behalf of a permitted person (whether obtained before or after this section comes into force) may be disclosed to the Board for the purposes of enabling or assisting the Board to exercise its functions (whether as an approved regulator, a licensing authority or otherwise).
- (2) A disclosure under this section is not to be taken to breach any restriction on the disclosure of information (however imposed).

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- (3) But nothing in this section authorises the making of a disclosure—
- (a) which contravenes the Data Protection Act 1998 (c. 29), or
  - (b) which is prohibited by Part 1 of the Regulation of Investigatory Powers Act 2000 (c. 23).
- (4) This section does not affect a power to disclose which exists apart from this section.
- (5) The following are permitted persons—
- (a) a chief officer of police of a police force in England and Wales;
  - (b) a chief constable of a police force in Scotland;
  - (c) the Chief Constable of the Police Service of Northern Ireland;
  - (d) the Director General of the Serious Organised Crime Agency;
  - (e) the Commissioners for Her Majesty's Revenue and Customs;
  - (f) the Financial Services Authority.
- (6) The Lord Chancellor may by order designate as permitted persons other persons who exercise functions which the Lord Chancellor considers are of a public nature (including a person discharging regulatory functions in relation to any description of activities).
- (7) Information must not be disclosed under this section on behalf of the Commissioners for Her Majesty's Revenue and Customs unless the Commissioners authorise the disclosure.
- (8) The power to authorise a disclosure under subsection (7) may be delegated (either generally or for a specific purpose) to an officer of Revenue and Customs.

#### Commencement Information

**1112** S. 169 wholly in force at 1.1.2010 see s. 211 and S.I. 2009/3250, art. 2(e) (subject to art. 3(2) (as amended (30.9.2011) by S.I. 2011/2196, arts. 1(2), 5) and with art. 9)

## 170 Data protection

In section 31 of the Data Protection Act 1998 (c. 29) (regulatory activity), after subsection (4A) insert—

“(4B) Personal data processed for the purposes of discharging any function of the Legal Services Board are exempt from the subject information provisions in any case to the extent to which the application of those provisions to the data would be likely to prejudice the proper discharge of the function.”

## 171 Use of information

Information obtained by the Board (whether in its capacity as an approved regulator or licensing authority or otherwise) may be used by the Board for the purposes of, or for any purpose connected with or incidental to, the exercise of its functions.

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### Commencement Information

**I113** S. 171 wholly in force at 1.1.2010 see s. 211 and S.I. 2009/3250, **art. 2(e)** (subject to **art. 3(2)**) (as amended (30.9.2011) by S.I. 2011/2196, arts. 1(2), 5) and with **art. 9**)

### *Payments by Lord Chancellor*

## 172 Funding

- (1) The Lord Chancellor may—
  - (a) pay to the Board such sums as the Lord Chancellor may determine as appropriate for the purpose of meeting the expenditure of the Board incurred under or for the purposes of this Act or any other enactment (including any expenditure incurred by it in its capacity as an approved regulator or its capacity as a licensing authority), and
  - (b) pay to the OLC such sums as the Lord Chancellor may determine as appropriate for the purposes of meeting the expenditure of the OLC incurred under or for the purposes of this Act.
- (2) The Lord Chancellor may—
  - (a) determine the manner in which and times at which the sums mentioned in subsection (1) are to be paid, and
  - (b) impose conditions on the payment of those sums.

### *The levy*

## 173 The levy

- (1) The Board must make rules providing for the imposition of a levy on leviable bodies for the purpose of raising an amount corresponding to the aggregate of—
  - (a) the leviable Board expenditure,
  - (b) the leviable OLC expenditure, and
  - (c) the leviable Lord Chancellor expenditure.
- (2) A levy imposed under this section is payable to the Board.
- (3) Before making rules under this section, the Board must satisfy itself that the apportionment of the levy as between different leviable bodies will be in accordance with fair principles.
- (4) The Board may not make rules under this section except with the consent of the Lord Chancellor.
- (5) “Leviable body” means—
  - (a) an approved regulator,
  - (b) the person designated under section 5(1) of the Compensation Act 2006 (c. 29) (the Regulator in relation to claims management services), or
  - (c) any other person prescribed by the Lord Chancellor by order.
- (6) The “leviable Board expenditure” means the difference between—

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- (a) the expenditure of the Board incurred under or for the purposes of this Act or any other enactment (including any expenditure incurred in connection with its establishment and any expenditure incurred by it in its capacity as an approved regulator or its capacity as a licensing authority), and
  - (b) the aggregate of the amounts which the Board pays into the Consolidated Fund under section 175(1)(a), (c) to (e) and (k) to (m) or by virtue of regulations under paragraph 7(g) of the Schedule to the Compensation Act 2006.
- (7) The “leviable OLC expenditure” means the difference between—
- (a) the expenditure of the OLC incurred under or for the purposes of this Act (including any expenditure incurred in connection with its establishment), and
  - (b) the aggregate of the amounts which the OLC pays into the Consolidated Fund under section 175(1)(g), (h) or (n).
- (8) But subsection (7)(a) does not include such proportion of the expenditure of the OLC incurred under or for the purposes of this Act as may reasonably be attributed to the exercise of its functions under sections 164 to 166.
- (9) The “leviable Lord Chancellor expenditure” means any expenditure incurred by the Lord Chancellor in connection with the establishment of the Board or the OLC (including expenditure incurred under or for the purposes of paragraph 10 of Schedule 22 (Interim Chief Executive of the OLC)).
- (10) But the leviable Lord Chancellor expenditure does not include any expenditure under section 172 (funding of Board and OLC).
- (11) In subsection (5) the reference to “an approved regulator” does not include the Board where it is designated as an approved regulator under section 62.

#### Commencement Information

**1114** S. 173 wholly in force at 1.1.2010; s. 173 not in force at Royal Assent see s. 211; s. 173(1)(3)-(11) in force at 1.1.2009 by [S.I. 2008/3149](#), [art. 2\(f\)](#) (subject to [art. 3](#)); s. 173 in force otherwise at 1.1.2010 by [S.I. 2009/3250](#), [art. 2\(e\)](#) (with [art. 9](#))

## 174 The levy: supplementary provisions

- (1) In this section—
- “leviable body” has the meaning given by section 173;
  - “the levy” means the levy payable by virtue of that section;
  - “the levy rules” means the rules made in accordance with that section.
- (2) The levy is to be payable at such rate and at such times as may be specified in the levy rules.
- (3) The provision made in the levy rules for determining the amount of the levy payable in respect of a particular period—
- (a) may require account to be taken of estimated as well as actual expenditure and receipts, and
  - (b) must require the Board to obtain the Lord Chancellor's agreement to the amount payable in respect of a particular period.

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- (4) The levy rules may provide for different parts of the levy to be payable at different rates.
- (5) Any amount which is owed to the Board in accordance with the levy rules may be recovered as a debt due to the Board.
- (6) The levy rules must require the Board—
  - (a) to calculate the amount of the levy payable by each leviable body,
  - (b) to notify each leviable body of its liability to pay an amount of levy and the time or times at which it becomes payable.
- (7) Without prejudice to subsections (2) to (6), the levy rules may—
  - (a) make provision about the collection and recovery of the levy;
  - (b) make provision about the circumstances in which any amount of the levy payable may be waived;
  - (c) provide that if the whole or any part of an amount of the levy payable under the levy rules is not paid by the time when it is required to be paid under the rules, the unpaid balance from time to time carries interest at the rate determined by or in accordance with the levy rules.

