

Checklist: making reports to the SRA and co-operating with enquiries A brief summary of the SRA requirement	Rule or regulation Where in the Handbook is the full requirement?	Key people Who will this requirement impact most upon in the firm	Things to consider For firm wide issues you will in practice need to conduct regular files reviews and staff training (see key people). Here are some additional things to consider depending upon the size of your firm and the nature of your business
<p>To comply with the Handbook requirements to report certain information and events to the SRA. Namely:</p> <ul style="list-style-type: none"> - "<u>material changes to relevant information about you</u> including serious financial difficulty, action taken against you by another regulator and serious failure to comply with or achieve' compliance. There's a similar requirement in a separate set of rules for firms to notify the SRA of '<u>relevant information</u> about itself, its employees, managers, or interest holders including any non-compliance' - 'serious misconduct' by SRA regulated individuals such as solicitors, firms regulated by the SRA or anyone working within or who is an owner of such a firm (so this extends beyond you and your firm). - that you expect your firm to close (there is also an obligation to wind down properly and responsibly - see 10.13 of Code) - tell the SRA of changes to information provided in an application to it (presumably while a decision is pending) or if the information provided was inaccurate, misleading or incomplete 	<p>10.1 of the SRA Code of Conduct</p> <p>10.3 of Code and 8.7(c) of SRA Authorisation Rules (ARs)</p> <p>10.4 of Code</p> <p>10.13 of Code</p> <p>Rule 3 of the ARs and 1.2 of Practising Regulations</p>	<p>Firm and all staff</p>	<p>The requirement to report information in certain circumstances to the SRA about yourself, your firm, your staff / owners and even other SRA regulated persons outside your firm is difficult to define. The COLP and COFA should as part of their role report be prepared to report actual breaches of the Handbook. The aim of the reporting requirements seem to be to allow the SRA to anticipate future breaches and problems. While we have attempted to pull together here a comprehensive list of the reporting requirements in the Handbook they are rather scattered and some provisions will always be open to interpretation so unfortunately we cannot guarantee that this is exhaustive (hard as we have tried!). The Law Society has also attempted a comprehensive list of the reporting requirements in a different format</p> <p>Some of the requirements place an obligation on individuals involved in law firms (including non-lawyers / support staff) and others on the firm or the COLP or COFA. There appears to be substantial overlap between the various reporting requirements and so it seems sensible for the reports to be made on behalf of both the firm and the individual at once if possible.</p> <p>Some of the requirements specify a timescale for reporting the information to the SRA. Broadly speaking it appears sensible to report things as soon as possible and to look out for very urgent issues.</p>

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<p>- if a firm is a partnership and is left with only one partner for reasons other than a planned and orderly departure from the firm, a report to the SRA may well be needed - (temporary emergency recognition as a sole practitioner may also be needed - see the rule for details)</p> <p>- if there are no longer the required number and type of lawyer partners able to continue in that role (this depends upon the structure of the firm - see the rule for details)</p> <p>- if your firm no longer fulfils the mandatory eligibility requirements for an SRA regulated law firm, if there is a partnership split, if a partnership needs to become a sole practitioner practice (this depends upon the structure of the firm - see the rules for details)</p> <p>- if you cease to have a COLP or COFA</p> <p>- any change to firm's name, registered office and/or any of its practising addresses, managers (i.e. the partners, members or directors as appropriate), owners (though who constitutes an owner will depend upon the structure of the firm - see the rule for details), COLP or COFA</p> <p>- a firm which is an unlimited company becomes limited</p> <p>- the firm is wound up or some other insolvency event such as going into administration occurs (see the definition of 'relevant solvency event' in the SRA Handbook)</p>	<p>4.3-4.4 of the Practising Regs and 8.8 of the ARs</p> <p>8.9 and 8.10 of the ARs</p> <p>23.1, 24.2 and 25 of ARs</p> <p>18 of ARs</p> <p>18.2 of the SRA Practice Framework Rules (PFRs)</p> <p>18.3 of PFRs</p> <p>18.4 of the PFRs</p>		<p>There is a long list of specific reporting requirements as well as some very broad ones to report 'relevant information' and 'material changes' to relevant information to the SRA. Presumably 'relevant' means relevant to the SRA's job as regulator. To cover these broader requirements the SRA's indicative behaviours in chapter 10 appear to advocate reporting to it all significant business developments as well as noteworthy staff issues, including:</p> <ul style="list-style-type: none"> • any indicators of serious financial difficulty, such as inability to pay for insurance, overheads or honour bank covenants • if your firm may no longer be financially viable, for example because of difficult trading conditions, poor cash flow, increasing overheads, loss of managers or employees and/or loss of sources of revenue • 'significant changes' to your firm, for example, key personnel, such as a partner, COLP or COFA, joining or leaving the firm; or a merger with, or an acquisition by or of, another firm. <p>In considering what else is 'relevant' in terms of individual staff members, the list of relevant factors in the SRA Suitability Test appears to be a reasonable indicator:</p> <ul style="list-style-type: none"> • criminal offences, cautions and warnings • dishonest, violent or discriminatory behaviour • abuse of trust or position of authority • assessment offences, such as cheating in an exam • IVAs, CCJs or other indications of not being able to manage finances properly • removal from office of trustee for a charity by order • director disqualification or offence under the Companies Act
