

# **A Quick Guide to regulatory changes for solicitors: Are you ready for the October changes?**

## **What is changing?**

The way that the Solicitors Regulation Authority (SRA) regulates solicitors is about to change.

The SRA's focus is moving away from the current prescriptive rules and guidance system towards an outcomes-focused approach. The new emphasis is on positive mandatory outcomes that must be achieved for clients. The methods used to achieve these outcomes can be adapted to suit a particular firm or agency.

## **When does this come into force?**

The new Handbook, containing the Code of Conduct (the Code) and the regulatory requirements, comes into effect on 6<sup>th</sup> October 2011.

## **Who does this apply to?**

**All** solicitors, including those in Not for Profit (NfP) agencies. The SRA is moving towards entity-based regulation, but, for now, the rules bind solicitors as individuals, so you may find that you are the only person in your organisation who is bound to comply.

## **Why the change?**

To allow for greater flexibility and to accommodate new business models such as Alternative Business Structures (ABSs). The SRA aims to spend less time investigating breaches of the rules, enabling them to develop their new, risk-based approach to regulation.

## **What about the Accounts Rules?**

The Solicitors' Accounts Rules (SARs) will remain in their existing Rules and guidance format. The SARs can also be found in the Handbook.

## **What do I need to do?**

Take time to familiarise yourself with the contents of the new Handbook and Code of Conduct. Note that there are ten Mandatory Principles in the Code, replacing the familiar Core Duties in the current (2007) Code. Four of the Principles are new, reflecting the scope for new business structures. The Principles are overarching and the starting point when you are faced with any regulatory dilemma, including those relating to Solicitors' Accounts.

The full Handbook is available now on the SRA website:-

<http://www.sra.org.uk/handbook/>

Review your existing procedures and ensure you remain compliant. Some practical areas to consider include the provisions in section 1 of the Code concerning client care, (including complaints), equality and diversity, conflicts of interests and confidentiality.

Consider your role within your organisation. If you have “management responsibilities” then you are responsible for achieving additional outcomes throughout the Code.

Bear in mind that the penalties for getting it wrong can be severe, ranging from greater supervision by the SRA to action against you in the Solicitors Disciplinary Tribunal.

Keep your Manager and Trustee Board informed of the changes and how they will impact on your work.

## **Where can I find out more?**

SRA Professional Ethics Helpline: 0845 606 2577 for guidance on individual queries

Look out for any further SRA Roadshows or “webinars” on regulation (registering for a webinar is free and could earn you one hour of CPD)

Visit the SRA website and watch recordings of previous webinars:

<http://www.sra.org.uk/webinars/>

Read the SRA’s Guides “OFR at a glance” <http://www.sra.org.uk/solicitors/freedom-in-practice/OFR/ofr-quick-guide.page>

FAQs on the Legal Services Act [www.sra.org.uk/lisa](http://www.sra.org.uk/lisa) for updates on progress and implementation of the Act.

Look out for future CLS Support and Policy bulletins as the changes come into effect.

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3<sup>rd</sup> October 2011