#### **Commencement Information**

**I115** S. 174 wholly in force at 1.1.2010; s. 174 not in force at Royal Assent see s. 211; s. 174(1)(3)(4)(6)(7) in force at 1.1.2009 by S.I. 2008/3149, art. 2(f) (subject to art. 3); s. 174 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(e) (with art. 9)

### *Payments into the Consolidated Fund*

#### **175 Amounts payable into the Consolidated Fund**

- (1) The following must be paid into the Consolidated Fund—
  - (a) any application fee received by the Board;
  - (b) any sum received by the Board under sections 37 to 40 (financial penalties and interest);
  - (c) amounts paid to the Board under section 49(10) or 50(5) (charges for providing draft and final policy statements);
  - (d) any sums received by the Board in its capacity as an approved regulator by virtue of rules within section 64(2)(f) (practising fees etc);
  - (e) any sums received by the Board in its capacity as a licensing authority by virtue of its licensing rules within paragraph 1, 4, 6, 7 or 21 of Schedule 11 or by virtue of paragraph 17 or 18 of Schedule 14;
  - (f) any sums received by the Board in its capacity as a licensing authority under sections 95 to 97 (financial penalties and interest);
  - (g) any charges received by the OLC by virtue of rules under section 136 (charges payable by respondents), together with any interest payable in accordance with those rules;
  - (h) any amount payable to the OLC in accordance with scheme rules within subsection (3)(i) of section 133 (costs of OLC payable by the complainant or



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- the respondent in relation to a complaint), together with any interest payable on such an amount under subsection (6) of that section;
- (i) any amount payable to the OLC by virtue of standard terms within section 166(8);
  - (j) any sum received by the Board in accordance with rules under section 173 (the levy);
  - (k) amounts paid to the Board under section 162(4)(c) (charges for providing copies of guidance);
  - (l) any amount payable to the Board under arrangements entered into under section 163 (voluntary arrangements);
  - (m) amounts paid to the Board under subsection (8) of section 205 (charges for providing copies of rules and draft rules);
  - (n) amounts paid to the OLC under that subsection.
- (2) In this section “application fee” means a fee within—
- (a) paragraph 3(3)(d) of Schedule 4 (application fees in respect of designation as approved regulator);
  - (b) section 45(3)(b) (application fees in respect of cancellation of designation as approved regulator);
  - (c) paragraph 1(4)(d) of Schedule 10 (application fees in respect of designation as licensing authority);
  - (d) section 76(3)(b) (application fees in respect of cancellation of designation as licensing authority);
  - (e) paragraph 3(4)(c) of Schedule 18 (application fees in respect of designation as qualifying regulator for the purposes of Part 5 of the Immigration and Asylum Act 1999 (c. 33)).

#### Commencement Information

- I116** S. 175 partly in force; s. 175 not in force at Royal Assent see s. 211; s. 175(1)(c)(k)(m)(n) in force at 1.1.2009 by S.I. 2008/3149, **art. 2(f)**; s. 175(1)(a)(b)(d)(j)(l)(2)(a)(b) in force at 1.1.2010 by S.I. 2009/3250, **art. 2(e)** (with art. 9)
- I117** S. 175(1)(g)(h)(i) in force at 6.10.2010 by S.I. 2010/2089, **art. 2(a)**
- I118** S. 175(2)(c)(d) in force at 2.8.2010 by S.I. 2010/1118, **art. 2(a)**
- I119** S. 175(2)(e) in force at 1.4.2011 by S.I. 2011/720, **art. 2(a)**

## PART 8

### MISCELLANEOUS PROVISIONS ABOUT LAWYERS ETC

#### *Duties of regulated persons*

#### **176 Duties of regulated persons**

- (1) A person who is a regulated person in relation to an approved regulator has a duty to comply with the regulatory arrangements of the approved regulator as they apply to that person.
- (2) A person is a regulated person in relation to an approved regulator if the person—

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- (a) is authorised by the approved regulator to carry on an activity which is a reserved legal activity, or
  - (b) is not so authorised, but is a manager or employee of a person who is so authorised.
- (3) This section applies in relation to the Board in its capacity as a licensing authority and its licensing rules, as it applies in relation to an approved regulator and its regulatory arrangements.

#### **Commencement Information**

**I120** S. 176 partly in force: s. 176 not in force at Royal Assent see s. 211; s 176(1)(2) in force at 1.1.2010 by S.I. 2009/3250, art. 2(f)(i) (with art. 9)

### *Solicitors, the Law Society and the Disciplinary Tribunal*

#### **177 The Law Society, solicitors, recognised bodies and foreign lawyers**

Schedule 16 contains amendments of—

- (a) the Solicitors Act 1974 (c. 47),
- (b) Part 1 of the Administration of Justice Act 1985 (c. 61) (recognised bodies), and
- (c) section 89 of, and Schedule 14 to, the Courts and Legal Services Act 1990 (c. 41) (foreign lawyers: partnerships and recognised bodies).

#### **178 The Solicitors Disciplinary Tribunal: approval of rules**

- (1) If the Solicitors Disciplinary Tribunal (“the Tribunal”) makes an alteration of its rules under section 46(9)(b) of the Solicitors Act 1974 (“the tribunal rules”), the alteration does not have effect unless it is approved for the purposes of this Act.
- (2) An alteration is approved for the purposes of this Act if—
- (a) it is approved by the Board under Part 3 of Schedule 4 (alteration of approved regulator's regulatory arrangements),
  - (b) it is an exempt alteration, or
  - (c) it is an alteration made in compliance with a direction under section 32 (given by virtue of section 179).
- (3) For the purposes of subsection (2)(a), paragraphs 20 to 27 of Schedule 4 (procedure for approval of alterations of regulatory arrangements) apply in relation to an application by the Tribunal for approval of an alteration or alterations of the tribunal rules as they apply in relation to an application by an approved regulator for approval of an alteration or alterations of its regulatory arrangements, but as if—
- (a) paragraph 23 of that Schedule applied in relation to the Law Society as well as the Tribunal,
  - (b) in paragraph 25(3) (grounds for refusal of application), paragraphs (d) and (e) were omitted, and
  - (c) in paragraph 27(3) the reference to section 32 were a reference to that section as applied (with modifications) by section 179.

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- (4) For the purposes of subsection (2)(b), an exempt alteration is an alteration which the Board has directed is to be treated as exempt for the purposes of this section.
- (5) A direction under subsection (4) may be specific or general, and must be published by the Board.
- (6) In this section references to an “alteration” of the tribunal rules include the making of such rules and the modification of such rules.

## 179 Board's power to give directions to the Tribunal

Sections 32 to 34 and Schedule 7 (Board's powers to give directions) apply in relation to the Tribunal as they apply in relation to an approved regulator, but as if—

- (a) in section 32(1)—
  - (i) paragraphs (a) and (c) were omitted, and
  - (ii) in paragraph (b) after “failed” there were inserted “ to perform any of its functions to an adequate standard (or at all) or ”,
- (b) in subsection (4)(b) of that section for “regulatory arrangements” there were substituted “ rules under section 46(9)(b) of the Solicitors Act 1974 ”,
- (c) section 34(3) were omitted, and
- (d) paragraphs 2 and 10 of Schedule 7 applied in relation to the Law Society, as well as the Tribunal, where it is proposed to give the Tribunal a direction under section 32.

## 180 Functions of the Tribunal

Sections 69 and 70 (modification of functions of approved regulators) apply in relation to the Tribunal as they apply in relation to an approved regulator, but as if—

- (a) for section 69(3) (purpose for which modifying order may be made) there were substituted—
  - “(3) The Board may make a recommendation under this section only with a view to an order being made which enables the Tribunal to carry out its role more effectively or efficiently.”, and
- (b) subsections (4), (5) and (7) of that section were omitted.

### Modifications etc. (not altering text)

**C7** S. 180 modified (temp.) (7.3.2008) by [The Legal Services Act 2007 \(Commencement No.1 and Transitory Provisions\) Order 2008 \(S.I. 2008/222\)](#), [art. 6](#)

### *Other lawyers*

## 181 Unqualified person not to pretend to be a barrister

- (1) It is an offence for a person who is not a barrister—
  - (a) wilfully to pretend to be a barrister, or
  - (b) with the intention of implying falsely that that person is a barrister to take or use any name, title or description.

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- (2) A person who is guilty of an offence under subsection (1) is liable—
  - (a) on summary conviction, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both), and
  - (b) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine (or both).
- (3) In relation to an offence under subsection (1) committed before the commencement of section 154(1) of the Criminal Justice Act 2003 (c. 44), the reference in subsection (2) (a) to 12 months is to be read as a reference to 6 months.

## **182 Licensed conveyancers**

Schedule 17 contains amendments relating to the Council for Licensed Conveyancers, licensed conveyancers and bodies recognised under section 32 of the Administration of Justice Act 1985 (c. 61).

