

Draft SRA Practice Framework Rules (Annex F3)

Introduction

Part 1 of these rules sets out the types of business through which *solicitors*, *RELS*, *RFLs* and *authorised bodies* may *practise*. It restricts the types of business available in order to reflect statutory provisions and to ensure that *clients* and the public have the protections provided for by statute.

Part 2 permits *authorised bodies*, *solicitors*, *RELS* and *RFLs* to carry out certain types of work, including *immigration work*.

Part 3 governs the formation and practice requirements which must be satisfied by bodies to be eligible for authorisation by the *SRA*, and is based on the requirements of sections 9 and 9A of the Administration of Justice Act 1985 and section 72 of the Legal Service Act 2007.

Part 4 sets out certain requirements relating to compliance with these rules and the *SRA's regulatory arrangements*.

Interpretation

All italicised terms in these rules are to be interpreted in accordance with Chapter 14 (Interpretation) of the *SRA Code of Conduct*, unless they are defined as follows:

"authorised person(s)"	means a <i>person</i> who is authorised by the <i>SRA</i> or another <i>approved regulator</i> to carry on a <i>legal activity</i> and for the purpose of these rules includes a <i>solicitor</i> , a <i>sole practitioner</i> , an <i>REL</i> , an <i>Exempt European Lawyer</i> , an <i>RFL</i> , an <i>authorised body</i> , an <i>authorised non-SRA firm</i> and a <i>European corporate practice</i> and the term " <i>non-authorised person</i> " shall be construed accordingly;
"charity"	has the same meaning as in section 96(1) of the Charities Act 1993;
"Code of Conduct"	means the <i>SRA Code of Conduct</i> [2011];
"European corporate practice"	means a <i>lawyers' practice</i> which is a body incorporated in an <i>Establishment Directive state</i> , or a <i>partnership</i> with separate legal identity formed

under the law of an *Establishment Directive* state:

- (a) which has an office in an *Establishment Directive* state but does not have an office in England and Wales;
- (b) whose ultimate beneficial owners include at least one individual who is not a *lawyer of England and Wales* but is, and is entitled to *practise* as, a *lawyer of an Establishment Directive profession*; and
- (c) whose *managers* include at least one such individual, or at least one *body corporate* whose *managers* include at least one such individual;

"exempt European lawyer (EEL)"

means a *member of an Establishment Directive profession*:

- (a) registered with the Bar Standards Board; or
- (b) based entirely at an office or offices outside England and Wales, who is not a *lawyer of England and Wales* (whether entitled to *practise* as such or not);

"foreign lawyer"

means a person who is not a *solicitor* or barrister of England and Wales, but who is a *member* and is entitled to *practise* as such, of a legal profession regulated within a jurisdiction outside England and Wales;

"interest holder"

means a *person* who holds any *shares*, is entitled to exercise any *voting rights*, or controls the exercise of any *voting rights* in a *body*, and references to "*holding an interest*" or "*having an interest*" shall be construed accordingly;

"legal services body"	shall be construed in accordance with Rule 13.1
"legally qualified"	means any of the following: <ul style="list-style-type: none"> (a) a <i>lawyer</i>; (b) a <i>recognised body</i>; (c) an <i>authorised non-SRA firm</i> of which all the <i>managers</i> and <i>interest holders</i> are <i>lawyers</i>; (d) <i>European corporate practice</i> of which all the <i>managers</i> and <i>interest holders</i> are <i>lawyers</i>; <p style="text-align: center;">and references to a <i>legally qualified body</i> shall be construed accordingly;</p>
"practice of law"	means the provision of legal advice or assistance, or representation in connection with the application of the law or resolution of legal disputes;
"qualified to supervise"	means a person complying with the requirements of Rule 12.2;
"regulatory arrangements"	has the meaning given to it by section 21 of the <i>LSA</i> , and includes all rules and regulations of the <i>SRA</i> in relation to the authorisation, practice, conduct, discipline and qualification of <i>persons</i> carrying on <i>legal activities</i> and the accounts rules and indemnification and compensation arrangements in relation to their <i>practice</i> .
"related body"	in relation to <i>in-house practice</i> means a body standing in relation to your <i>employer</i> as specified in Rule 4.4(a) to (d) or 4.14(c);
a "relevant insolvency event"	occurs in relation to a body if: <ul style="list-style-type: none"> (a) a resolution for a voluntary winding-up of the body is passed without a declaration of solvency under section 89 of the Insolvency Act 1986; (b) the body enters administration within

the meaning of paragraph 1(2)(b) of Schedule B1 to that Act;

- (c) an administrative receiver within the meaning of section 251 of that Act is appointed;
- (d) a meeting of creditors is held in relation to the body under section 95 of that Act (creditors' meeting which has the effect of converting a members' voluntary winding up into a creditors' voluntary winding up); or
- (e) an order for the winding up of the body is made;

"reserved work" means activities which individuals are authorised by the *SRA* to carry out, or prohibited from carrying out, under these rules;

"shareowner" means:

- (a) a *member* of a *company* with a share capital, who owns a *share* in the body; or
- (b) a *person* who is not a *member* of a *company* with a share capital, but owns a *share* in the body, which is held by a *member* as nominee; and

"societas Europaea" means a European public limited liability company within the meaning of article 1 of Council Regulation 2157/2001/EC.

"SRA Accounts Rules" means the SRA Accounts Rules 1998

PART 1 – FRAMEWORK OF PRACTICE

Rule 1 – Solicitors

Practice from an office in England and Wales

- 1.1 You may *practise* as a *solicitor* from an office in England and Wales in the following ways only:

- (a) as a *recognised sole practitioner* or the *employee* of a *recognised sole practitioner*;
- (b) as a *solicitor* exempted under Rule 10.2 from the obligation to be a *recognised sole practitioner*;
- (c) as a *manager, employee, member* or *interest holder* of:
 - (i) an *authorised body*; or
 - (ii) a *body corporate* which is a *manager, member* or *interest holder* of an *authorised body*,

provided that all work you do is:

- (A) carried out through the *authorised body* and of a sort the body is authorised by the *SRA* to carry out; or
- (B) done for the body itself, or falls within Rule 4.1 to 4.9 (In-house practice: Work colleagues, Related bodies and Pro bono work), and where this sub-paragraph applies, references in Rule 4 to "*employer*" shall be construed as referring to that body, accordingly;

- (d) as a *manager, employee, member* or *interest holder* of:
 - (i) an *authorised non-SRA firm*; or
 - (ii) a *body corporate* which is a *manager, member* or *interest holder* of an *authorised non-SRA firm*,

provided that all work you do is:

- (A) carried out through the *authorised non-SRA firm* and of a sort the *firm* is authorised by the *firm's approved regulator* to carry out; or
- (B) done for the *firm* itself, or falls within Rule 4.1 to 4.9 (In-house practice: Work colleagues, Related bodies and Pro bono work), and where this sub-paragraph applies, references in Rule 4 to "*employer*" shall be construed as referring to that *firm*, accordingly;

- (e) as the *employee* of another *person, business* or organisation, provided that you undertake work only for your *employer*, or as

permitted by Rule 4 (In-house practice).

Practice from an office outside England and Wales

- 1.2 You may *practise* as a *solicitor* from an office outside England and Wales in the following ways only:
- (a) as a *sole practitioner* (including a *recognised sole practitioner*);
 - (b) as the *employee* of a sole principal who is a *lawyer*;
 - (c) as a *manager, employee, member or interest holder* of an *authorised body*, provided that if any of the body's *managers or interest holders* are non-lawyers and the office is in an *Establishment Directive state* other than the *UK*, the rules for local *lawyers* would permit a local *lawyer* to *practise* through a business of that composition and structure;
 - (d) as an *employee* of a business which is not required to be an *authorised body*, provided that it meets all the following conditions:
 - (i) the business carries on the *practice of law*;
 - (ii) a controlling majority of the *managers* and the *interest holders* are *lawyers* and/or *bodies corporate* in which *lawyers* constitute a controlling majority of the *managers* and *interest holders*;
 - (iii) if any of the business's *managers or interest holders* are non-lawyers and any *manager or interest holder* is subject to the rules for local *lawyers*, the composition and structure of the business complies with those rules; and
 - (iv) if any of the business's *managers or interest holders* are non-lawyers and the office is in an *Establishment Directive state*, the rules for local *lawyers* would permit a local *lawyer* to *practise* through a business of that composition and structure;
 - (e) as *manager, member or interest holder* of a business which is not required to be an *authorised body*, provided that it does not *practise* from an office in England and Wales, and that it meets all the conditions set out in sub-paragraph (d) (i) to (iv) above;

- (f) as the *employee* of another *person*, business or organisation, provided that you undertake work only for your *employer*, or as permitted by Rule 4.21 to 4.24 (In-house practice overseas).

Guidance notes

- (i) See also Rules [10 \(Sole practitioners\)](#), [13 \(Eligibility criteria and fundamental requirements for recognised bodies\)](#), [14 \(Eligibility criteria and fundamental requirements for licensed bodies\)](#), [15 \(Formation, registered office and practice address\)](#), [16 \(Composition of an authorised body\)](#) and [17 \(Authorised bodies which are companies\)](#) below, the [SRA Recognised Bodies Regulations 2009](#), [Chapter 13 of the Code of Conduct \(Application and waivers provisions\)](#) and the [SRA Practising Regulations 2009](#).
- (ii) See [Rule 4.3](#) and the definition of "In-house practice" in the Code of Conduct, in relation to in-house work that you carry out for clients which is outside of your firm's authorisation.

