
EXPLANATORY NOTE

(This note is not part of the Order)

This Order commences the provisions of the Legal Services Act 2007 (c.29) (“the 2007 Act”) which establish the Legal Services Board (“the Board”) and the Office for Legal Complaints (“the OLC”). It also allows the Lord Chancellor to modify the functions of legal services regulators pending the establishment of the new regulatory regime under the 2007 Act. In addition it commences other minor and consequential provisions. This Order comes into force on 7th March 2008.

Article 2 brings into force various provisions of the 2007 Act. The following table shows the effect of those provisions—

| <i>Article of Order</i> | <i>Provisions Commenced</i> | <i>Effect</i> |
|-------------------------|--|---|
| 2(a) | Section 1, subject to article 7(1) | Sets out the regulatory objectives to which the Board, the OLC, the approved regulators and licensing authorities must have regard when exercising their functions. |
| 2(b) and (h) | Sections 2, 3, 5, 6, 7 and Schedule 1 | Section 2 introduces Schedule 1 and establishes the Board. Schedule 1 makes detailed provision about the Board. The Board is not established until the chairman, the Chief Executive and at least 7 other members have been appointed (see paragraph 1 of Schedule 1). Sections 3 to 7 set out the Board’s duty to promote the regulatory objectives, its governance and annual report requirements, and supplementary powers. |
| 2(c) and (f) (part) | Sections 69, 70 and 180 subject to the modifications set out in articles 4, 5 and 6 respectively | Sections 69 and 70 permit the Lord Chancellor to modify the functions of approved regulators on the recommendation of the Board. The modifications to these powers in articles 4 to 6 permit their exercise pending the introduction of the new regulatory regime by allowing the modification of the powers of existing legal services regulators. Section 180 permits the Lord Chancellor to exercise the same functions in relation to the Solicitors Disciplinary Tribunal. |
| 2(d) and (i) | Section 114 and Schedule 15, paragraphs 1 to 12 | Section 114 establishes the OLC and introduces Schedule 15. Paragraphs 1 to 12 of Schedule 15 permit the Board to appoint and remunerate (subject to article 8) the members of the OLC. The OLC is not established until the chairman and at least 6 other members have been appointed. |
| 2(e) | Section 172 | Provides for the Lord Chancellor to pay the Board and the OLC monies for the purpose of meeting its expenditure. |

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

| <i>Article of Order</i> | <i>Provisions Commenced</i> | <i>Effect</i> |
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| 2(f) (part), (g) (part), (j)(i)(part) and 2(n)(i) (part) | Sections 177, 210 and Schedule 16, paragraphs 1, 2(b), 7(b), 8(1) and (2), 31(1) and (2)(a) and (d), 34(1), (2)(a) and (3), 38(a) (part), 38(b)(i) and (ii), 54(1) and (4)(b) and the entry relating to section 1A(c) of the 1974 Act in Schedule 23 | Sections 177 and 210 introduce Schedules 16 and 23 respectively. The paragraphs of Schedule 16 amend the Solicitors Act 1974 (c.47) (“the 1974 Act”) to replace references to “Council” with “Society”. Further such references will be replaced as the 2007 Act is further implemented. |
| 2(j)(i) (part) and 2(n)(i) (part) | Schedule 16, paragraphs 4(b), 53 and 75(c) (Part) and the entries relating to sections 2(3)(a)(i) and (v), and the definitions of “articles” and “employee” in section 87(1) of the 1974 Act in Schedule 23 | Amends the 1974 Act so as to remove references to “articles” and “employee” and repeals the definitions of the same. |
| 2(j)(i) (part) and 2(n)(i) (part) | Schedule 16, paragraphs 21 and 50(a)(ii) and the entries relating to sections 17(1) and (2) and 48(2)(b) of the 1974 Act in Schedule 23 | Removes the references to the London Gazette in the 1974 Act. |
| 2(j)(i) (part) and (ii) and 2(n)(i) (part) | Schedule 16, paragraphs 64(1), (3) and (4), 80 and 115 | Amends the 1974 Act and the Administration of Justice Act 1985 (c.61) (“the 1985 Act”) to allow solicitors and regulated foreign lawyers to bill electronically. |
| 2(j)(i) (part) | Schedule 16, paragraphs 71 and 72(a) | Amends the powers of the Law Society and its Council to delegate the discharge of their functions. |
| 2(j)(iii) | Schedule 16, paragraphs 124, 126, 128(a) and (c)(i) and 130 | Amends the Courts and Legal Services Act 1990 (c.40) to replace references to “Council” with “Society”. |
| 2(f) (part), (k) and (n) (ii) | Section 182, Schedule 17, paragraphs 1 and 11, and the entry relating to section 22(3) (a) of the 1985 Act in Schedule 23 | Section 182 introduces Schedule 17. Paragraph 11 of Schedule 17 amends the 1985 Act so as to provide that reports in relation to the accounts of licensed conveyancers must be given by accountants who meet the requirements prescribed by rules. |
| 2(f) (part) and (l) | Section 187 and Schedule 19 paragraphs 1, 5, 8 and 9 | Amends the Compensation Act 2006 (“the 2006 Act”) so that the sentencing provisions in sections 7 and 11 of the 2006 Act are consistent with the general criminal law. The Claims Management Services Tribunal provisions are also amended so that appeals from the Tribunal to the Court of Appeal may only be brought on a point of law. |

| <i>Article of Order</i> | <i>Provisions Commenced</i> | <i>Effect</i> |
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| 2(g) (part) | Sections 199(1) and (2), 200(1), 204(1), (3) and (4) (a), 206, 207 (part) and 209 | These provisions commence minor, technical and consequential provisions of the 2007 Act, including provisions necessary to the operation of other provisions commenced by this Order. |
| 2(m)(i) (part) | Schedule 22 paragraphs 1 to 4 | Enables the powers similar to those exercisable under sections 69, 70 and 180 to be exercised by the Lord Chancellor prior to the establishment of the Board in respect of current legal services regulators. |
| 2(m)(i) (part) | Schedule 22 paragraph 5 | Allows the Lord Chancellor to amend the table of approved regulators in Schedule 4. |
| 2(m)(ii) | Schedule 22 paragraph 9 for certain purposes | Allows the Board's Chairman and other ordinary members to carry out the Board's functions under the specified provisions of Schedule 1 and Schedule 15, before the appointment of the Chief Executive. |

Article 3 brings into force for limited purposes certain terms used in the 2007 Act, to allow for the proper interpretation of those provisions, pending the establishment of the new regulatory system in full.

Articles 4 to 6 modify sections 69, 70 and 180, which are brought into force by article 2, to allow those functions to be exercised before the establishment of the new regulatory regime.

Article 7(1) modifies the meaning of authorised person in section 1 and in the definition of “consumers” in section 207 so that it is clear that, pending the establishment of the new regulatory regime, the regulatory objectives relate to those who will be authorised under the new regime on the day when it is fully in force. Article 7(2) makes transitional provision about the meaning of “wholly owned subsidiary” pending the coming into force of the relevant provisions of the Companies Act 2006 (c.6).

Article 8 ensures that there is a mechanism for paying the Board and members of the Office for Legal Complaints pending the establishment of Board on the appointment of its Chief Executive.

A regulatory impact assessment (“RIA”) has not been prepared for this Order, but a full RIA was prepared for the Legal Services Bill in November 2006, supplemented in 2007. Copies of those documents are annexed to the Explanatory Memorandum which is available alongside this instrument on the OPSI website.