## **183 Commissioners for oaths**

- (1) For the purposes of any enactment or instrument (including an enactment passed or instrument made after the passing of this Act) “commissioner for oaths” includes an authorised person in relation to the administration of oaths (“a relevant authorised person”).
- (2) A relevant authorised person has the right to use the title “Commissioner for Oaths”.
- (3) A relevant authorised person may not carry on the administration of oaths in any proceedings in which that person represents any of the parties or is interested.
- (4) A relevant authorised person before whom an oath or affidavit is taken or made must state in the jurat or attestation at which place and on what date the oath or affidavit is taken or made.
- (5) A document containing such a statement and purporting to be sealed or signed by a relevant authorised person must be admitted in evidence without proof of the seal or signature, and without proof that that person is a relevant authorised person.
- (6) The Lord Chancellor may by order prescribe the fees to be charged by relevant authorised persons in respect of the administration of an oath or the taking of an affidavit.
- (7) The Lord Chancellor may make an order under subsection (6) only—
  - (a) after consultation with the Board, and
  - (b) with the consent of the Lord Chief Justice and the Master of the Rolls.
- (8) In this section “affidavit” has the same meaning as in the Commissioners for Oaths Act 1889 (c. 10).

## **184 Trade mark attorneys**

- (1) The Trade Marks Act 1994 (c. 26) is amended as follows.
- (2) In section 82 (recognition of agents) after “rules” insert “ and subject to the Legal Services Act 2007 ”.

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(3) For section 83 (the register of trade mark agents) substitute—

**“83 The register of trade mark attorneys**

- (1) There is to continue to be a register of persons who act as agent for others for the purpose of applying for or obtaining the registration of trade marks.
- (2) In this Act a registered trade mark attorney means an individual whose name is entered on the register kept under this section.
- (3) The register is to be kept by the Institute of Trade Mark Attorneys.
- (4) The Secretary of State may, by order, amend subsection (3) so as to require the register to be kept by the person specified in the order.
- (5) Before making an order under subsection (4), the Secretary of State must consult the Legal Services Board.
- (6) An order under this section must be made by statutory instrument.
- (7) An order under this section may not be made unless a draft of it has been laid before, and approved by a resolution of, each House of Parliament.

**83A Regulation of trade mark attorneys**

- (1) The person who keeps the register under section 83 may make regulations which regulate—
  - (a) the keeping of the register and the registration of persons;
  - (b) the carrying on of trade mark agency work by registered persons.
- (2) Those regulations may, amongst other things, make—
  - (a) provision as to the educational and training qualifications, and other requirements, which must be satisfied before an individual may be registered or for an individual to remain registered;
  - (b) provision as to the requirements which must be met by a body (corporate or unincorporate) before it may be registered or for it to remain registered, including provision as to the management and control of the body;
  - (c) provision as to the educational, training or other requirements to be met by regulated persons;
  - (d) provision regulating the practice, conduct and discipline of registered persons or regulated persons;
  - (e) provision authorising in such cases as may be specified in the regulations the erasure from the register of the name of any person registered in it, or the suspension of a person's registration;
  - (f) provision requiring the payment of such fees as may be specified in or determined in accordance with the regulations;
  - (g) provision about the provision to be made by registered persons in respect of complaints made against them;
  - (h) provision about the keeping of records and accounts by registered persons or regulated persons;

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- (i) provision for reviews of or appeals against decisions made under the regulations;
  - (j) provision as to the indemnification of registered persons or regulated persons against losses arising from claims in respect of civil liability incurred by them.
- (3) Regulations under this section may make different provision for different purposes.
- (4) Regulations under this section which are not regulatory arrangements within the meaning of the Legal Services Act 2007 are to be treated as such arrangements for the purposes of that Act.
- (5) Before the appointed day, regulations under this section may be made only with the approval of the Secretary of State.
- (6) The powers conferred to make regulations under this section are not to be taken to prejudice—
- (a) any other power which the person who keeps the register may have to make rules or regulations (however they may be described and whether they are made under an enactment or otherwise);
  - (b) any rules or regulations made by that person under any such power.
- (7) In this section—
- “appointed day” means the day appointed for the coming into force of paragraph 1 of Schedule 4 to the Legal Services Act 2007;
  - “manager”, in relation to a body, has the same meaning as in the Legal Services Act 2007 (see section 207);
  - “registered person” means—
    - (a) a registered trade mark attorney, or
    - (b) a body (corporate or unincorporate) registered in the register kept under section 83;
  - “regulated person” means a person who is not a registered person but is a manager or employee of a body which is a registered person;
  - “trade mark agency work” means work done in the course of carrying on the business of acting as agent for others for the purpose of—
    - (a) applying for or obtaining the registration of trade marks in the United Kingdom [<sup>F1</sup>or elsewhere] , or
    - (b) conducting proceedings before the Comptroller relating to applications for or otherwise in connection with the registration of trade marks.”
- (4) In section 84 (unregistered persons not to be described as registered trade mark agents)
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- (a) in subsection (2)—
    - (i) after “partnership” (in the first place) insert “ or other unincorporated body ”, and
    - (ii) for “all the partners” to the end substitute “ the partnership or other body is registered in the register kept under section 83. ”, and
  - (b) in subsection (3) for “all the directors” to the end substitute “ the body corporate is registered in the register kept under section 83. ”

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- (5) Omit section 85 (power to prescribe conditions etc for mixed partnerships and bodies corporate).
- (6) In section 87 (privilege for communications with registered trade mark attorneys), in subsection (3)(c) at the beginning insert “ any other unincorporated body or ”.

#### Textual Amendments

- F1** Words in s. 184(3) inserted (16.12.2009) by [The Legal Services Act 2007 \(Functions of an Approved Regulator\) Order 2009 \(S.I. 2009/3339\)](#), arts. 1, 2

## 185 Patent attorneys

- (1) The Copyright, Designs and Patents Act 1988 (c. 48) is amended as follows.
- (2) In section 274 (persons permitted to carry on business of a patent agent) in subsection (1) after “this Part” insert “ and to the Legal Services Act 2007 ”.
- (3) For section 275 (the register of patent agents) substitute—

### “275 The register of patent attorneys

- (1) There is to continue to be a register of persons who act as agent for others for the purpose of applying for or obtaining patents.
- (2) In this Part a registered patent attorney means an individual whose name is entered on the register kept under this section.
- (3) The register is to be kept by the Chartered Institute of Patent Attorneys.
- (4) The Secretary of State may, by order, amend subsection (3) so as to require the register to be kept by the person specified in the order.
- (5) Before making an order under subsection (4), the Secretary of State must consult the Legal Services Board.
- (6) An order under this section must be made by statutory instrument.
- (7) An order under this section may not be made unless a draft of it has been laid before, and approved by a resolution of, each House of Parliament.

### 275A Regulation of patent attorneys

- (1) The person who keeps the register under section 275 may make regulations which regulate—
  - (a) the keeping of the register and the registration of persons;
  - (b) the carrying on of patent attorney work by registered persons.
- (2) Those regulations may, amongst other things, make—
  - (a) provision as to the educational and training qualifications, and other requirements, which must be satisfied before an individual may be registered or for an individual to remain registered;

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- (b) provision as to the requirements which must be met by a body (corporate or unincorporate) before it may be registered, or for it to remain registered, including provision as to the management and control of the body;
  - (c) provision as to the educational, training and other requirements to be met by regulated persons;
  - (d) provision regulating the practice, conduct and discipline of registered persons or regulated persons;
  - (e) provision authorising in such cases as may be specified in the regulations the erasure from the register of the name of any person registered in it, or the suspension of a person's registration;
  - (f) provision requiring the payment of such fees as may be specified in or determined in accordance with the regulations;
  - (g) provision about the provision to be made by registered persons in respect of complaints made against them;
  - (h) provision about the keeping by registered persons or regulated persons of records and accounts;
  - (i) provision for reviews of or appeals against decisions made under the regulations;
  - (j) provision as to the indemnification of registered persons or regulated persons against losses arising from claims in respect of civil liability incurred by them.
- (3) Regulations under this section may make different provision for different purposes.
- (4) Regulations under this section which are not regulatory arrangements within the meaning of the Legal Services Act 2007 are to be treated as such arrangements for the purposes of that Act.
- (5) Before the appointed day, regulations under this section may be made only with the approval of the Secretary of State.
- (6) The powers conferred to make regulations under this section are not to be taken to prejudice—
- (a) any other power which the person who keeps the register may have to make rules or regulations (however they may be described and whether they are made under an enactment or otherwise);
  - (b) any rules or regulations made by that person under any such power.
- (7) In this section—
- “appointed day” means the day appointed for the coming into force of paragraph 1 of Schedule 4 to the Legal Services Act 2007;
  - “manager”, in relation to a body, has the same meaning as in the Legal Services Act 2007 (see section 207);
  - “patent attorney work” means work done in the course of carrying on the business of acting as agent for others for the purpose of—
    - (a) applying for or obtaining patents, in the United Kingdom or elsewhere, or
    - (b) conducting proceedings before the comptroller relating to applications for, or otherwise in connection with, patents;
  - “registered person” means—



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- (a) a registered patent attorney, or
  - (b) a body (corporate or unincorporate) registered in the register kept under section 275;
- “regulated person” means a person who is not a registered person but is a manager or employee of a body which is a registered person.”
- (4) In section 276 (persons entitled to describe themselves as patent attorneys)—
- (a) in subsection (2)—
    - (i) after “partnership” (in the first place) insert “ or other unincorporated body ”, and
    - (ii) for “all the partners” to the end substitute “ the partnership or other body is registered in the register kept under section 275 ”, and
  - (b) in subsection (3) for “all the directors” to the end substitute “ the body corporate is registered in the register kept under section 275. ”
- (5) Omit section 279 (power to prescribe conditions etc for mixed partnerships and bodies corporate).
- (6) In section 280 (privilege for communications with patent agents), in subsection (3), at the end of paragraph (b) insert—
- “(ba) an unincorporated body (other than a partnership) entitled to describe itself as a patent attorney, or”.