Rule 2 – RELs

Practice from an office in England and Wales

- 2.1 You may *practise* as an *REL* from an office in England and Wales in the following ways only:
- (a) as a *recognised sole practitioner* or the *employee* of a *recognised sole practitioner*;
 - (b) as an *REL* exempted under Rule 10.2 from the obligation to be a *recognised sole practitioner*;
 - (c) as a *manager, employee, member* or *interest holder* of:
 - (i) an *authorised body*; or
 - (ii) a *body corporate* which is a *manager, member* or *interest holder* of an *authorised body*,

provided that all work you do is:

- (A) carried out through the *authorised body* and of a sort the body is authorised by the *SRA* to carry out; or
- (B) done for the body itself, or falls within Rule 4.1 to 4.9 (In-house practice: Work colleagues, Related bodies and Pro bono work), and where this sub-paragraph applies, references in Rule 4 to "*employer*" shall be construed as referring to that

body, accordingly;

- (d) as a *manager, employee, member or interest holder* of:
 - (i) an *authorised non-SRA firm*; or
 - (ii) a *body corporate* which is a *manager, member or interest holder* of an *authorised non-SRA firm*,

provided that all work you do is:

- (A) carried out through the *authorised non-SRA firm* and of a sort the *firm* is authorised by the *firm's approved regulator* to carry out; or
 - (B) done for the *firm* itself, or falls within Rule 4.1 to 4.9 (In-house practice: Work colleagues, Related bodies and Pro bono work), and where this sub-paragraph applies, references in Rule 4 to "*employer*" shall be construed as referring to that *firm*, accordingly;
- (e) as the *employee* of another *person, business or organisation*, provided that you undertake work only for your *employer*, or as permitted by Rule 4 (In-house practice).

Practice from an office in Scotland or Northern Ireland

2.2 You may *practise* as an *REL* from an office in Scotland or Northern Ireland in the following ways only:

- (a) as a *sole practitioner* (including a *recognised sole practitioner*);
- (b) as the *employee* of a sole principal who is a *lawyer*;
- (c) as a *manager, employee, member or interest holder* of an *authorised body*;
- (d) as an *employee* of a business which is not required to be an *authorised body* provided that it meets all the following conditions:
 - (i) the business carries on the *practice of law*;
 - (ii) a controlling majority of the *managers* and the *interest holders* are *lawyers* and/or *bodies corporate* in which *lawyers* constitute a controlling majority of the *managers* and *interest*

holders; and

- (iii) if any of the business's *managers* or *interest holders* are non-lawyers, the professional rules governing a solicitor of that jurisdiction would allow such a solicitor to *practise* through a business of that composition and structure;

- (e) as *manager, member* or *interest holder* of a business which is not required to be an *authorised body*, provided that it does not *practise* from an office in England and Wales, and that it meets all the conditions set out in sub-paragraph (d) (i) to (iii) above;

- (f) as the *employee* of another *person*, business or organisation, provided that you undertake work only for your *employer*, or as permitted by Rule 4.23 to 4.26 (In-house practice overseas).

Guidance notes

- (i) The overseas provisions for an REL are the same as those for a solicitor practising overseas except that they apply only in Scotland and Northern Ireland. RELs are not subject to Rule 2 in relation to practice from an office outside the UK.

- (ii) See Rule 4.3 and the definition of "In-house practice" in the Code of Conduct, in relation to in-house work that you carry out for clients which is outside of your firm's authorisation.

Rule 3 – RFLs

Practice in the capacity of an RFL

3.1 Your *practice* as a *foreign lawyer* in the capacity of an *RFL* is confined to *practice* as:

- (a) the *employee* of a *recognised sole practitioner*,

- (b) a *manager, employee, member* or *interest holder* of:
 - (i) an *authorised body*; or

 - (ii) a *body corporate* which is a *manager, member* or *interest holder* of an *authorised body*,

provided that all work you do is:

- (A) carried out through the *authorised body* and of a sort the body

is authorised by the *SRA* to carry out; or

(B) done for the body itself, or falls within Rule 4.1 to 4.11 (In-house practice: Work colleagues, Related bodies and Pro bono work), and where this sub-paragraph applies, references in Rule 4 to "*employer*" shall be construed as referring to that body, accordingly;

(c) a *manager, employee, member or interest holder* of:

(i) an *authorised non-SRA firm*; or

(ii) a *body corporate* which is a *manager, member or interest holder* of an *authorised non-SRA firm*,

provided that all work you do is:

(A) carried out through the *authorised non-SRA firm* and of a sort the *firm* is authorised by the *firm's approved regulator* to carry out; or

(B) done for the firm itself, or falls within Rule 4.1 to 4.11 (In-house practice: Work colleagues, Related bodies and Pro bono work), and where this sub-paragraph applies, references in Rule 4 to "*employer*" shall be construed as referring to that firm, accordingly;

Practice in another capacity than as an RFL

3.2 If you provide services as a *foreign lawyer* in any of the following ways in England and Wales or elsewhere, you will not be *practising* in the capacity of an *RFL* and you must not be held out or described in that context as an *RFL*, or as regulated by or registered with the Law Society or the *SRA*:

(a) as a sole principal; or

(b) as a *manager, member or interest holder* of any business or organisation other than an *authorised body* or an *authorised non-SRA firm*; or

(c) as a *manager, member or interest holder* of a *body corporate* which is a *manager, member or interest holder* of any business or organisation other than an *authorised body* or an *authorised non-SRA firm*; or

- (d) as the *employee* of any business or organisation other than a *recognised sole practitioner*, an *authorised body* or an *authorised non-SRA firm*.

3.3 If you have a *practice* under Rule 3.1 above, and another business under Rule 3.2 above, the latter is a *separate business* for the purpose of these rules and you must therefore comply with Chapter 12 (Separate businesses) of the *Code of Conduct*.

Scope of practice

3.4 Whether or not you are *practising* in the capacity of an *RFL* you must not:

- (a) be held out in any way which suggests that you are, or are entitled to practise as, a *lawyer of England and Wales*;
- (b) undertake the following *reserved work* in England and Wales:
 - (i) advocacy in open *court*;
 - (ii) the conduct of *court* litigation;
 - (iii) the administration of oaths and statutory declarations;
- (c) undertake advocacy in chambers in England and Wales, except under instructions given by a person qualified to supervise *reserved work*;
- (d) undertake the following *reserved work* in England and Wales, except at the direction and under the supervision of a person qualified to supervise *reserved work*:
 - (i) the preparation of *court* documents;
 - (ii) the preparation of instruments and the lodging of documents relating to the transfer or charge of land;
 - (iii) the preparation of papers on which to found or oppose a grant of probate or a grant of letters of administration;
 - (iv) the preparation of trust deeds disposing of capital,

unless you also are eligible to act as a *lawyer of England and Wales*.

- (e) If you are not *practising* in the capacity of an *RFL* you must not carry out *immigration work* in the *UK* unless you are entitled to do so by

virtue of being a qualified person within the meaning of section 84 of the Immigration and Asylum Act 1999, whether this is as a result of being entitled to do the work in your own right, doing so under supervision, or otherwise.

Guidance notes

- (i) A foreign lawyer must be registered with the SRA as an RFL to be a manager, member or owner of a recognised body, with the following exceptions:

 - (a) a foreign lawyer who is also qualified as a lawyer of England and Wales does not have to be an RFL;
 - (b) a member of an Establishment Directive profession – except that if the lawyer is not a national of an Establishment Directive state and will be based, or partly based, in England and Wales, he or she does have to be an RFL in order to be a manager, member or owner of a recognised body. See our [additional guidance](#) on RFLs and multi-national practice. (LINK)

- (ii) There is no requirement to register as an RFL in order to be employed by a recognised body or sole practitioner or to be a manager or owner of, or employed by, a licensed body but, if you are registered as an RFL, you will be subject to SRA regulation in this capacity when working for an SRA firm or an authorised non-SRA firm.

- (iii) An RFL is subject to the same restrictions as a solicitor or REL in relation to practice from an office in England and Wales with two exceptions. Your registration as an RFL does not entitle you to practise:

 - (a) as an RFL sole practitioner; or
 - (b) as an in-house RFL (subject to note (iv) below).

- (iv) Registration as an RFL is portable to the extent that it will enable you to be a manager, employee, member or owner of an authorised non-SRA firm, although your ability to work within such a firm will depend on the framework of practice requirements of the relevant approved regulator. You will be able to undertake work authorised by the firm's approved regulator (subject to any statutory limitations or requirements). Additionally you will be able to function as an in-house lawyer under Rule 4, doing other work for the employer, related bodies, work colleagues and pro bono clients under the SRA's rules.

- (v) Your registration as an RFL will not be relevant in the role of owner or employee of a business in England and Wales which is not regulated by the

SRA or one of the other approved regulators. The SRA does not regulate any practice you might have outside the framework established under the LSA, so there must be no implication in such a context that you are an RFL, or that you or the business are regulated by or registered with the SRA or the Law Society.