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<p>- for individual solicitors, registered European lawyers and registered foreign lawyers, if the individual is committed to prison in civil or criminal proceedings, is charged with or convicted of an indictable offence, is made the subject of bankruptcy proceedings (which would result in immediate suspension of a practising certificate under section 15 of the Solicitors Act), makes a proposal for an individual voluntary arrangement or is a manager of a firm which makes a proposal for a company voluntary arrangement or a partnership voluntary arrangement under the Insolvency Act 1986, is admitted as a member of a legal profession of a jurisdiction other than as a solicitor, is made subject to disciplinary proceedings (other than by the SRA, though see rules for details), sets up a practice or becomes an owner of a practice other than one regulated by the SRA (see the rule for details), changes their name or ceases to practice</p>	<p>15.1 and 15.2 of SRA Practising Regulations</p>		<p>process: the fact that the reporting requirements are in secondary legislation (the SRA Handbook is made under various Acts of Parliament) could be helpful in terms of the firm's duty to keep certain information, such as personal data, confidential. Even so, firms may consider clarifying in the contracts with staff and owners (including partners) that the firm will report information as required by the Handbook to the SRA, that the individual consents to this and a process for resolving any lack of clarity (such as seeking advice from SRA Professional Ethics and a subsequent decision by a senior partner, which is final). The SRA Code of Conduct (10.4) does stress that client confidentiality may need to be considered in some circumstances, though in practice this may be rare. Guidance could potentially be sought from the SRA professional ethics team and the Information Commissioner free of charge if issues arise</p> <p>process: consider preparing a checklist of the reporting requirements and a process for central reporting (via the COLP for example) to the SRA. The team or individual who deal with human resources issues for example will need to know who to report new partners joining or leaving the firm to. Staff should also be clear on what to report in order for the firm to fulfil its obligations (as well as the individual's responsibilities). Training staff on the reporting requirements will be important</p> <p>process: noting the reports to be made following certain decisions and business developments (to Companies House for example as well as the SRA) could be a regular item for senior management / Committee meetings</p>
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<ul style="list-style-type: none"> - if a sole practitioner dies (temporary emergency recognition would likely be needed too - see the rules for details) - if the firm has held client money, deliver an accountant's report - relevant information which the SRA requires COLPs and COFAs to report (see our website for details) - for individual solicitors and registered European lawyers, changes to their place (or places of business) - see section 84 of the Solicitors Act 1974 - if you are an ABS or an owner of an ABS, to report certain changes or proposed changes to ownership structure (see SRA guidance on holding a restricted interest in an ABS) under Schedule 13 of the Legal Services Act (see paragraphs 10, 11, 21 and 22) 	<p>4.5 and 4.6 of SRA Practising Regulations</p> <p>32 of the Accounts Rules</p>		
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<p>To comply promptly with requests received from the SRA and cooperate with enquires by SRA and Legal Ombudsman. This includes:</p> <ul style="list-style-type: none"> - providing documents requested by the SRA in certain circumstances - give permissions (to third parties presumably) to release certain information to the SRA in certain circumstances - move forward potential claims for redress against the firm where requested to do so by the SRA - comply promptly with requests for information from the SRA and co-operate fully with enquiries received from the SRA and the Legal Ombudsman 	<p>10.6 and 10.8 - 10.11 of the SRA Code of conduct, 18.1 of the SRA Practice Framework Rules and 8.7 on information reports and 8.7(b) generally and of SRA Authorisation Rules</p>	<p>Firm and all staff</p>	<p>ownership and process: consider requiring all enquiries from the SRA, with the exception of standard applications and day to day guidance queries to the SRA's Ethics team, to be dealt with centrally, by the COLP or his or her team for example. This would mean that the experts in these requirements in the firm can deal with the relevant SRA requests. Staff would therefore need to be clear on who to report SRA enquiries to in the firm.</p>
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