## 186 Immigration advisers and immigration service providers

- (1) Schedule 18 makes provision relating to Part 5 of the Immigration and Asylum Act 1999 (c. 33) (immigration advisers and immigration service providers).
- (2) In that Schedule—
- (a) Part 1 makes provision for approved regulators to become qualifying regulators for the purposes of Part 5 of the Immigration and Asylum Act 1999,
  - (b) Part 2 contains amendments of that Act (which amongst other things enable persons authorised by qualifying regulators to provide immigration advice and immigration services in England and Wales), and
  - (c) Part 3 makes provision for certain persons to be treated, during a transitional period, as authorised by qualifying regulators to provide such advice and services.

### Commencement Information

**I121** [S. 186](#) in force at 1.4.2011 by [S.I. 2011/720](#), [art. 2\(a\)](#)

## 187 Claims management services

Schedule 19 contains amendments of Part 2 of the Compensation Act 2006 (c. 29) (claims management services).

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### *Advocates and litigators*

#### **188 Duties of advocates and litigators**

- (1) This section applies to a person who—
  - (a) exercises before any court a right of audience, or
  - (b) conducts litigation in relation to proceedings in any court,
 by virtue of being an authorised person in relation to the activity in question.
- (2) A person to whom this section applies has a duty to the court in question to act with independence in the interests of justice.
- (3) That duty, and the duty to comply with relevant conduct rules imposed on the person by section 176(1), override any obligations which the person may have (otherwise than under the criminal law) if they are inconsistent with them.
- (4) “Relevant conduct rules” are the conduct rules of the relevant authorising body which relate to the exercise of a right of audience or the conduct of litigation.
- (5) The relevant authorising body is—
  - (a) the approved regulator by which the person is authorised to exercise the right of audience or conduct the litigation, or
  - (b) where the person is authorised to exercise the right of audience or conduct the litigation by the Board in its capacity as a licensing authority, the Board.

#### **189 Employed advocates**

- (1) This section applies where an authorised person in relation to the exercise of a right of audience is employed as a Crown Prosecutor or in any other description of employment.
- (2) Qualification regulations or conduct rules of the approved regulator by whom the person is authorised to carry on that activity which relate to the right of audience do not have effect in relation to the person if—
  - (a) they—
    - (i) limit the courts before which, or proceedings in which, that activity may be carried on by persons who are employed, or
    - (ii) limit the circumstances in which that activity may be carried on by persons who are employed by requiring such persons to be accompanied by some other person when carrying on that activity, and
  - (b) they do not impose the same limitation on persons who are authorised persons in relation to the activity in question but are not employed.

### *Legal professional privilege*

#### **190 Legal professional privilege**

- (1) Subsection (2) applies where an individual (“P”) who is not a barrister or solicitor—
  - (a) provides advocacy services as an authorised person in relation to the exercise of rights of audience,
  - (b) provides litigation services as an authorised person in relation to the conduct of litigation,

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- (c) provides conveyancing services as an authorised person in relation to reserved instrument activities, or
  - (d) provides probate services as an authorised person in relation to probate activities.
- (2) Any communication, document, material or information relating to the provision of the services in question is privileged from disclosure in like manner as if P had at all material times been acting as P's client's solicitor.
- (3) Subsection (4) applies where—
  - (a) a licensed body provides services to a client, and
  - (b) the individual (“E”) through whom the body provides those services—
    - (i) is a relevant lawyer, or
    - (ii) acts at the direction and under the supervision of a relevant lawyer (“the supervisor”).
- (4) Any communication, document, material or information relating to the provision of the services in question is privileged from disclosure only if, and to the extent that, it would have been privileged from disclosure if—
  - (a) the services had been provided by E or, if E is not a relevant lawyer, by the supervisor, and
  - (b) at all material times the client had been the client of E or, if E is not a relevant lawyer, of the supervisor.
- (5) “Relevant lawyer” means an individual who is—
  - (a) a solicitor;
  - (b) a barrister;
  - (c) a solicitor in Scotland;
  - (d) an advocate in Scotland;
  - (e) a solicitor of the Court of Judicature of Northern Ireland;
  - (f) a member of the Bar of Northern Ireland;
  - (g) a registered foreign lawyer (within the meaning of section 89 of the Courts and Legal Services Act 1990 (c. 41));
  - (h) an individual not within paragraphs (a) to (g) who is an authorised person in relation to an activity which is a reserved legal activity; or
  - (i) a European lawyer (within the meaning of the European Communities (Services of Lawyers) Order 1978 (S.I. 1978/1910)).
- (6) In this section—
  - “advocacy services” means any services which it would be reasonable to expect a person who is exercising, or contemplating exercising, a right of audience in relation to any proceedings, or contemplated proceedings, to provide;
  - “litigation services” means any services which it would be reasonable to expect a person who is exercising, or contemplating exercising, a right to conduct litigation in relation to any proceedings, or contemplated proceedings, to provide;
  - “conveyancing services” means the preparation of transfers, conveyances, contracts and other documents in connection with, and other services ancillary to, the disposition or acquisition of estates or interests in land;

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“probate services” means the preparation of any papers on which to found or oppose a grant of probate or a grant of letters of administration and the administration of the estate of a deceased person.

- (7) This section is without prejudice to any other enactment or rule of law by virtue of which a communication, a document, material or information is privileged from disclosure.

PROSPECTIVE

*Employees of housing management bodies*

**191 Rights of audience etc of employees of housing management bodies**

After section 60 of the County Courts Act 1984 (c. 28) insert—

**“60A Rights of audience etc of employees of housing management bodies**

- (1) An employee of a housing management body who is authorised by that body for the purposes of this section has—
- (a) a right of audience in relation to any proceedings to which this section applies, and
  - (b) a right to conduct litigation in relation to any such proceedings.
- (2) This section applies to relevant housing proceedings in a county court before a district judge which are brought—
- (a) in the name of a local housing authority, and
  - (b) by the housing management body in the exercise of functions of that local housing authority delegated to that body under a housing management agreement.
- (3) “Relevant housing proceedings” are—
- (a) proceedings under section 82A of the Housing Act 1985 (demotion because of anti-social behaviour);
  - (b) proceedings for possession of a dwelling-house subject to a secure tenancy, where possession is sought on ground 2 in Part 1 of Schedule 2 to that Act (anti-social behaviour);
  - (c) proceedings for possession of a dwelling-house subject to a demoted tenancy;
  - (d) proceedings for a suspension order under section 121A of the Housing Act 1985 (suspension of right to buy);
  - (e) proceedings under section 153A, 153B or 153D of the Housing Act 1996 (injunctions against anti-social behaviour);
  - (f) proceedings for the attachment of a power of arrest to an injunction by virtue of section 91(2) of the Anti-social Behaviour Act 2003 or section 27(2) of the Police and Justice Act 2006 (proceedings under section 222 of the Local Government Act 1972: power of arrest attached to injunction);

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- (g) at a hearing at which a decision is made in relation to proceedings within paragraphs (a) to (f), proceedings for permission to appeal against that decision;
  - (h) such other proceedings as the Lord Chancellor may prescribe by order.
- (4) An authorisation for the purposes of this section must be in writing.
- (5) The power to make an order under subsection (3)(h) is exercisable by statutory instrument subject to annulment by resolution of either House of Parliament.
- (6) In subsection (3)(e) the reference to section 153A of the Housing Act 1996 is a reference to that section—
- (a) as inserted by section 13 of the Anti-social Behaviour Act 2003, or
  - (b) as substituted by section 26 of the Police and Justice Act 2006.
- (7) In this section—
- “dwelling-house” has the same meaning as in Part 4 of the Housing Act 1985;
  - “housing management agreement” means an agreement under section 27 of the Housing Act 1985 (including an agreement to which section 27B(2) or (3) of that Act applies);
  - “housing management body” means a person who exercises management functions of a local housing authority by virtue of a housing management agreement;
  - “local housing authority” has the same meaning as in section 27 of the Housing Act 1985;
  - “right of audience” means the right to appear before and address a court, including the right to call and examine witnesses;
  - “right to conduct litigation” means the right—
    - (a) to issue proceedings before any court in England and Wales,
    - (b) to commence, prosecute and defend such proceedings, and
    - (c) to perform any ancillary functions in relation to such proceedings (such as entering appearances to actions);
  - “secure tenancy” has the same meaning as in Part 4 of the Housing Act 1985.”