- (vi) Where, in order to satisfy statutory requirements, there is a need for an RFL doing reserved work to be supervised or directed by someone in the firm, this can only be undertaken by a person of equivalent or higher status.
- (vii) See 1.5 of the SRA Principles - application provisions regarding an RFL's activities outside practice. For an RFL, "outside practice" includes practice as a manager of an authorised body through its overseas offices. In that case, an RFL manager of the body will be subject only to Principle 6 in respect of the overseas offices.
- (viii) See Rule 4.3 and the definition of "In-house practice" in the Code of Conduct, in relation to in-house work that you carry out for clients which is outside of your firm's authorisation.

Rule 4 – In-house practice

- 4.1 If you are employed in house, you must not act for *clients* other than your *employer* except in the following circumstances and where you are able to act without compromising the *Principles* or your obligations under the *Code of Conduct*.
- 4.2
- (a) In order to act for a *client* other than your *employer* under Rule 4.10, 4.15, 4.17 and 4.20, you must have professional indemnity insurance cover.
 - (b) In all other cases you must consider whether your *employer* has appropriate indemnity insurance or funds to meet any award made as a result of a claim in professional negligence against you, for which your *employer* might be vicariously liable. If not, you must inform the *client* in writing that you are not covered by the compulsory insurance scheme.
- 4.3 If you are a *solicitor*, *REL* or *RFL* in an *authorised body* or an *authorised non-SRA firm*, you must comply with this rule as if you were an in-house *solicitor* or *REL* when, as:
- (a) a *manager* or *employee*; or
 - (b) a *manager* or *employee* of a body which is a *manager* of the *firm*,

you do work of a type which is outside the scope of the *firm's* authorisation in accordance with Rules 1, 2 or 3, either for the *firm* itself or within 4.4 – 4.6 (Work colleagues), 4.7 – 4.9 (Related bodies) or 4.10 – 4.11 (Pro bono work).

Work colleagues

4.4 Subject to Rule 4.5 below, you may act for a *person* who is, or was formerly:

- (a)** an *employee*, a *manager*, the company secretary, a board member or a trustee of your *employer*;
- (b)** an *employee*, a *manager*, the company secretary, a board member or a trustee of a related body of your *employer*; or
- (c)** a contributor to a programme or periodical publication, broadcast or published by your *employer* or by a related body, but only where the contributor is a defendant or potential defendant in a defamation case.

4.5 You may act under Rule 4.4 above only if:

- (a)** the matter relates to or arises out of the work of the *employee*, *manager*, company secretary, board member, trustee or contributor in that capacity;
- (b)** the matter does not relate to a claim arising as a result of a personal injury to the *employee*, *manager*, company secretary, board member, trustee or contributor;
- (c)** you are satisfied that the *employee*, *manager*, company secretary, board member, trustee or contributor does not wish to instruct some other *lawyer*; and
- (d)** no charge is made for your work unless those costs are recoverable from another source.

4.6 Where acting in a conveyancing transaction under Rule 4.4(a) or (b) above you may also act for a joint owner or joint buyer of the property and for a mortgagee.

Related bodies

4.7 You may act for:

- (a)** your *employer's* holding, associated or subsidiary *company*;

- (b) a *partnership*, syndicate, *LLP* or *company* by way of joint venture in which your *employer* and others have an interest;
- (c) a trade association of which your *employer* is a member; or
- (d) a club, association, pension fund or other scheme operated for the benefit of *employees* of your *employer*.

4.8 If you are employed in local government, Rule 4.7(a) and (b) above do not apply.

4.9 For the purpose of Rules 4.10 to 4.15 references to your *employer* include related bodies of the *employer*, and "employment" and "employed" must be construed accordingly.

Pro bono work

4.10 You may, in the course of your *practice*, conduct work on a pro bono basis for a *client* other than your *employer* provided:

- (a) the work is covered by an indemnity reasonably equivalent to that required under the SRA Indemnity Insurance Rules;
- (b) either:
 - (i) no fees are charged; or
 - (ii) a conditional fee agreement is used and the only fees charged are those which you receive by way of costs from your *clients* opponent or other third party and all of which you pay to a *charity* under a fee sharing agreement; [and
- (c) you do not undertake any reserved legal activities].

4.11 Rule 4.10 above does not permit you to conduct work on a pro bono basis in conjunction with services provided by your *employer* under Rule 4.12 (Associations), Rule 4.13 to 4.14 (Insurers), Rule 4.15 (Commercial legal advice services) or Rule 4.20 to 4.22 (Foreign law firms).

Associations

4.12 If you are employed by an association you may act for a member provided:

- (a) the membership of the association is limited to *persons* engaged or concerned in a particular trade, occupation or specialist activity or

otherwise having a community of interest, such interest being a specialist interest;

- (b) the association is one formed bona fide for the benefit of its members and not formed directly or indirectly for your benefit or primarily for securing assistance in legal proceedings; and
- (c) there is no charge to the member in non-contentious matters, and in contentious matters the association indemnifies the member in relation to your costs and disbursements insofar as they are not recoverable from any other source.

Insurers

4.13 If you are employed by an insurer subrogated to the rights of an insured in respect of any matter you may act on behalf of the insurer in relation to that matter in the name of the insured, and also:

- (a) act on behalf of the insured in relation to uninsured losses in respect of the matter;
- (b) act in proceedings both for the insured and for a defendant covered by another insurer where the insurers have agreed an apportionment of liability; and/or
- (c) act in the matter on behalf of the *employer* and another insurer in the joint prosecution of a claim.

4.14 If you are employed by a legal expenses insurer you may, provided that the insured has given specific consent, act for an insured in any proceedings which are covered by the legal expenses insurance policy, provided that the proceedings do not include:

- (a) a personal injury claim (whether made by or for the insured); or
- (b) a civil claim for damages which:
 - (i) exceeds the small claims limit from time to time in operation in the county court; and/or
 - (ii) is allocated or re-allocated to the fast track or the multi-track.

Commercial legal advice services

4.15 If you are employed by a commercial organisation providing a telephone legal advice service you may advise *persons* making enquiries of that organisation, provided:

- (a) the advice comprises telephone advice only, together with a follow up letter to the enquirer when necessary;
- (b) you are satisfied that there is indemnity cover reasonably equivalent to that required under the SRA Indemnity Insurance Rules; and
- (c) you do not undertake any *reserved legal activities*.

Local government

4.16 If you are employed in local government you may act:

- (a) for another organisation or *person* to which or to whom the *employer* is statutorily empowered to provide legal services, subject to the conditions in (b) to (g) below;
- (b) for a member or former member of the local authority, provided that:
 - (i) the matter relates to or arises out of the work of the member in that capacity;
 - (ii) the matter does not relate to a claim arising as a result of a personal injury to the member;
 - (iii) you are satisfied that the member does not wish to instruct some other *lawyer*; and
 - (iv) no charge is made for your work unless those costs are recoverable from some other source;
- (c) for a *company* limited by *shares* or guarantee of which:
 - (i) the *employer* or nominee of the *employer* is a shareholder or guarantor; or
 - (ii) you are, or an officer of the *employer* is, appointed by the *employer* as an officer of the *company*,

provided the *employer* is acting in pursuance of its statutory powers;

- (d) for lenders in connection with new mortgages arising from the redemption of mortgages to the local authority, provided:

- (i) neither you nor any other *employee* acts on behalf of the borrowers; and
 - (ii) the borrowers are given the opportunity to be independently advised by a qualified conveyancer of their choice;
- (e) for a *charity* or voluntary organisation whose objects relate wholly or partly to the *employer's* area, provided that there is no charge to the *charity* or voluntary organisation in non-contentious matters, and in contentious matters the *employer* indemnifies the *charity* or voluntary organisation in relation to your costs insofar as they are not recoverable from any other source;
 - (f) for a patient who is the subject of a Court of Protection Order where you are acting for a work colleague (under Rule 4.4 to 4.6 above) who is appointed as deputy for the patient; or
 - (g) for a child or young person subject to a Care Order in favour of the *employer* on an application to the Criminal Injuries Compensation Authority.

Law Centres, charities and other non-commercial advice services

4.17 If you are employed by a law centre or advice service operated by a charitable or similar non-commercial organisation you may give advice to and otherwise act for members of the public, provided:

- (a) no funding agent has majority representation on the body responsible for the management of the service, and that body remains independent of central and local government;
- (b) no fees are charged save:
 - (i) where the *client* is publicly funded; or
 - (ii) where the organisation indemnifies the *client* in relation to your costs insofar as they are not recoverable from any other source;
- (c) all fees you earn and costs you recover are paid to the organisation for furthering the provision of the organisation's services;
- (d) the organisation is not described as a law centre unless it is a member of the Law Centres Federation; and

- (e) the organisation has indemnity cover in relation to the *legal activities* carried out by you, reasonably equivalent to that required under the SRA Indemnity Insurance Rules.

4.18 Rule 4.17 above does not apply to an association formed for the benefit of its members.

The Crown, non-departmental public bodies and the Legal Services Commission

4.19 If you are employed by the Crown, a non-departmental public body or the Legal Services Commission (or any body established or maintained by the Legal Services Commission), you may give legal advice to, and act for, *persons* other than your *employer* if in doing so you are carrying out the lawful functions of your *employer*.

