



## Release notes for SRA Handbook, Version 13

[Index of release notes \[https://consultations.sra.org.uk/solicitors/handbook/release-notes/\]](https://consultations.sra.org.uk/solicitors/handbook/release-notes/)

1 April 2015

The thirteenth version of the Handbook was published on 1 April 2015.

The changes contained in Version 13 came into effect on 1 April 2015 and are summarised in these release notes. The notes give a brief update only and you will need to refer to the Handbook itself for full details. Any sets of rules or regulations not referred to remain substantially unchanged in this version.

There are six groups of changes in Version 13:

- Changes to the SRA Compensation Fund Rules 2011 and the SRA Handbook Glossary 2012 have been made in order to give effect to eligibility criteria setting out those applicants that may be able to apply for a grant out of the SRA's Compensation Fund.
- A new Outcome has been inserted into the SRA Code of Conduct 2011 which requires firms to assess and purchase an appropriate level of professional indemnity insurance. In addition, changes have been made to the Minimum Terms and Conditions of cover (Appendix 1 of the SRA Indemnity Insurance Rules 2013) relating to the variation of multi-year policies, clarification of run-off cover and the introduction of a sanctions exclusion. Amendments have also been made to the SRA Handbook Glossary to reflect these changes.
- A number of transitional provisions relating to sole practitioners have been removed, pending the implementation of a S69 Order, which comes into force on 6 April 2015, with an implementation date of November 2015. Following implementation, sole practitioners will not require an annual endorsement on their PC. This will be replaced with an authorisation that does not need to be renewed annually.
- A number of changes have been made to the SRA Principles 2011, SRA Code of Conduct 2011, SRA Accounts Rules 2011, SRA Practice Framework Rules, SRA Practising Regulations 2011, SRA Compensation Fund Rules 2011, and SRA Handbook Glossary 2012 which allows entities owned or managed by Registered European Lawyers (RELs) to operate within England and Wales without necessarily needing to do so through an SRA authorised body.



- Changes have been made to the SRA Training Regulations 2011 Part 3 – CPD Regulations to enable solicitors to adopt our new approach to continuing competence from the 1 April 2015 and to repeal these regulations from 1 November 2016. Consequential changes have been made to the SRA Higher Rights of Audience Regulations 2011, SRA Quality Assurance Scheme for Advocates (Crime) Regulations 2013 and to the SRA Handbook Glossary.
- Changes have been made to the SRA Qualified Lawyers Transfer Scheme Regulations 2011 and SRA Training Regulations 2014 – Qualification and Provider Regulations to recognise Welsh language skills as an alternative to English to meet the relevant outcomes in order to qualify as a solicitor.

## **SRA Principles 2011**

Transitional provisions relating to sole practitioners at Para 7.2 have been removed.

Paragraph 3.3 has been inserted to clarify that the SRA Principles apply to Registered European Lawyers that are practising within an Exempt European Practice.

The guidance note to Principle 5 has been amended to clarify that, for a solicitor, meeting the competencies set out in the Competence Statement forms an integral part of the requirement to provide a proper standard of service.

## **SRA Code of Conduct 2011**

A new Outcome has been introduced in to the SRA Code of Conduct 2011 as follows:

"O(7.13) you assess and purchase the level of professional indemnity insurance cover that is appropriate for your current and past practice, taking into account potential levels of claim by your clients and others and any alternative arrangements you or your client may make."

Paragraph 13.12 has been inserted to clarify that the SRA Code of Conduct applies to Registered European Lawyers that are practising within an Exempt European Practice as it does to in-house solicitors.

## **SRA Accounts Rules 2011**

Changes have been made to reflect that the SRA Accounts Rules also now apply to Registered European Lawyers in Exempt European Practices in a modified form in circumstances in which client money is held or received.



## **SRA Practice Framework Rules 2011**

Transitional provisions relating to sole practitioners have been removed. The guidance notes to 8.7 and 10.2, and Rule 22.1, have been deleted.

A change has been made to Rule 2.1 which permits a Registered European to practise in England and Wales through an Exempt European Practice. This type of body is defined in the SRA Glossary to be any type of structure in which lawyers are permitted to practise in their home Establishment Directive State and which is regulated as a lawyer's practice in that state and has its main place of business in an Establishment Directive State other than the UK. No practising lawyers of England and Wales may be owners of the business, and it cannot carry out any reserved work.

## **SRA Authorisation Rules for Legal Services Bodies and Licensable Bodies 2011**

Rule 28.2 - transitional provisions relating to sole practitioners, has been deleted, and the title of Rule 28 has been amended to remove reference to sole practitioners.

## **SRA Practising Regulations 2011**

The guidance notes to regulation 11 and 12 in relation to sole practitioners have been deleted.

Changes have been made to regulation 12.2 to clarify that Registered European Lawyers practising in Exempt European Practices will be required to register the details of the Exempt European Practice with the SRA, and to ensure that their practising details remain up to date.

## **SRA Compensation Fund Rules 2011**

Changes to the SRA Compensation Fund Rules 2011 and the SRA Handbook Glossary 2012 have been made in order to give effect to eligibility criteria setting out those applicants that may be able to apply for a grant out of the SRA's Compensation Fund.

- Persons will be eligible to apply for a grant out of the fund where the person is an individual, or at the time the application is made, is a sole trader, partnership, body corporate, unincorporated association or mutual association with an annual turnover of less than £2 million.
- Charities and trusts with an income or net asset value of less than £2 million, will be eligible to apply for a grant but in cases where



there has been a failure to account will have to satisfy the SRA that its beneficiaries have suffered, or are likely to suffer, hardship if a grant is not made.

- In cases where charities and trusts have an income or net asset value of more than £2 million, and have suffered loss as a result of dishonesty or a failure to account, they will have to satisfy the SRA that its beneficiaries have suffered, or are likely to suffer, hardship if a grant is not made.