### *Savings*

## **192 Powers of court in respect of rights of audience and conduct of litigation**

- (1) Nothing in this Act affects the power of any court in any proceedings to refuse to hear a person (for reasons which apply to that person as an individual) who would otherwise have a right of audience before the court in relation to those proceedings.
- (2) Where a court refuses to hear a person as mentioned in subsection (1), it must give its reasons for refusing.
- (3) Where—
  - (a) immediately before the commencement of section 13 (entitlement to carry on reserved legal activities), or

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- (b) by virtue of any provision made by or under an enactment passed subsequently,  
 a court does not permit the appearance of advocates, or permits the appearance of advocates only with leave, no person may exercise a right of audience before the court, in relation to any proceedings, solely by virtue of being entitled to do so under this Act.
- (4) But a court may not limit the right to appear before the court in any proceedings to only some of those who are entitled to exercise that right by virtue of this Act.
- (5) A court may not limit the right to conduct litigation in relation to proceedings before the court to only some of those who are entitled to exercise that right by virtue of this Act.
- (6) In this section “advocate”, in relation to any proceedings, means a person exercising a right of audience as a representative of, or on behalf of, any party to the proceedings.

### **193 Solicitors to public departments and the City of London**

- (1) Nothing in this Act is to prejudice or affect any rights or privileges of—
  - (a) the Treasury Solicitor,
  - (b) the solicitor to any other public department,
  - (c) the solicitor to the Church Commissioners, or
  - (d) the solicitor to the Duchy of Cornwall.
- (2) Nothing in this Act requires a person to whom subsection (1) applies, or any clerk or officer appointed to act for such a person, to be entitled to carry on an activity which is a reserved legal activity in any case where, by virtue of section 88(1) of the Solicitors Act 1974 (c. 47), it would not have been necessary for that person to be admitted and enrolled and to hold a practising certificate under that Act if this Act had not been passed.
- (3) Nothing in this Act is to prejudice or affect any rights or privileges which immediately before the commencement of this Act attached to the office of Solicitor of the City of London.
- (4) Nothing in section 17 (offence to pretend to be entitled) applies to a person to whom subsection (1) applies, or any clerk or officer appointed to act for such a person, or to the Solicitor of the City of London.
- (5) A person who—
  - (a) exercises before any court a right of audience, or
  - (b) conducts litigation in relation to proceedings in any court,
 by virtue of this section has a duty to the court in question to act with independence in the interests of justice.
- (6) That duty overrides any obligations which the person may have (otherwise than under the criminal law) if it is inconsistent with them.

#### *Pro bono representation*

### **194 Payments in respect of pro bono representation**

- (1) This section applies to proceedings in a civil court in which—

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- (a) a party to the proceedings (“P”) is or was represented by a legal representative (“R”), and
  - (b) R's representation of P is or was provided free of charge, in whole or in part.
- (2) This section applies to such proceedings even if P is or was also represented by a legal representative not acting free of charge.
- (3) The court may order any person to make a payment to the prescribed charity in respect of R's representation of P (or, if only part of R's representation of P was provided free of charge, in respect of that part).
- (4) In considering whether to make such an order and the terms of such an order, the court must have regard to—
  - (a) whether, had R's representation of P not been provided free of charge, it would have ordered the person to make a payment to P in respect of the costs payable to R by P in respect of that representation, and
  - (b) if it would, what the terms of the order would have been.
- (5) The court may not make an order under subsection (3) against a person represented in the proceedings if the person's representation was at all times within subsection (6).
- (6) Representation is within this subsection if it is—
  - (a) provided by a legal representative acting free of charge, or
  - (b) funded by the Legal Services Commission as part of [F<sup>2</sup>the European Union]Legal Service.
- (7) Rules of court may make further provision as to the making of orders under subsection (3), and may in particular—
  - (a) provide that such orders may not be made in civil proceedings of a description specified in the rules;
  - (b) make provision about the procedure to be followed in relation to such orders;
  - (c) specify matters (in addition to those mentioned in subsection (4)) to which the court must have regard in deciding whether to make such an order, and the terms of any order.
- (8) “The prescribed charity” means the charity prescribed by order made by the Lord Chancellor.
- (9) An order under subsection (8) may only prescribe a charity which—
  - (a) is registered in accordance with section 3A of the Charities Act 1993 (c. 10), and
  - (b) provides financial support to persons who provide, or organise or facilitate the provision of, legal advice or assistance (by way of representation or otherwise) which is free of charge.
- (10) In this section—

“legal representative”, in relation to a party to proceedings, means a person exercising a right of audience or conducting litigation on the party's behalf;

“civil court” means the civil division of the Court of Appeal, the High Court, or any county court;

“free of charge” means otherwise than for or in expectation of fee, gain or reward.

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- (11) The court may not make an order under subsection (3) in respect of representation if (or to the extent that) it is provided before this section comes into force.

#### Textual Amendments

**F2** Words in Act substituted (22.4.2011) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011 \(S.I. 2011/1043\)](#) , [arts. 2 , 3 , 4](#) (with [art. 3\(2\)\(3\)4\(2\)6\(4\)\(5\)](#) )

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

**C8** S. 194(9)(a) modified (temp.) (31.7.2008) by [The Legal Services Act 2007 \(Transitory Provision\) Order 2008 \(S.I. 2008/1799\)](#) , [art. 2](#)

#### Commencement Information

**I122** S. 194 wholly in force at 1.10.2008; s. 194 not in force at Royal assent see. s. 211; s. 194(8)(9) in force and s. 194(10) in force for certain purposes at 30.6.2008 and s. 194 in force at 1.10.2008 in so far as not already in force by [S.I. 2008/1436](#) , [arts. 2\(a\) , 3\(a\)](#)

### *Scotland*

## 195 Application of the Legal Profession and Legal Aid (Scotland) Act 2007

- (1) The Legal Profession and Legal Aid (Scotland) Act 2007 (asp 5) (“the 2007 Act”) applies to—
- (a) any element of a complaint relating to,
  - (b) the provision by a practitioner of,
- the advice, services and activities mentioned in subsection (2) as it applies to any other advice, services and activities provided by a practitioner.
- (2) The advice, services and activities are—
- (a) activities carried out by virtue of a group licence issued under section 22(1) (b) of the Consumer Credit Act 1974 (c. 39);
  - (b) activities of an insolvency practitioner within the meaning of Part 13 of the Insolvency Act 1986 (c. 45);
  - (c) activities mentioned in paragraph (a) of paragraph 5(1) of Schedule 3 to the Financial Services Act 1986 (c. 60);
  - (d) immigration advice or immigration services;
  - (e) regulated activity within the meaning of section 22 of the Financial Services and Markets Act 2000 (c. 8), other than activity falling within paragraph (f) below, in respect of which the Financial Services Authority has by virtue of Part 20 of that Act arranged for its regulatory role to be carried out by the Law Society of Scotland;
  - (f) exempt regulated activities within the meaning of section 325(2) of the Financial Services and Markets Act 2000.
- (3) In subsection (1), “complaint” and “practitioner” have the same meaning as in Part 1 of the 2007 Act.
- (4) Omit section 77 of the 2007 Act (advice services and activities to which Act does not apply).



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- (5) Schedule 20 contains minor and consequential amendments in connection with the application of the 2007 Act by virtue of this section.