Foreign law firms

4.20 You may provide legal services to your *employer's clients*, subject to the conditions set out in Rule 4.21 below, if you are a *solicitor* or an *REL* employed by:

- (a) a *practising* lawyer of another jurisdiction who:
 - (i) is not struck off or suspended from the register of foreign lawyers or the register of European lawyers; and
 - (ii) is not *practising* in that context as a *solicitor* or as an *REL*; or

- (b) a business whose *managers* and owners are all *practising* through that business as lawyers of jurisdictions other than England and Wales, and do not include any person who:
 - (i) is struck off or suspended from the register of foreign lawyers or the register of European lawyers; or
 - (ii) is *practising* through or in the context of that business as a *solicitor* or as an *REL*.

4.21 You must meet the following conditions if acting for anyone other than your *employer*.

- (a) Even if you are qualified to do such work for your *employer*, you must not do, or supervise or assume responsibility for doing any of the

following:

- (i) drawing or preparing any instrument or papers comprising *reserved legal activities* under section 12(1) (c) or (d) of the *LSA*;
 - (ii) exercising any right of audience, or right to conduct litigation (including making any application or lodging any document relating to litigation), before a *court* or immigration tribunal; or
 - (iii) providing any immigration advice or immigration services, unless the *employer*, or a senior fellow *employee*, is registered with the Immigration Services Commissioner.
- (b) You must ensure that the work you do is covered by professional indemnity insurance reasonably equivalent to that required under the SRA Indemnity Insurance Rules.
- (c) You must:
- (i) inform your *client* that your *employer* is not regulated by the SRA and that the SRA's compulsory insurance scheme does not apply, and either give or confirm this information in writing, if you are a *solicitor*, and you are held out to a *client* as a *solicitor* (or as an English or Welsh *lawyer*) in connection with work you are doing for that *client*; and
 - (ii) ensure that if you are identified on the notepaper as a *solicitor* (or as an English or Welsh *lawyer*) the notepaper also states that your *employer* is not regulated by the SRA.

4.22 Rule 4.21(c) above should also be read as referring to an *REL* being held out or identified as a *lawyer*, or under the *REL*'s title from their home state.

In-house practice overseas

4.23 Rules 4.10 and 4.11 (Pro bono work) apply to your *overseas practice*.

4.24 The other provisions of Rule 4 (In-house practice) do not apply to your *overseas practice*, but you must comply with Rules 4.25 and 4.26 below.

4.25 Subject to 4.26 below, you may act as an in-house *lawyer*, but only for:

- (a) your *employer*;

- (b) a *company* or organisation controlled by your *employer* or in which your *employer* has a substantial measure of control;
- (c) a *company* in the same group as your *employer*;
- (d) a *company* which controls your *employer*; or
- (e) an *employee* (including a *director* or a company secretary) of a *company* or organisation under (a) to (d) above, provided that the matter relates to or arises out of the work of that *company* or organisation, does not relate to a claim arising as a result of a personal injury to the *employee*, and no charge is made for your work unless those costs are recoverable from another source.

4.26 If you are a *solicitor* registered in another state under the *Establishment Directive* with the professional body for a local legal profession you may *practise* in-house to the extent that a member of that legal profession is permitted to do so.

Regulatory bodies

4.27 If you are employed by a regulatory body you may in carrying out the function of the *employer* give legal advice to other *persons* and, where those functions are statutory, may act generally for such *persons*.

Guidance notes

- (i) If you are a *solicitor* working in-house (whether in or outside England and Wales) you must comply with Rule 9 (Practising certificates). For further guidance see also our FAQs "Do I need a practising certificate?"[\[Link\]](#) on our website. Examples of situations where you will be practising as a *solicitor*, and will therefore need a practising certificate, include:
 - (a) you are employed as a *solicitor*;
 - (b) you are held out, on stationery or otherwise, as a *solicitor* for your employer;
 - (c) you administer oaths;
 - (d) you appear before a court or tribunal in reliance upon your qualification as a *solicitor*;
 - (e) you instruct counsel;
 - (f) you undertake work which is prohibited to unqualified persons under the provisions of Part 3 of the *LSA*, unless you are supervised by, and

acting in the name of, a solicitor with a practising certificate or another qualified person;

- (g)** your only qualification as a lawyer is that you are a solicitor, and:

 - (A)** you are employed or held out as a lawyer;
 - (B)** you undertake work in another jurisdiction which is reserved to lawyers;
 - (C)** you are registered in a state other than the UK under the Establishment Directive; or
 - (D)** you are a registered foreign legal consultant in another jurisdiction.

- (ii)** In England and Wales a number of statutory exceptions apply to qualify (i). Certain in-house government solicitors are allowed to practise as solicitors without practising certificates. Some reserved work can be undertaken by non-solicitors working for local government, and therefore by non-practising solicitors working for local government. See also Rules 9, 10 and 11.
- (iii)** A solicitor acting only as a justices' clerk in England and Wales is not practising as a solicitor and can instruct counsel without a practising certificate.
- (iv)** If you are an in-house solicitor the address of your employer's legal department is the place (or one of the places) where you practise and must therefore be notified to the SRA.
- (v)** If you handle client money, the SRA Accounts Rules [\[LINK\]](#) will apply to you unless you are exempted under Rule 5 of those rules.
- (vi)** If you are working in-house as the senior legal adviser of a company or a local authority you should have direct access to the board or to the council and its committees, and should try to ensure that your terms of employment provide for such access. "Direct access" does not mean that all instructions and advice must pass directly to and from the council, committee or board, but you must have direct access where necessary.
- (vii)** If you are employed as a solicitor or REL by an insurer which runs a commercial legal telephone advice service, the restrictions in Rule 4.15 will not apply to prevent you acting for an insured under a legal expenses insurance policy in accordance with Rule 4.13 and 4.14.
- (viii)** If you are employed as a solicitor or REL by a law centre or advice service

operated by a charitable or similar non-commercial organisation, you can advise and act for members of the public provided you comply with Rule 4.17 and 4.18. A solicitor or REL who works as a volunteer for such an advice service must comply with the SRA Indemnity Insurance Rules unless exempted by a waiver.

- (ix)** As the in-house employee of a foreign law firm under Rule 4.20 and 4.21 you may not do reserved work for clients or (unless your employer is separately authorised) immigration work. You must also comply with special requirements as to insurance and "health warnings". Note also, that if you are employed by a foreign law firm and a principal, owner or director of the firm is a solicitor, Rule 4.20 and 4.21 will not apply unless the solicitor is dually qualified and is practising only as a lawyer of another jurisdiction in the context of that business.
- (x)** By contrast, employment overseas by a foreign law firm will not usually fall within the definition of in-house practice in Chapter 14 of the Code of Conduct (Interpretation) if your employer is a lawyer or a law firm.
- (xi)** If you are a solicitor, REL or RFL practising as a manager, employee, member or owner of an authorised non-SRA firm, neither Rule 4, nor the bulk of the Code of Conduct, nor the SRA Accounts Rules, will be relevant to you when you do work of a type that is within the scope of the firm's authorisation. See Chapter 13 of the Code of Conduct (Application and waivers provisions).
- (xii)** If you are a solicitor, REL or RFL practising as a manager, employee, member or owner of an authorised non-SRA firm, you must comply with Rule 4, with the Code of Conduct, and with the SRA Accounts Rules, as if you were an in-house solicitor or REL when you do work of a type which is outside the scope of the firm's authorisation – see Rule 4.3 and the definition of "In-house practice" in the Code of Conduct.
- (xiii)** Note that if you are a solicitor, REL or RFL and you are a manager, member or owner of an authorised non-SRA firm, or employed in such a firm in connection with the provision of any legal services, it must be:

 - (a)** in your capacity as a solicitor, REL or RFL, or
 - (b)** in the capacity of an individual authorised by an approved regulator other than the SRA, if you are so authorised, or
 - (c)** in both such capacities;

except that if you are a solicitor who is a director of an authorised non-SRA firm or employed in such a firm in connection with the provision of any legal services, you must be practising in your capacity as a solicitor, even if also in some other capacity. See Rule 11.2 and 11.3, as well as section 1A(d) of the

Rule 5 – Authorised bodies

Practice from an office in England and Wales

- 5.1 An *authorised body* may *practise* from an office in England and Wales in the following ways only:
- (a) as a stand-alone *firm*;
 - (b) as a *manager, member* or *interest holder* of another *authorised body*;
 - (c) as a *manager, member* or *interest holder* of an *authorised non-SRA firm*, in which case you must comply with any terms and requirements imposed on that *firm's* authorisation; or
 - (d) as an executor, trustee or nominee *company*, or a *company* providing company secretarial services, wholly owned and operated by another *authorised body* or by a *recognised sole practitioner*.