The criteria will apply to claims made to the SRA on or after 1 April 2015.

A new Rule 3.12 has been introduced to reflect that applications which fall outside the remit of the Fund will be determined summarily.

For the purposes of the SRA Compensation Fund Rules 2011, a definition of turnover has been introduced in the SRA Handbook Glossary 2012 with reference to terminology used in Companies Act 2006.

Changes have been made to rule 8.1(g) to clarify that the SRA Compensation Fund Rules now apply to individual Registered European Lawyers, requiring them to make annual contributions and extending the protection of the Fund to their eligible clients.

## **Solicitors Keeping of the Roll Regulations 2011**

Transitional provisions relating to sole practitioners have been removed. Regulation 18, and the guidance note to regulation 3.1, have both been deleted.

## **Solicitors Training Regulations 2014 - Qualification and Provider Regulations**

Welsh language skills will now be recognised as an alternative to English as one of the required outcomes to qualify as a solicitor.

## **Solicitors Training Regulations 2011 Part 3 - CPD Regulations**

Regulation 3.1 has been amended to enable solicitors to voluntarily adopt our new approach to ensuring ongoing competence from 1 April 2015. This removes the requirements on solicitors to undertake 16 hours of CPD and can ensure their ongoing competence by reflecting on the quality of their practice and addressing identified learning and

development needs. A consequential amendment has been made to the guidance note.

Regulation 4.1 has been amended to remove the requirement on solicitors to undertake Management Course Stage 1 within three years post admission. This is inconsistent with our new approach to continuing competence. A number of consequential numbering amendments have been made and the guidance note to Regulation 4.1 has been deleted.

Regulation 8.1 has been amended to remove the requirement to undertake accredited training and enable solicitors to choose the learning and development they believe is appropriate to ensure their ongoing competence. A number of consequential numbering amendments have been made and the guidance note has been replaced to reflect this change.

Regulation 9.2 has been deleted to enable implementation of our new approach to ensuring ongoing competence.

Regulation 10.2 has been deleted to remove the requirement for solicitors to record accredited training. Consequential numbering amendments have also been made.

Part (a) and (e) of Regulation 17.1 have been deleted to remove references to accredited training.

Regulation 18 has been added to state that Part 3 CPD regulations will be repealed on 1 November 2016.

Rule 2 of the SRA Handbook Glossary Rules have been amended as follows:

- a) delete the definition of "authorised CPD course providers";
- b) delete the definition of "participation".

## **SRA Qualified Lawyers Transfer Scheme Regulations 2011**

Welsh language skills will now be recognised as an alternative to English as one of the required outcomes to qualify as a solicitor by transfer from another jurisdiction.

## **SRA Higher Rights of Audience Regulations 2011**

Amendments have been made Regulation 9 to remove the requirement on those solicitors that have adopted our new approach to ensuring ongoing competence to undertake 5 hours advocacy based CPD within

the first 5 years following the grant of the qualification. A new guidance note to Regulation 9 has been added to clarify the requirements of those solicitors that have adopted our new approach.

## **SRA Quality Assurance Scheme for Advocates (Crime) Regulations 2013**

Regulation 16.2 has been amended to remove a reference to continuing professional development.

## **SRA Indemnity Insurance Rules 2013**

There are changes to the provisions relating to variation of multi-year policies. All policies incepting on or after 1 April 2015 are required to be updated to reflect any amendments made to the Minimum Terms and Conditions (MTC), the SRA Indemnity Insurance Rules and the Glossary. Such amendment to occur on the next inception, renewal replacement or extension of a policy or 18 months after the date of the last required amendment or commencement of the policy. This requirement will not apply where the date on which amendment would have been required falls within the Extended Indemnity Period or the Cessation Period (see clauses 4.11 and 4.12 of Appendix 1).

The run-off cover provisions in the MTC are expanded to clarify that run-off cover is to be provided on a cessation (whether during the policy period, the extended indemnity period or the cessation period) and from the expiration of the cessation period (even where the firm has not yet ceased to practice). In this latter scenario, the cover will not extend to acts or omission of the insured firm that arise after the expiration of the cessation period. Liability for such acts will be a matter for the SRA Compensation Fund (see clauses 5.4 and 5.5 of Appendix 1).

A sanctions exclusion is included in the MTC. The exclusion will operate so that there is deemed to be no cover, and the Participating Insurer will not be liable to pay out a claim, if the Participating Insurer is prohibited from paying out such a claim or providing such insurance by reason of: (i) economic sanction, or (ii) trade sanction law, of the UN, EU or USA (see clause 6.11 of Appendix 1).

There are other minor drafting changes in rules 4.2, 4.3, 5.1 and 17.1.

## **SRA Indemnity Rules 2012**

Transitional provisions relating to sole practitioners have been removed from Rule 6.1 (b).

## **SRA Cost of Investigations Regulations 2011**

Transitional provisions relating to sole practitioners at Rule 7.3 have been removed.

## **SRA Financial Services (Scope) Rules 2001**

Guidance on rule 5.11 set out in guidance note (ii) has been updated to reflect the extension of the transitional period which will now run until 31 October 2015.

## **SRA Financial Services (Conduct of Business) Rules 2001**

Transitional provisions relating to sole practitioners have been deleted at Rule 12.2.

## **SRA Handbook Glossary 2012**

New definitions have been inserted for "Exempt European Practice" and "turnover". The definitions for "authorised CPD course providers", "participation" and "run-off firm" have all been deleted.

The following definitions have all been amended: "authorised insurer"; "cessation"; "client account (overseas)"; "firm"; "out-of-scope money"; "private practice" "qualifying insurance"; "sum insured"; and "transaction".