## 196 Scottish legal services ombudsman: functions

- (1) The functions of the Scottish legal services ombudsman cease to be exercisable in relation to the advice, services and activities mentioned in section 195(2).
- (2) In the Immigration and Asylum Act 1999 (c. 33)—
- (a) in section 86(4)(c) (designated professional bodies), for “Scottish Legal Services Ombudsman” substitute “ Scottish Legal Complaints Commission ”, and
  - (b) in paragraph 4(2)(c) of Schedule 5 (the Immigration Services Commissioner), for “Scottish Legal Services Ombudsman” substitute “ Scottish Legal Complaints Commission ”.

### Modifications etc. (not altering text)

- C9** S. 196(1) excluded (1.10.2008) by The Legal Services Act 2007 (Transitional, Savings and Consequential Provisions) (Scotland) Order 2008 (S.I. 2008/2341), art. 3(1)

## PART 9

### GENERAL

#### *Offences*

## 197 Offences committed by bodies corporate and unincorporated bodies

- (1) Where an offence committed by a body corporate is proved to have been committed with the consent or connivance of or to be attributable to any neglect on the part of an officer of the body corporate, that officer (as well as the body corporate) is guilty of the offence and is liable to be proceeded against and punished accordingly.
- (2) Where the affairs of a body corporate are managed by its members, subsection (1) applies in relation to the acts and defaults of a member in connection with the member's functions of management as it applies to an officer of the body corporate.
- (3) Proceedings for an offence alleged to have been committed by an unincorporated body are to be brought in the name of that body (and not in that of any of its members) and, for the purposes of any such proceedings, any rules of court relating to the service of documents have effect as if that body were a corporation.
- (4) A fine imposed on an unincorporated body on its conviction of an offence is to be paid out of the funds of that body.
- (5) If an unincorporated body is charged with an offence, section 33 of the Criminal Justice Act 1925 (c. 86) and Schedule 3 to the Magistrates' Courts Act 1980 (c. 43) (procedure on charge of an offence against a corporation) have effect in like manner as in the case of a corporation so charged.

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- (6) Where an offence committed by an unincorporated body (other than a partnership) is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any officer of the body or any member of its governing body, that officer or member as well as the unincorporated body is guilty of the offence and liable to be proceeded against and punished accordingly.
- (7) Where an offence committed by a partnership is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a partner, that partner as well as the partnership is guilty of the offence and liable to be proceeded against and punished accordingly.
- (8) In this section—
  - “offence” means an offence under this Act;
  - “officer”, in relation to a body corporate, means—
    - (a) any director, secretary or other similar officer of the body corporate, or
    - (b) any person who was purporting to act in any such capacity.

## **198 Local weights and measures authorities**

- (1) A local weights and measures authority may institute proceedings for an offence under section 14 if the activity which it is alleged that the accused was not entitled to carry on constitutes reserved instrument activities.
- (2) A local weights and measures authority may institute proceedings for an offence under section 16 if the activity which it is alleged that E was not entitled to carry on constitutes reserved instrument activities.
 

“E” has the same meaning as in that section.
- (3) In this section—
  - “relevant offence” means an offence in relation to which proceedings may be instituted by virtue of subsection (1) or (2);
  - “weights and measures officer” means an officer of a local weights and measures authority who is authorised by the authority to exercise the powers conferred by subsection (4).
- (4) A weights and measures officer who has reasonable cause to suspect that a relevant offence may have been committed may, at any reasonable time—
  - (a) enter any premises which are not used solely as a dwelling;
  - (b) require any officer, agent or other competent person on the premises who is, or may be, in possession of information relevant to an investigation of the suspected offence to provide such information;
  - (c) require the production of any document which may be relevant to such an investigation;
  - (d) take copies, or extracts, of any such documents;
  - (e) seize and retain any document which the weights and measures officer has reason to believe may be required as evidence in proceedings for a relevant offence.
- (5) Any person exercising a power given by subsection (4) must, if asked to do so, produce evidence that that person is a weights and measures officer.

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- (6) A justice of the peace may issue a warrant under this section if satisfied, on information on oath given by a weights and measures officer, that there is reasonable cause to believe that a relevant offence may have been committed and that—
- (a) entry to the premises concerned, or production of any documents which may be relevant to an investigation of the relevant offence, has been or is likely to be refused to a weights and measures officer, or
  - (b) there is reasonable cause to believe that, if production of any such document were to be required by the weights and measures officer without a warrant having been issued under this section, the document would not be produced but would be removed from the premises or hidden, tampered with or destroyed.
- (7) A warrant issued under this section must authorise the weights and measures officer accompanied, where that officer considers it appropriate, by a constable or other person—
- (a) to enter the premises specified in the information, using such force as is reasonably necessary, and
  - (b) to exercise any of the powers given to the weights and measures officer by subsection (4).
- (8) It is an offence for a person (“P”)—
- (a) intentionally to obstruct a weights and measures officer in the exercise of any power under this section;
  - (b) intentionally to fail to comply with any requirement properly imposed on P by a weights and measures officer in the exercise of any such power;
  - (c) to fail, without reasonable excuse, to give a weights and measures officer any assistance or information which the weights and measures officer may reasonably require of P for the purpose of exercising any such power; or
  - (d) in giving to a weights and measures officer any information which P has been required to give a weights and measures officer exercising any such power, to make any statement which P knows to be false or misleading in a material particular.
- (9) A person who is guilty of an offence under subsection (8) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (10) Nothing in this section is to be taken to require any person to answer any question put to that person by a weights and measures officer, or to give any information to such an officer, if to do so might incriminate that person.

#### *Protected functions of the Lord Chancellor*

### **199 Protected functions of the Lord Chancellor**

- (1) Schedule 7 to the Constitutional Reform Act 2005 (c. 4) (protected functions of the Lord Chancellor) is amended as follows.
- (2) After paragraph 3 insert—

“3A Any function of the Lord Chancellor under the Legal Services Act 2007.”

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(3) Part A of paragraph 4 is amended in accordance with subsections (4) to (7).

(4) After the entry for the Juries Act 1974 (c. 23), insert—

*“Solicitors Act 1974 (c. 47)*

Section 56”.

(5) After the entry for the Reserve Forces (Safeguard of Employment) Act 1985 (c. 17), insert—

*“Administration of Justice Act 1985 (c. 61)*

Section 9(7)

Section 69(2)

Schedule 3”.

(6) In the entry for the Courts and Legal Services Act 1990 (c. 41)—

(a) after “Section 1” insert—

“Section 53

Section 60”, and

(b) after “Section 72” insert—

“Section 89

Section 125(4)

Schedule 19, paragraph 17”.

(7) After the entry for the Finance Act 1999 (c. 16), insert—

*“Access to Justice Act 1999 (c. 22)*

Section 45”.

#### **Commencement Information**

**I123** S. 199 wholly in force at 1.1.2010; s. 199 not in force at Royal Assent see s. 211; s. 199(1)(2) in force at 7.3.2008 by S.I. 2008/222, art. 2(g); s.199(4)(5)(6)(b) in force for certain purposes at 30.6.2008 by S.I. 2008/1436, art. 2(b); s. 199(3)(5)(6)(b) in force and s. 199(6)(a) in force for certain purposes at 31.3.2009 by S.I. 2009/503, art. 2(a); s. 199 in force otherwise at 1.1.2010 by S.I. 2009/3250, art. 2(g) (with art. 9)

*Notices etc*

## **200 Notices and directions**

(1) A requirement or power under this Act to give a notice (or to notify) is a requirement or power to give notice in writing.

(2) A requirement or power under this Act to give a direction (or to direct) is a requirement or power to give a direction in writing.

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- (3) Any power conferred by this Act to give a direction includes power to revoke the direction.
- (4) Subsection (3) does not apply to the power conferred on an ombudsman to give a direction under section 137 (directions on a determination of a complaint).

#### **Commencement Information**

**I124** S. 200 wholly in force at 1.1.2009; s. 200 not in force at Royal Assent see s. 211; s. 200(1) in force at 7.3.2008 by S.I. 2008/222, art. 2(g); s. 200(2)-(4) in force at 1.1.2009 by S.I. 2008/3149, art. 2(f)

## **201 Documents**

- (1) In this Act “document” includes anything in which information is recorded in any form.
- (2) In relation to a document in which information is recorded otherwise than in a legible form, any reference to the production of the document is a reference to the production of the information in a legible form or in a form from which it can readily be produced in a legible form.