Practice from an office outside England and Wales

- 5.2 An *authorised body* may *practise* from an office outside England and Wales in the following ways only:
- (a) as a stand-alone *firm*, provided that if any of the body's *managers* or *interest holders* are non-lawyers and the office is in an *Establishment Directive state* other than the *UK*, the rules for local *lawyers* would permit a local *lawyer* to *practise* through a business of that composition and structure;
 - (b) as a *manager, member* or *interest holder* of a business which has no office in England and Wales and meets all the following conditions:
 - (i) the business carries on the *practice of law*;
 - (ii) a controlling majority of the *managers* and the *interest holders* are *lawyers* and/or *bodies corporate* in which *lawyers* constitute a controlling majority of the *managers* and *interest holders*;
 - (iii) if any of the business's *managers* or *interest holders* are non-lawyers and any *manager* or *interest holder* is subject to the rules for local *lawyers*, the composition and structure of the business complies with those rules; and
 - (iv) if any of the business's *managers* or *interest holders* are

non-lawyers and the office is in an *Establishment Directive state* other than the *UK*, the rules for local *lawyers* would permit a local *lawyer* to practise through a business of that composition and structure;

- (c) as an executor, trustee or nominee *company*, or a *company* providing company secretarial services, wholly owned and operated by another *authorised body* or by a *recognised sole practitioner*.

Guidance notes

- (i) See Part 3 of these rules for the formation and eligibility criteria for recognised bodies and licensed bodies.
- (ii) Authorised bodies can have a complex structure, involving multi-layered ownership. But note that a partnership cannot be a partner in another partnership which is an authorised body because a partnership does not have separate legal identity (although, as an exception, an overseas partnership with separate legal identity could be a partner in a partnership which is an authorised body).

Rule 6 – Managers and employees authorised by another approved regulator

6.1 If you are a *manager* or *employee* of an *authorised body* or an *employee* of a *recognised sole practitioner* and you are not a *solicitor* but you are authorised by an *approved regulator* other than the *SRA*, you must not:

- (a) be held out in any way which suggests that you are, or are entitled to *practise* as, a *solicitor*;
- (b) undertake the following *reserved work* in England and Wales, unless authorised by your *approved regulator* to do so:
 - (i) advocacy in open *court*;
 - (ii) the conduct of *court* litigation;
 - (iii) the administration of oaths and statutory declarations;
- (c) undertake advocacy in chambers in England and Wales, unless authorised by your *approved regulator* or acting under instructions given by a person qualified to supervise *reserved work*;
- (d) undertake the following *reserved work* in England and Wales, unless

authorised by your *approved regulator* or acting under the supervision of a person qualified to supervise *reserved work*:

- (i) the preparation of *court* documents;
 - (ii) the preparation of instruments and the lodging of documents relating to the transfer or charge of land;
 - (iii) the preparation of papers on which to found or oppose a grant of probate or a grant of letters of administration;
 - (iv) the preparation of trust deeds disposing of capital;
-
- (e) undertake the conduct of immigration tribunal proceedings in the *UK* or advocacy before an immigration tribunal in the *UK* unless you are authorised by your *approved regulator* or the Immigration Services Commissioner to do that work;
 - (f) prepare documents in the *UK* for immigration tribunal proceedings unless you are authorised by your *approved regulator* or the Immigration Services Commissioner to do that work or acting under the supervision of a person qualified to supervise *reserved work*; or
 - (g) carry out *immigration work* in the *UK* which is not within (b) to (f) above, unless you are authorised by your *approved regulator* or the Immigration Services Commissioner to do that work, or acting under the supervision of an individual working in the firm who is authorised under statute to do that work.

Guidance notes

- (i) Rules 13 and 14 permit lawyers and firms authorised by another approved regulator to be owners and managers of an authorised body.
- (ii) An individual authorised by another approved regulator cannot practise as a sole practitioner regulated by the SRA as the SRA can only authorise and regulate sole solicitors and RELs.
- (iii) Where, in order to satisfy statutory requirements, there is a need for an individual doing reserved work to be supervised or directed by someone in the firm, this can only be undertaken by a person of equivalent or higher status.
- (iv) A lawyer of England and Wales who is an individual authorised by another approved regulator is subject to the SRA's regulatory arrangements in relation to practice outside England and Wales if he or she is a manager of

an authorised body.

Rule 7 – Managers and employees who are not lawyers

7.1 If you are a *manager* or *employee* of an *authorised body* or an *employee* of a *recognised sole practitioner* and you are not a *lawyer of England and Wales*, an *RFL* or a *lawyer of an Establishment Directive profession*, you must not:

- (a) be held out in any way which suggests that you are, or are entitled to *practise* as, a *lawyer of England and Wales*;
- (b) undertake the following *reserved work* in England and Wales:
 - (i) advocacy in open *court*;
 - (ii) the conduct of *court* litigation;
 - (iii) the administration of oaths and statutory declarations;
- (c) undertake advocacy in chambers in England and Wales, except under instructions given by a person qualified to supervise *reserved work*;
- (d) undertake the following *reserved work* in England and Wales, except at the direction and under the supervision of a person qualified to supervise *reserved work*:
 - (i) the preparation of *court* documents;
 - (ii) the preparation of instruments and the lodging of documents relating to the transfer or charge of land;
 - (iii) the preparation of papers on which to found or oppose a grant of probate or a grant of letters of administration;
 - (iv) the preparation of trust deeds disposing of capital;
- (e) undertake the conduct of immigration tribunal proceedings in the *UK* or advocacy before an immigration tribunal in the *UK* unless you are authorised by the Immigration Services Commissioner to do that work;
- (f) prepare documents in the *UK* for immigration tribunal proceedings unless you are authorised by the Immigration Services Commissioner to do that work, or acting under the supervision of a person qualified to supervise *reserved work*; or

- (g) carry out *immigration work* in the *UK* which is not within (b) to (f) above, unless you are authorised by the Immigration Services Commissioner to do that work or you do the work under the supervision of an individual working in the *firm* who is authorised under statute to do that work.

Guidance note

A non-lawyer manager is subject to the SRA's regulatory arrangements in relation to practice outside England and Wales if he or she is a manager of an authorised body.

PART 2 – RIGHTS OF PRACTICE

Rule 8 – Reserved work and immigration work

Solicitors

8.1 As a *solicitor*, provided that you comply with Rule 9.1 you are authorised by the *SRA*:

- (a) to undertake the following *reserved work*:
 - (i) the exercise of any right of audience which *solicitors* had immediately before 7 December 1989;
 - (ii) the exercise of any additional right of audience if you have a relevant higher courts advocacy qualification awarded by the *SRA* or another *approved regulator*;
 - (iii) the conduct of, and the preparation of documents in, *court* and immigration tribunal proceedings;
 - (iv) the preparation of instruments and the lodging of documents relating to the transfer or charge of land;
 - (v) the preparation of trust deeds disposing of capital;
 - (vi) the preparation of papers on which to found or oppose a grant of probate or a grant of letters of administration;
 - (vii) the administration of oaths and statutory declarations; and
- (b) to undertake *immigration work* not included under (a) above.

RELS

8.2 As an *REL*, you are authorised by the *SRA*:

- (a) to undertake the following *reserved work*:
- (i) the exercise of any right of audience which *solicitors* had immediately before 7 December 1989;
 - (ii) the exercise of any additional right of audience provided that you have a relevant higher courts advocacy qualification awarded by the *SRA* or another *approved regulator*;
 - (iii) the conduct of, and the preparation of documents in, *court* and immigration tribunal proceedings;
 - (iv) the preparation of instruments and the lodging of documents relating to the transfer or charge of land, provided you are a member of a profession listed under regulation 12 of the European Communities (Lawyer's Practice) Regulations 2000;
 - (v) the preparation of trust deeds disposing of capital;
 - (vi) the preparation of papers on which to found or oppose a grant of probate or a grant of letters of administration, provided you are a member of a profession listed under regulation 13 of the European Communities (Lawyer's Practice) Regulations 2000;
 - (vii) the administration of oaths and statutory declarations;
- (b) to undertake *immigration work* not included under (a) above.

8.3 When as an *REL* you exercise a right of audience before a *court* under 8.2(a)(i) or (ii), conduct *court* litigation under 8.2(a)(iii) or prepare *court* documents under 8.2(a)(iii) you must act in conjunction with a *solicitor* or barrister authorised to do that work.

RFLs

8.4 As an *RFL* working within Rule 3 you are authorised by the *SRA*:

- (a) to undertake the following *reserved work*:
- (i) advocacy before immigration tribunals; and
 - (ii) the conduct of, and the preparation of documents in, immigration tribunal proceedings;

- (b) to undertake immigration services which are not *reserved work* and are not included under (a) above, and to provide immigration advice.

Recognised bodies

8.5

- (a) A *recognised body* is authorised by the *SRA* to undertake the following *reserved work*:
- (i) advocacy before a *court* or immigration tribunal provided the *manager* or *employee* exercising the right of audience is authorised by the *SRA*, or otherwise entitled, to do so;
 - (ii) the conduct of proceedings in a *court* or immigration tribunal;
 - (iii) the preparation of documents in proceedings before a *court* or immigration tribunal;
 - (iv) the preparation of instruments and the lodging of documents relating to the transfer or charge of land, provided the body has a *manager* who is:
 - (A) an individual who is authorised to do that work, or
 - (B) a *body corporate* which has a *manager* who is authorised to do that work;
 - (v) the preparation of trust deeds disposing of capital;
 - (vi) the preparation of papers on which to found or oppose a grant of probate or a grant of letters of administration, provided the body has a *manager* who is an individual authorised to do that work, or a *body corporate* with a *manager* who is authorised to do that work;
 - (vii) the administration of oaths and statutory declarations.
- (b) A *recognised body* is authorised to undertake immigration services which are not within (a) above, and to provide immigration advice.
- (c) A *recognised body* is authorised to provide notarial services within paragraph 7 of Schedule 2 to the *LSA*, if it has an individual working in the *practice* who is authorised by the Master of the Faculties to do the work.

