

Compliance updates for the busy practitioner

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|--------------|---|-----------------|---|---------------------|---|
| Rule changes | ✓ | Tribunal trends | ✓ | Lengthy articles | ✗ |
| New guidance | ✓ | Big deadlines | ✓ | Regulatory politics | ✗ |

Key rule changes

The 11th edition of the SRA Handbook went live on 1 October 2014. The changes are unlikely to have a dramatic impact upon day-to-day practice for most firms. There are however some [small changes](#) which businesses with overseas offices should consider.

Looking ahead to edition 12, more radical changes are proposed. In broad summary, the following changes would if approved by the LSB, be made to the SRA Handbook on 31 October 2014:

- law firms which only hold client money by virtue of legal aid work would no longer be required to deliver an accountant's report. In addition, firms whose accountant's reports are not 'qualified' would no longer be required to deliver the reports to the SRA;
- there would be a relaxation on the rules for multi-disciplinary ABSs;
- tougher eligibility requirements would be imposed for claims on the compensation fund, namely for larger businesses, trusts and charities;
- removal of the need for the SRA to update the roll of solicitors annually; and
- a relaxation on the rules relating to how registered European lawyers can practise in the UK as part of an overseas firm and a clarification of the application of the SRA Overseas Practice Rules.

You can find out more about these changes on the [SRA website](#). All changes for edition 12 are subject to LSB approval and the implementation timetables and transitional provisions will vary.

Latest guidance, guides and warnings

- the SRA (in a change of direction from earlier SRA guidance) has [warned in-house lawyers](#) against using a style of stationery or description which appears to hold the lawyer out as a principal in an independent firm;
- the SRA has [reminded](#) solicitors to keep their details up to date on mySRA;
- the SRA has published some [guidance](#) on the need to appear on the FCA's Exempt Professional Firm (EPF) register and to appoint an insurance mediation officer. Check the definition of insurance mediation activities in the [SRA Glossary](#) if you're in any doubt as it is rather wide;

- the SRA has published a short piece of guidance on how to approach untraceable [residual client account balances](#) under the amended rules;
- the SRA has announced a series of visits to law firms to check their approach to compliance with the [anti-money laundering](#) legislation;
- the SRA has stated in a recent webinar on its [new approach to CPD](#) that it will not require lawyers to attend accredited CPD training after 1 November 2014. This seems to be in anticipation of the LSB approving changes to the rules in this respect later in the practising year. The overall requirement to complete 16 hours CPD of some sort remains for now. Want to find out more about the SRA's significant [changes to trainee arrangements and CPD?](#);
- the SRA has published guidance on when lawyers (practising or not) [need a practising certificate](#) and on rights of audience in the [Single Family Court](#);
- the SRA has said that solicitors in Law Centres (or similar organisations presumably) can't supervise unqualified staff doing [immigration work](#);
- the Law Society has updated its practice notes on [consumer credit activities](#) and the [consumer contract regulations](#) and published new practice notes on [file closures](#), setting up [trust corporations](#) for clients and [preparing a will](#) in which you or someone close to you will have an interest;
- the ICO has pursued [criminal proceedings](#) against a paralegal who took precedents and workload lists containing personal data to his new firm;

Tribunal Trends

- the Solicitors Disciplinary Tribunal (SDT) has highlighted the importance of reporting things which are going wrong to the SRA as soon as possible as it [suspended a partner from practice](#), despite having no involvement in the dishonesty on the part of his partner;
- a solicitor has been [struck off at the SDT](#) after it found a number of serious allegations proved, including that he failed to set up and keep proper accounting systems or records and had a cash shortfall in the client account;

Important dates

The deadline for [renewing practising certificates](#) (PCs) is 31 October so hopefully you all have this process well underway. It can take time, particularly if you are attempting to renew PCs for all of your staff as individuals need to 'opt-in' to the process.

For the majority of firms professional indemnity insurance should have been renewed on 1 October. For those who were unsuccessful in securing cover by the deadline the SRA has published details about a very short period of [extended cover](#).

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