## **202 The giving of notices, directions and other documents**

- (1) This section applies where provision made (in whatever terms) by or under this Act authorises or requires a notice, direction or any other document (including a copy of a document) to be given to a person.
- (2) The notice, direction or document may be given to the person—
  - (a) by delivering it to the person,
  - (b) by leaving it at the person's proper address, or
  - (c) by sending it by post to the person at that address.
- (3) The notice, direction or document may be given to a body corporate by being given to the secretary or clerk of that body.
- (4) The notice, direction or document may be given to a partnership by being given to—
  - (a) a partner in the partnership, or
  - (b) a person having the control or management of the partnership business.
- (5) The notice, direction or document may be given to any other unincorporated body by being given to a member of the governing body of the unincorporated body.
- (6) For the purposes of this section, and section 7 of the Interpretation Act 1978 (c. 30) (service of documents by post) in its application to this section, the proper address of a person is—
  - (a) in the case of a body corporate, the address of the registered or principal office of the body;
  - (b) in the case of a partnership, or any other unincorporated body, the address of the principal office of the partnership or body;
  - (c) in the case of a person to whom the notice or other document is given in reliance on any of subsections (3) to (5), the proper address of the body corporate, partnership or other unincorporated body in question;

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(d) in any other case, the last known address of the person in question.

(7) In the case of—

- (a) a company registered outside the United Kingdom,
- (b) a partnership carrying on business outside the United Kingdom, or
- (c) any other unincorporated body with offices outside the United Kingdom,

the references in subsection (6) to its principal office include references to its principal office within the United Kingdom (if any).

(8) This section has effect subject to section 203 (notices, directions and documents in electronic form).

### **203 The giving of notices, directions and other documents in electronic form**

(1) This section applies where—

- (a) section 202 authorises the giving of a notice, direction or other document by its delivery to a particular person (“the recipient”), and
- (b) the notice, direction or other document is transmitted to the recipient—
  - (i) by means of an electronic communications network, or
  - (ii) by other means but in a form that nevertheless requires the use of apparatus by the recipient to render it intelligible.

(2) The transmission has effect for the purposes of this Act as a delivery of the notice, direction or other document to the recipient, but only if the requirements imposed by or under this section are complied with.

(3) Where the recipient is the Board, the OLC or an ombudsman—

- (a) the recipient must have indicated its willingness to receive the notice, direction or other document in a manner mentioned in subsection (1)(b),
- (b) the transmission must be made in such manner, and satisfy such other conditions as the recipient may require, and
- (c) the notice, direction or other document must take such form as the recipient may require.

(4) Where the person making the transmission is the Board, the OLC or an ombudsman, that person may (subject to subsection (5)) determine—

- (a) the manner in which the transmission is made, and
- (b) the form in which the notice, direction or other document is transmitted.

(5) Where the recipient is a person other than the Board, the OLC or an ombudsman—

- (a) the recipient, or
- (b) the person on whose behalf the recipient receives the notice, direction or other document,

must have indicated to the person making the transmission the recipient's willingness to receive notices, directions or other documents transmitted in the form and manner used.

(6) An indication to any person for the purposes of subsection (5)—

- (a) must be given to that person in such manner as that person may require;
- (b) may be a general indication or one that is limited to notices or documents of particular descriptions;

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- (c) must state the address to be used and must be accompanied by such other information as that person requires for the making of the transmission;
  - (d) may be modified or withdrawn at any time by a notice given to that person in such manner as that person may require.
- (7) An indication, requirement or determination given, imposed or made by the Board, the OLC or an ombudsman for the purposes of this section is to be given, imposed or made by being published by that person.
- (8) In this section “electronic communications network” has the same meaning as in the Communications Act 2003 (c. 21).

#### *Orders, rules etc*

### **204 Orders, regulations and rules**

- (1) Any order or regulations made by the Lord Chancellor under this Act must be made by statutory instrument.
- (2) Any rules made by the Board under section 37(4), 95(3) or 173 must be made by statutory instrument, and the Statutory Instruments Act 1946 (c. 36) applies to the Board's powers to make rules under those sections as if the Board were a Minister of the Crown.
- (3) An instrument to which this subsection applies may—
- (a) provide for a person to exercise a discretion in dealing with any matter;
  - (b) include incidental, supplementary and consequential provision;
  - (c) make transitory or transitional provision and savings;
  - (d) make provision generally or subject to exceptions or only in relation to specified cases;
  - (e) make different provision for different cases or circumstances or for different purposes.
- (4) Subsection (3) applies to—
- (a) any order or regulations made by the Lord Chancellor,
  - (b) any rules or regulations made by the Board, and
  - (c) any rules made by the OLC,
- under or by virtue of this Act.

#### **Commencement Information**

**I125** S. 204 partly in force; s. 204 not in force at Royal Assent see s. 211; s. 204(1)(3)(4)(a) in force at 7.3.2008 by S.I. 2008/222, art. 2(g)

### **205 Consultation requirements for rules**

- (1) This section applies in relation to—
- (a) rules made by the Board under this Act, and
  - (b) rules made by the OLC under Part 6,
- other than excluded rules.

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- (2) If the Board or the OLC (“the rule-making body”) proposes to make any rules, it must publish a draft of the proposed rules.
- (3) The draft must be accompanied by a notice which states that representations about the proposals may be made to the rule-making body within the period specified in the notice.
- (4) Before making the rules, the rule-making body must have regard to any representations duly made.
- (5) If the rules differ from the draft published under subsection (2) in a way which is, in the opinion of the rule-making body, material, it must publish details of the differences.
- (6) The rule-making body must publish any rules it makes, and rules may not take effect before the time they are published.
- (7) Subsection (6) does not apply to rules made by the Board under section 37(4), 95(3) or 173.
- (8) The rule-making body may make a reasonable charge for providing a person with a copy of—
  - (a) a draft published under subsection (2), or
  - (b) rules published under subsection (6).
- (9) In this section “excluded rules” means—
  - (a) rules of procedure made by the Board for the purposes of paragraph 21 of Schedule 1,
  - (b) rules made by the Board in its capacity as an approved regulator or a licensing authority, and
  - (c) rules of procedure made by the OLC for the purposes of paragraph 20 of Schedule 15;

and references to making rules include references to modifying the rules and, in relation to any modifications of rules, references to the proposed rules are to be read as references to the proposed modifications.
- (10) This section is subject to section 156(3) (which disapplies this section to OLC rules made in response to a Board direction under section 156(1)(b)).

## **206 Parliamentary control of orders and regulations**

- (1) A statutory instrument containing an order or regulations made by the Lord Chancellor under this Act is subject to annulment in pursuance of a resolution of either House of Parliament.
- (2) Subsection (1) is subject to subsections (3) and (4).
- (3) Subsection (1) does not apply to an order if it contains only provision made under one or more of the following—
  - (a) section 23(3)(b) (day appointed as end of transitional period relating to non-commercial bodies);
  - (b) section 30(4) (appointed day before which first set of rules must be made under section 30);
  - (c) section 211 (commencement);



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- (d) paragraph 3(1)(b) of Schedule 5 (day appointed as end of transitional period during which rights conferred by virtue of Part 2 of that Schedule);
  - (e) paragraph 18(1)(b) of Schedule 18 (day appointed as end of transitional period during which rights conferred by virtue of Part 3 of that Schedule).
- (4) Subsection (1) does not apply to an order or regulations which contains (whether alone or together with other provision) provision made under any of the following—
- (a) section 24(1) (orders adding to reserved legal activities);
  - (b) section 25(1) or (3) (provisional designation of approved regulators);
  - (c) section 42(6) (regulations relating to warrants under section 42);
  - (d) section 45(1) (cancellation of designation as approved regulator);
  - (e) section 46 (transitional arrangements following cancellation under section 45);
  - (f) section 48(6) (regulations relating to warrants under section 48);
  - (g) section 62(1) (power to designate Board as an approved regulator, modify its functions or cancel its designation);
  - (h) section 69(1) (modification of functions of approved regulators etc);
  - (i) section 76(1) (cancellation of designation as licensing authority);
  - (j) section 77 (transitional arrangements following cancellation under section 76);
  - (k) section 79(6) (regulations relating to warrants under section 79);
  - (l) section 80(1) (order establishing appellate body etc);
  - (m) section 106(1)(e) (power to prescribe bodies as bodies to which section 106 applies);
  - (n) section 109 (power to modify application of Part 5 to foreign bodies);
  - (o) section 173(5)(c) (power to prescribe persons as leviable bodies);
  - (p) section 207(5) (power to modify definition of “manager” in its application to foreign bodies);
  - (q) section 208(3) (power to make consequential provision etc by amending enactments);
  - (r) paragraph 9(1) of Schedule 3 (modification of exempt persons);
  - (s) paragraph 17 of Schedule 4 (designation of approved regulators);
  - (t) paragraph 9 of Schedule 13 (power to modify definitions of “material interest” and “associates”);
  - (u) paragraph 2 of Schedule 22 (transitory power to modify functions of designated regulators etc).
- (5) An order or regulations within subsection (4) may not be made unless a draft of the order or regulations has been laid before, and approved by a resolution of, each House of Parliament.
- (6) A statutory instrument containing rules made by the Board under section 37(4), 95(3) or 173 is subject to annulment in pursuance of a resolution of either House of Parliament.