Licensed bodies

- 8.6 A *licensed body* is authorised by the *SRA* to undertake the *reserved legal activities* which are specified in the authorisation granted to the body under Rule 6 of the *SRA Authorisation Rules*.

Sole practitioner firms

8.7

- (a) A recognised sole practitioner who is a *solicitor* is authorised by the SRA:
- (i) to provide any *reserved work* which the *solicitor* is authorised to provide under Rule 8.1 above, and any other advocacy service through an *employee* of the *sole practitioner's firm* exercising a right of audience as authorised by the SRA, or otherwise entitled, to do;
 - (ii) to undertake immigration services which are not within (i) above, and provide immigration advice; and
 - (iii) to provide notarial services within paragraph 7 of Schedule 2 to the LSA, if the *sole practitioner* or an *employee* of the *sole practitioner's firm* is authorised by the Master of the Faculties to do the work.
- (b) A recognised sole practitioner who is an *REL* is authorised by the SRA:
- (i) to provide any *reserved work* which the *REL* is authorised to provide under Rule 8.2 above, and any other advocacy service through an *employee* of the *sole practitioner's firm* exercising a right of audience as authorised by the SRA, or otherwise entitled, to do;
 - (ii) to undertake *immigration work* which is not within (i) above; and
 - (iii) to provide notarial services within paragraph 7 of Schedule 2 to the LSA, if the *sole practitioner* or an *employee* of the *sole practitioner's firm* is authorised by the Master of the Faculties to do the work.

Guidance notes

- (i) Reserved work is work that is defined in Schedule 2 to the LSA 2007 as a "reserved legal activity". Certain categories of reserved work (rights of audience in chambers, reserved instrument activities and probate activities) can be done by an unqualified person under the supervision of a manager or fellow employee qualified to do that work - see Schedule 3 to the LSA.

- (ii) Immigration work (immigration advice and immigration services) is restricted to certain persons under the Immigration and Asylum Act 1999. Immigration services relating to courts or immigration tribunals are reserved work - advocacy, the conduct of cases, and the preparation of papers. The court work is subject to the normal restriction on court work. Immigration Tribunal work can be done by RFLs who are practising as such. Other immigration work is not reserved work, but can only be done by an authorised person such as a solicitor, a barrister, a legal executive, a member of an Establishment Directive profession, or an RFL practising as such, or under the supervision of an authorised person, or under an exemption given by the Office of the Immigration Services Commissioner.

- (iii) The Financial Services and Markets Act 2000 reserves the provision of "regulated activities" to persons authorised by the Financial Services Authority (FSA). Certain "regulated activities", ancillary to the provision of a professional service, are exempt from regulation by the FSA when carried out by solicitors' or RELs' firms - see the Solicitors' Financial Services (Scope) Rules. Note that the firm must be a recognised body or sole practitioner to rely on this exemption. For the definition of "regulated activity" see the activities specified in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).

- (iv) From [31 March 2012], a sole practitioner's firm will be regulated as a type of authorised body and will be authorised under the SRA Authorisation Rules.

Rule 9 – Practising certificates

- 9.1** If you are *practising* as a *solicitor* (including in-house), whether in England and Wales or overseas, you must:
- (a) have in force a *practising* certificate issued by the SRA; or

 - (b) be exempt under section 88 of the Solicitors Act 1974 from holding a practising certificate.

9.2 You will be *practising* as a *solicitor* if you are involved in legal practice and:

- (a) your involvement in the *firm* or the work depends on your being a *solicitor*;
- (b) you are held out explicitly or implicitly as a *practising solicitor*;
- (c) you are employed explicitly or implicitly as a *solicitor*; or
- (d) you are deemed by section 1A of the Solicitors Act 1974 to be acting as a *solicitor*.

9.3 In 9.2 above "legal practice" includes not only the *practice of law* but also the provision of other services such as are provided by *solicitors*.

9.4 If you are a *solicitor* who was formerly an *REL*, and you are *practising* from an office in the *UK* as a *lawyer* of an *Establishment Directive profession*, you must have in force a practising certificate issued by the *SRA*, even if you are not *practising as a solicitor*.

Guidance notes

- (i) Rule 9 includes, in rule form, the requirements of section 1 of the Solicitors Act 1974. The issuing of practising certificates under that Act is the responsibility of the *SRA*. For further guidance see also our FAQs "[Do I need a practising certificate?](#)" on our website.
- (ii) If you practise as a *solicitor*, whether in a firm or in-house, without having a practising certificate, you will commit a criminal offence, as well as a breach of the rules, unless you are entitled to rely on the exemption in section 88 of the Solicitors Act.

Rule 10 – Sole practitioners

- 10.1** If you are a *solicitor* or *REL* you must not *practise* as a *sole practitioner* unless:
- (a) the *SRA* has first authorised you as a *recognised sole practitioner* by endorsing your practising certificate or certificate of registration to that effect;
 - (b) your *practice* falls within 10.2 below and you are therefore exempt from the obligation to be a *recognised sole practitioner*; or
 - (c) you are authorised to *practise* as a *sole practitioner* by an *approved regulator* other than the *SRA*.
- 10.2** For the purpose of 10.1 above you are deemed not to be *practising* as a *sole practitioner* if:
- (a) your *practice* is conducted entirely from an office or offices outside England and Wales;
 - (b) your *practice* consists entirely of work as a temporary or permanent *employee* and any *firm* which employs you takes full responsibility for you as an *employee*; or
 - (c) your *practice* consists entirely of:
 - (i) providing professional services without remuneration for friends, relatives, *companies* wholly owned by you or your family, or registered *charities*; and / or
 - (ii) administering oaths and statutory declarations; and/or
 - (iii) activities which could constitute *practice* but are done in the course of discharging the functions of any of the offices or appointments listed in paragraph (c) of the definition of "Private practice" in rule 3.1 of the *SRA Indemnity Insurance Rules*.

Guidance note

Until [31 March 2012], see [regulation 4](#) of the *SRA Practising Regulations*. After that see the [Authorisation Rules](#).

Rule 11 – Participation in legal practice

- 11.1** If you are a *solicitor*, *REL* or *RFL* and you are:
- (a) a *manager*, *member* or *interest holder* of:

- (i) a *recognised body*, or
- (ii) a *body corporate* which is a *manager* of a *recognised body*, or

(b) a *manager, member* or *owner* of:

- (i) a *licensed body*, or
- (ii) a *body corporate* which is a *manager* of a *licensed body*,

it must be in your capacity as a *solicitor, REL* or *RFL* (whether or not you are held out as such);

(c) employed in connection with the provision of legal services in England and Wales, by:

- (i) a *recognised sole practitioner*,
- (ii) an *authorised body*, or
- (iii) a *body corporate* which is a *manager* of an *authorised body*,

it must be in your capacity as a *solicitor*, in accordance with section 1A of the Solicitors Act 1974, an *REL* or an *RFL* (whether or not you are held out as such).

(d) *Practising* in accordance with (a), (b) or (c) above does not prevent you from *practising* also as an individual authorised by an *approved regulator* other than the *SRA* or providing services as a member of a non-lawyer profession.

11.2 Subject to 11.3 below, if you are a *solicitor, REL* or *RFL* and you are:

(a) a *manager, member* or *interest holder* of:

- (i) an *authorised non-SRA firm* of which all the *managers* and *interest holders* are *lawyers*; or
- (ii) a *body corporate* which is a *manager* of such an *authorised non-SRA firm*;

(b) a *manager, member* or *owner* of:

- (i) an *authorised non-SRA firm* which is a *licensable body*; or
 - (ii) a *body corporate* which is a *manager* of such an *authorised non-SRA firm*; or
- (c) an *employee* who is employed in connection with the provision of legal services in England and Wales, by:
- (i) an *authorised non-SRA firm*; or
 - (ii) a *body corporate* which is a *manager* of an *authorised non-SRA firm*;

it must be in your capacity as a *solicitor*, *REL* or *RFL* or as an individual authorised by an *approved regulator* other than the *SRA* (whether or not you are held out as such) but this does not prevent you from *practising* in both capacities or providing services as a member of a non-lawyer profession in addition to *practising* as a *lawyer*.

11.3 If you are a *solicitor* who is employed by, or is a *director* of, an *authorised non-SRA firm*, section 1A of the Solicitors Act 1974 will require you to *practise* through that firm in the capacity of *solicitor*, even if also *practising* in some other capacity.

11.4 No *solicitor* or *REL*, while a prisoner in any prison, may commence, prosecute or defend any action, suit or other contentious proceedings, or appear as an advocate in any such proceedings, unless he or she does so as a litigant in person and not as a *solicitor* or *REL*.

Guidance note

A solicitor, REL or RFL is required to be involved in a recognised body in that capacity even if they merely have a small interest in the firm. There is greater flexibility in licensed bodies where a solicitor, REL or RFL is permitted to have a small share in a licensed body without being treated as practising merely because of that involvement. For example, a solicitor could have a small interest in a licensed body through a pension fund even though not practising.

Rule 12 – Persons who must be "qualified to supervise"

12.1 The following persons must be "*qualified to supervise*":

- (a) a *recognised sole practitioner*;
- (b) one of the *lawyer managers* of an *authorised body* or of a *body corporate* which is a *legally qualified body* and which is a *manager* of

the *authorised body*;

- (c) one of the *solicitors* or *RELS* employed by a law centre in England and Wales; or
- (d) one in-house *solicitor* or in-house *REL* in any department in England and Wales where *solicitors* and/or *RELS*, as part of their employment:
 - (i) do publicly funded work; or
 - (ii) do or supervise advocacy or the conduct of proceedings for *members of the public* before a *court* or immigration tribunal.

12.2 To be "*qualified to supervise*" under this rule a person must:

- (a) have completed the training specified from time to time by the *SRA* for this purpose; and
- (b) have been entitled to practise as a *lawyer* for at least 36 months within the last ten years; and

must be able to demonstrate this if asked by the *SRA*.

Guidance notes

- (i) The person "*qualified to supervise*" under Rule 12 does not have to be personally entitled by law to supervise all work undertaken by the firm. However, an important part of that person's responsibilities is to ensure that unqualified persons do not undertake reserved work except under the supervision of a suitably qualified person.
- (ii) In satisfying the requirement for 36 months entitlement to practise you can for example rely on a period as a lawyer of another jurisdiction. In calculating the 36 months, any period of entitlement to practise as a lawyer of another jurisdiction can be taken into account in addition to your time entitled to practise as a solicitor.
- (iii) Waivers may be granted in individual cases. See Rule 21.
- (iv) The training presently specified by the *SRA* is attendance at or participation in any course(s), or programme(s) of learning, on management skills involving attendance or participation for a minimum of 12 hours. The courses or programmes do not have to be CPD accredited in order to satisfy the requirement. It is not normally necessary to check with the *SRA* before undertaking a course or programme unless the course is unusual and outside the mainstream of management training. Advice may be sought from

Part 3 – FORMATION AND ELIGIBILITY CRITERIA FOR RECOGNISED BODIES AND LICENSED BODIES

Rule 13 – Eligibility criteria and fundamental requirements for recognised bodies

13.1 To be eligible to be a *recognised body*, a body must be a *legal services body* namely a *partnership, company* or *LLP* of which:

- (a) at least one *manager* is:
 - (i) a *solicitor* with a current practising certificate issued under the SRA Practising Regulations 2009, or
 - (ii) an *REL*, or
 - (iii) (in the case of a *partnership* or *LLP*) a *body corporate* which is a *legally qualified body* with at least one *manager* who is a *solicitor* with a current practising certificate or an *REL*; and

- (b) all of the *managers* and *interest holders* are *legally qualified*, save that where another body ("A") is a *manager* of or has an interest in the body, *non-authorized persons* are entitled to exercise, or control the exercise of, less than 10% of the *voting rights* in A.

Services requirement

13.2 The business of a *recognised body* may consist only of the provision of:

- (a) professional services of the sort provided by individuals *practising* as *solicitors* and/or *lawyers* of other jurisdictions; and

- (b) professional services of the sort provided by notaries public, but only if a notary public is a *manager* or *employee* of a *recognised body*,

but this does not prevent a *recognised body* providing services within Chapter 12 (Separate businesses) of the *Code of Conduct*, or holding an interest in a *company* which is a *separate business*.

Guidance note

Although most organisations which involve non-lawyers as managers or owners must be licensed bodies, the limited exception in [Rule 13.1\(b\)](#) (following the terms of the LSA) permits a small degree of non-lawyer involvement in recognised bodies. Where one or

more bodies are involved in a firm as a manager or owner/interest holder, then the firm will remain a legal services body requiring recognition under the AJA, rather than a licensable body requiring a licence under the LSA, where non-authorised persons have only a *de minimis* (less than 10 per cent) control by way of voting rights over each (manager/owner) body.

Rule 14 – Eligibility criteria and fundamental requirements for licensed bodies

14.1 To be eligible to be a *licensed body*, a body must comply with the lawyer *manager* requirement set out in Rule 14.2 below and be a "licensable body", as defined under section 72 of the *LSA*, and as set out in Rule 14.3 below.

14.2 At all times at least one *manager* of a *licensed body* must be an individual who is:

- (a) a *solicitor* with a current practising certificate;
- (b) an *REL*; or
- (c) a *lawyer of England and Wales* and who is authorised by an *approved regulator* other than the *SRA*.

14.3 A body ("B") is a *licensable body* if a *non-authorised person*:

- (a) is a *manager* of B, or
- (b) is an *interest holder* of B.

14.4 A body ("B") is also a *licensable body* if:

- (a) another body ("A") is a *manager* of B, or is an *interest holder* of B, and
- (b) *non-authorised persons* are entitled to exercise, or control the exercise of, at least 10% of the *voting rights* in A.

14.5 A body may be a licensable body by virtue of both 14.3 and 14.4.

14.6 For the purposes of this rule, a *non-authorised person* has an indirect interest in a *licensable body* if the body is a *licensable body* by virtue of 14.2 and the *non-authorised person* is entitled to exercise, or control the exercise of, *voting rights* in A.

Rule 15 – Formation, registered office and practising address

- 15.1** An *authorised body* which is a *partnership* may be formed under the law of any country and may be a legal *person*.
- 15.2** An *authorised body* which is an *LLP* must be incorporated and registered in England and Wales or in Scotland under the Limited Liability Partnerships Act 2000 or in Northern Ireland under the Limited Liability Partnerships Act (Northern Ireland) 2002.
- 15.3** An *authorised body* which is a *company* must be:
- (a) incorporated and registered in England and Wales, Scotland or Northern Ireland under Part 2 of the Companies Act 2006;
 - (b) incorporated in an *Establishment Directive* state and registered as an overseas company under Part 34 of the Companies Act 2006; or
 - (c) incorporated and registered in an *Establishment Directive state* as a *societas Europaea*.
- 15.4** An *authorised body* must have at least one practising address in England and Wales.
- 15.5** An *authorised body* must have its registered office at a practising address in England and Wales if the *authorised body* is registered in England and Wales:
- (a) under Part 2 of the Companies Act 2006;
 - (b) under the Limited Liability Partnerships Act 2000; or
 - (c) as a *societas Europaea*.

Rule 16 – Composition of an authorised body

- 16.1** Provided that the requirements for all *authorised bodies* set out in Rule 13 or Rule 14, as appropriate, are met, an *authorised body* may have all or any of the following as a *partner* (if it is a *partnership*), a *member* (if it is an *LLP*), or a *director, member or shareowner* (if it is a *company*):
- (a) a *lawyer of England and Wales* (including a *solicitor* with a current practising certificate);
 - (b) an *REL*;
 - (c) an *RFL*;

- (d) an *EEL*;
- (e) a *body corporate* which is a *legally qualified body*, save that a *legally qualified body* may not be a *director* of a *recognised body* which is a *company*;

provided that, where necessary, they comply with the approval requirements in Part 4 of the *SRA Authorisation Rules*.

16.2 If the *authorised body* is a *licensed body*, then the list of permitted *partners*, *members* of an *LLP* or, in the case of a *company directors*, registered *members* or *shareowners* at 16.1(a) to (e) shall include:

- (a) a *licensed body*; and
- (b) any other individual or *body corporate*, subject to any necessary approval as a *manager* or owner under Part 4 (Approval of managers, owners and compliance officers) of the *SRA Authorisation Rules*, save that a *body corporate* may not be a *director* of a *licensed body* which is a *company*.

16.3 An *authorised body* which is an *LLP* must have at least two *members*.

Guidance notes

- (i) See 22.5 below regarding the position of firms which have non-lawyer managers prior to [6 October 2011].
- (ii) Although a legal services body can have a variety of types of manager, only a solicitor or an REL may be a sole practitioner.

Rule 17 – Authorised bodies which are companies

Record of non-member shareowners

17.1

- (a) An *recognised body* which is a *company* with *shares* must keep a record of any non-*member interest holders*, and retain the record for at least three years after their interest ceases;
- (b) A *licensed body* which is a *company* with *shares* must keep a record of any non-*member owners*, and retain the record for at least three years after their ownership ceases and for the purpose of this rule the term "owner" shall be defined as in Rule 1.2 of the *SRA Authorisation Rules*.

17.2 A *member* who holds a *share* as nominee for a non-*member shareowner* in an *authorised body* must keep the *authorised body* informed of all facts necessary to keep an accurate and up-to-date record.

Rule 18 – Information and documentation

18.1 An *authorised body* must supply any information and documentation relating to its composition and structure or to any of its *managers*, *employees*, *members* or *shareowners*, as and when requested to do so by the *SRA*.

18.2 Notwithstanding any requirement to obtain approval of a *manager*, owner, *COLP* or *COFA* under Part 4 of the *SRA Authorisation Rules* for Legal Services Bodies and Licensable Bodies, an *authorised body* must notify the *SRA* within seven days of any change to its:

- (a) name;
- (b) registered office and/or any of its practising addresses;
- (c) *managers*;
- (d) *members*, if it is a *company*;
- (e) *interest holders*, if it is a *recognised body*;
- (f) *owners*, if it is a *licensed body* and for the purpose of this rule the term "owner" shall be defined as in Rule 1.2 of the *SRA Authorisation Rules*;
- (g) *COLP*; or
- (h) *COFA*.