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## *Interpretation*

### **207 Interpretation**

(1) In this Act, except where the context otherwise requires—

“barrister” means an individual who—

- (a) has been called to the Bar by an Inn of Court, and
- (b) is not disbarred by order of an Inn of Court;

“consumers” means (subject to subsection (3)) persons—

- (a) who use, have used or are or may be contemplating using, services within subsection (2),
- (b) who have rights or interests which are derived from, or are otherwise attributable to, the use of such services by other persons, or
- (c) who have rights or interests which may be adversely affected by the use of such services by persons acting on their behalf or in a fiduciary capacity in relation to them;

“conveyancing services” has the same meaning as in Part 2 of the Administration of Justice Act 1985 (c. 61) (licensed conveyancing) (see section 11(3) of that Act);

“court” includes—

- (a) a tribunal that is (to any extent) a listed tribunal for, or for any of, the purposes of Schedule 7 to the Tribunals, Courts and Enforcement Act 2007 (functions etc of Administrative Justice and Tribunals Council);
- (b) a court-martial;
- (c) a statutory inquiry within the meaning of section 16(1) of the Tribunals and Inquiries Act 1992 (c. 53);
- (d) an ecclesiastical court (including the Court of Faculties);

“functions” includes powers and duties;

“immigration advice” and “immigration services” have the meaning given by section 82 of the Immigration and Asylum Act 1999 (c. 33) (interpretation of Part 5) (see also subsection (4) below);

“independent trade union” has the same meaning as in the Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52) (see section 5 of that Act);

“manager”, in relation to a body, means (subject to subsection (5)) a person who—

- (a) if the body is a body corporate whose affairs are managed by its members, is a member of the body,
- (b) if the body is a body corporate and paragraph (a) does not apply, is a director of the body,
- (c) if the body is a partnership, is a partner, and
- (d) if the body is an unincorporated body (other than a partnership), is a member of its governing body;

“modify” includes amend, add to or revoke, and references to “modifications” are to be construed accordingly;

“non-commercial legal services” means—

- (a) legal services carried on otherwise than with a view to profit;
- (b) legal services carried on by a not for profit body, a community interest company or an independent trade union;

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“not for profit body” means a body which, by or by virtue of its constitution or any enactment—

- (a) is required (after payment of outgoings) to apply the whole of its income, and any capital which it expends, for charitable or public purposes, and
- (b) is prohibited from directly or indirectly distributing amongst its members any part of its assets (otherwise than for charitable or public purposes);

“the OFT” means the Office of Fair Trading;

“person” includes a body of persons (corporate or unincorporate);

“reserved legal services” means services provided by a person which consist of or include reserved legal activities carried on by, or on behalf of, that person;

“solicitor” means solicitor of the Senior Courts.

(2) The services within this subsection are—

- (a) any services provided by a person who is an authorised person in relation to an activity which is a reserved legal activity, and
- (b) any other services provided by a person which consist of or include a legal activity carried on by, or on behalf of, that person.

(3) For the purposes of the definition of “consumers” in subsection (1)—

- (a) if a person (“A”) is carrying on an activity in A's capacity as a trustee, the persons who are, have been or may be beneficiaries of the trust are to be treated as persons who use, have used or are or may be contemplating using services provided by A in A's carrying on of that activity, and
- (b) a person who deals with another person (“B”) in the course of B's carrying on of an activity is to be treated as using services provided by B in carrying on that activity.

(4) The references in this Act (other than section 195) to the provision of immigration advice or immigration services are to the provision of such advice or services by a person—

- (a) in England and Wales (regardless of whether the persons to whom they are provided are in England and Wales or elsewhere), and
- (b) in the course of a business carried on (whether or not for profit) by the person or another person.

(5) The Lord Chancellor may by order make provision modifying the definition of “manager” in its application to a body of persons formed under, or in so far as the body is recognised by, law having effect outside England and Wales.

(6) In this section “enactment” means a provision of—

- (a) an Act of Parliament;
- (b) an Act of the Scottish Parliament;
- (c) a Measure or Act of the National Assembly for Wales;
- (d) Northern Ireland legislation.

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

**C10** S. 207 modified (temp.) (7.3.2008) by [The Legal Services Act 2007 \(Commencement No.1 and Transitory Provisions\) Order 2008 \(S.I. 2008/222\)](#), **art. 7(1)**

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#### Commencement Information

**I126** S. 207 wholly in force; s. 207 not in force at Royal Assent see s. 211; s. 207 in force for certain purposes at 7.3.2008 by [S.I. 2008/222, art. 3](#); s. 207(1)(5) in force for certain purposes at 30.6.2008 by [S.I. 2008/1436, art. 2\(c\)](#); s. 207 in force for certain purposes at 31.3.2009 by [S.I. 2009/503, art. 2\(a\)](#); s. 207 in force at 1.1.2010 by [S.I. 2009/3250, art. 2\(g\)](#) (with [art. 9](#))

### Miscellaneous and supplementary

#### 208 Minor and consequential provision etc

- (1) Schedule 21 contains minor and consequential amendments.
- (2) The Lord Chancellor may by order make any supplementary, incidental or consequential provision and any transitory, transitional or saving provision which the Lord Chancellor considers necessary or expedient—
  - (a) for the general purposes, or any particular purpose, of this Act, or
  - (b) in consequence of any provision made by or under it or for giving full effect to it.
- (3) An order under this section may make provision amending, repealing or revoking (with or without savings) any provision of—
  - (a) an Act passed before or in the same session as this Act, or
  - (b) an instrument made under an Act before the passing of this Act.
- (4) An order under this section may make such adaptations of provisions of this Act brought into force as appear to be necessary or expedient in consequence of other provisions of this Act not yet having come into force.
- (5) Provision made under this section is additional, and without prejudice, to that made by or under any other provision of this Act.

#### Commencement Information

**I127** [S. 208](#) wholly in force: s. 208(2)-(5) in force at Royal Assent see [s. 211\(1\)](#): s. 208(1) in force at 31.3.2009 by [S.I. 2009/503, {art. 2\(a\)}](#)

#### 209 Transitional and transitory provision

Schedule 22 contains transitional and transitory provision.

#### 210 Repeals

Schedule 23 contains repeals (including repeals of spent provisions).

#### 211 Commencement

- (1) This section and sections 208(2) to (5), 212 and 214 come into force on the day this Act is passed.
- (2) Subject to that, the provisions of this Act come into force on such day as may be appointed by order of the Lord Chancellor.

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### Subordinate Legislation Made

- P1** S. 211 power partly exercised: 7.3.2008 appointed for specified provisions and purposes by {S.I. 2008/222}, arts. 2, 3;  
S. 211 power partly exercised: 30.6.2008 for specified provisions by {S.I. 2008/1436}, art. 2 (as amended by S.I. 2008/1591, art. 2);  
S. 211 power partly exercised: 1.1.2009 appointed for specified provisions and purposes by {S.I. 2008/3149}, art. 2;  
S. 211 power partly exercised: 31.3.2009 appointed for specified provisions and purposes by {S.I. 2009/503}, arts. 2, 3;  
S. 211 power partly exercised: 1.7.2009 appointed for specified provisions and purposes by {S.I. 2009/1365}, art. 2  
S. 211 power partly exercised: 1.1.2010 appointed for specified provisions and purposes by {S.I. 2009/3250}, art. 2 (with art. 9)

## 212 Extent

- (1) Subject to subsections (2) and (3), this Act extends to England and Wales only.
- (2) Sections 195 and 196(1) and Schedule 20 extend to Scotland only (and, for the purposes of those provisions, this Part also extends there).
- (3) An amendment or repeal contained in this Act (and, for the purposes of such an amendment or repeal, this Part) has the same extent as the enactment or relevant part of the enactment to which the amendment or repeal relates.

## 213 Index of defined expressions

Schedule 24 lists the places where expressions used in this Act are defined or otherwise explained.

## 214 Short title

This Act may be cited as the Legal Services Act 2007.

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