18.3 An *authorised body* must notify the *SRA* within seven days if it is an unlimited

company and it is re-registered as limited under the Companies Acts or under the Companies (Northern Ireland) Order 1986.

- 18.4** If a *relevant insolvency event* occurs in relation to an *authorised body* its *managers* must notify the SRA within seven days.
- 18.5** If an *authorised body* which is an overseas company or a *societas Europaea* registered outside England, Wales and Scotland is subject to an event in its country of incorporation analogous to a winding-up order or administration order under Part II of the Insolvency Act 1986, a resolution for voluntary winding-up, or the appointment of an administrative receiver, the *directors* must notify the SRA within seven days.

Guidance notes

- (i) There are other SRA reporting and information requirements that apply to individuals or firms. See:
- Rules 3, 8.7, 8.8, 8.9 and 8.10 and 18, 23, 24 and 25 of the SRA Authorisation Rules,
- Rule 35 of the SRA Accounts rules,
- Rules 8.7, 8.8, 8.9 and 8.10 and 18, 23, 24 and 25 of the [SRA Authorisation Rules](#),
- Regulations 4.3, 4.5, and 14 of the [SRA Practising Regulations](#),
- [Chapter 10](#) of the Code of Conduct.
- (ii) In addition to the requirement to inform the SRA when certain persons leave the firm, there are the requirements in Rule 8 of the SRA Authorisation Rules for firms to seek approval, where necessary, before certain persons join the firm. This is more onerous than simply informing the SRA of changes that have taken place.

PART 4 – COMPLIANCE WITH PRACTICE REQUIREMENTS

Rule 19 – Compliance with practice requirements

- 19.1** An *authorised body* and its *managers* and *employees* must at all times ensure that the body acts in accordance with the requirements of the SRA's regulatory arrangements.
- 19.2** A *solicitor*, *REL* or *RFL* who is a *member* or *shareowner* of an *authorised body* which is a *company* must not cause, instigate or connive at any breach of the requirements imposed under the SRA's *regulatory arrangements* by the *authorised body* or any of its *managers* or *employees*.
- 19.3** An *employee* of an *authorised body* must not cause, instigate or connive at

any breach of any requirements imposed under the *SRA's regulatory arrangements*.

- 19.4** The *partners* in an *authorised body* which is a *partnership* are responsible not only as *managers* but also, jointly and severally, as the *authorised body*.

Rule 20 – Overseas practice

- 20.1** Subject to Rules 20.2 and 20.3, the requirements in this rule apply to the *overseas practice* of a *solicitor*, *REL*, *RFL* or *authorised body*.

- 20.2** The rules in Part 2 apply to your *overseas practice* as:

- (a)** a *manager* of an *authorised body*, if you are a *lawyer of England and Wales* or an individual non-lawyer;
- (b)** a *member* or *shareowner* of an *authorised body* which is a *company*, if you are a *solicitor* or (in relation to *practice* from an office in Scotland or Northern Ireland) an *REL*,

except that Rule 19 applies only to the extent that a rule applies to the *authorised body*, *manager* or *employee* by virtue of these rules or Chapter 13 (Application and waivers) of the *Code of Conduct*.

- 20.3** If you are a *solicitor* or an *REL* you are not required to comply with Rule 13 or Rule 14, as appropriate, in order to *practise* through a *firm* which has no office in England and Wales, but you must comply with Rule 1 and Rule 2.

Rule 21 – Waivers

- 21.1** Subject to provisions in any enactments or the *SRA's regulatory arrangements* affecting its ability to waive any requirements, the *SRA Board* shall have power to waive in writing the provisions of these rules for a particular purpose or purposes expressed in such waiver, and to attach conditions to or revoke such waiver, at its own discretion.

Guidance note

An applicant for a waiver must satisfy the *SRA* that the circumstances are sufficiently exceptional to justify a departure from the requirements of the rule in question, bearing in mind its purpose. Applications should be made to the Professional Ethics Guidance Team.

Rule 22 – Commencement, repeals, transitional provisions and grace period

- 22.1** These rules shall come into force:

- (a) on [10 August 2011], to the extent that they apply to *licensable bodies*; and
- (b) for all other purposes, on [6 October 2011], on which date the following rules of the Solicitors' Code of Conduct 2007 shall be repealed:
 - (i) Rule 5.02 (Persons who must be qualified to supervise)
 - (ii) Rule 12 (Framework of practice)
 - (iii) Rule 13 (In-house practice)
 - (iv) Rule 14 (Recognised bodies), with the exception of sub-rules 14.04(2) to (9) and 14.06(5) to (8)
 - (v) Rule 15 (Overseas practice)
 - (vi) Rule 20.01 (Reserved work and immigration work), 20.02 (Practising certificates), 20.03 (Sole practitioners) and 20.04 (Participation in legal practice).

[22.2] Where, at the time these rules come into force under Rule 22.1(b) above:

- (a) a person has conduct of proceedings on behalf of a pro bono *client* within the meaning of Rule 13.04 of the Solicitors' Code of Conduct 2007, which proceedings have commenced but have not yet been determined at that time, and
- (b) the person will be required to carry out reserved legal activities in relation to those proceedings, then Rule 13.04 Solicitors' Code of Conduct 2007 shall continue to apply in relation to those proceedings.]

22.3 From [31 March 2012] these rules shall have effect subject to the following amendments:

- (a) Rules 1.1(a), 2.1(a), 3.1(a), 11.1(c)(i) and 12.1(a) shall be omitted;
- (b) In Rules 1.1(b) and 2.1(b) the words, "authorised as a *sole practitioner*" shall be substituted for the words "*a recognised sole practitioner*";

- (c) In Rules 1.2(a) and 2.2(a) the words "as a *recognised body*" shall be substituted for the words " a *recognised sole practitioner*";
- (d) In Rules 5.1(d) and 5.2(c) the words "or by a *recognised sole practitioner*" shall be omitted;
- (e) In Rules 6.1 and 7.1 the words "or an *employee of a recognised sole practitioner*" shall be omitted;
- (f) In Rule 8.5(a), the words "Subject to Rule 8.7 below, " shall be inserted before "A *recognised body*";
- (g) In Rule 8.7(a) and (b), the word "*recognised*" shall be omitted;
- (h) In Rule 10.1(a) the word "*recognised*" shall be omitted and the words "by endorsing your practising certificate or certificate of registration to that effect" shall be omitted;
- (i) In Rule 10.1(b) the words "authorised as a" shall be substituted for the word "a *recognised*";
- (j) In Rule 12.1(b), the words "a *lawyer manager*" shall be substituted for the words "one of the *lawyer managers*"; and
- (k) Rule 13.1 shall have effect as if the words "*sole practitioner*," were inserted after the words "namely a".

22.4 Unless the context otherwise requires, references in these rules to:

- (a) these rules, or a provision of these rules; and
- (b) the *Code of Conduct*, rules, regulations or *regulatory arrangements*, or a provision of the same,

include a reference to the equivalent rules, regulations or provisions previously in force.

22.5 A body that has, at the time these rules come into force under Rule 22.1(b), been recognised by the *SRA* under section 9 *AJA* and that does not comply with Rule 13.1(b) above shall continue to be treated as a *recognised body* for the purposes of these rules and the *SRA*'s regulatory arrangements until:

- (a) such time as it ceases to comply with the management and control requirements set out in Rule 22.7 below; or
- (b) [31 October 2012], or such earlier time as the body may elect,

at which time it shall be a *licensed body* for the purposes of these rules and the *SRA's regulatory arrangements*.

- 22.6** A body that complies with the management and control requirements set out in Rule 22.7 below but does not comply with Rule 13.1(b) above may in the period between the dates set out in Rule 22.1(a) and 22.1(b), apply for recognition under section 9 *AJA*, notwithstanding the fact that it complies with the requirements for *licensable bodies* under Rule 14.
- 22.7** The management and control requirements referred to in Rule 22.5 and 22.6 above are:
- (a)** At least 75 per cent of the body's *managers* must be:
- (i)** individuals who are, and are entitled to *practise* as, *lawyers of England and Wales, lawyers of Establishment Directive professions or RFLs*; or
- (ii)** *bodies corporate* which are *legally qualified bodies*;
- although a *legally qualified body* cannot be a *director* of a body which is a *company*;
- (b)** Individuals who are, and are entitled to *practise* as, *lawyers of England and Wales, lawyers of Establishment Directive professions or RFLs* must make up at least 75% of the ultimate beneficial ownership of the body; and
- (c)** Individuals who are, and are entitled to *practise* as, *lawyers of England and Wales, lawyers of Establishment Directive professions or RFLs*, and/or *legally qualified bodies*, must:
- (i)** exercise or control the exercise of at least 75% of the *voting rights* in the body; and
- (ii)** if the body is a *company* with *shares*, hold (as registered *members* of the *company*) at least 75% of the *shares*.
- (d)** Subject to Rule 13.1(b) above, every owner of the *recognised body*, and every *person* who exercises or controls the exercise of any *voting rights* in the body, must be:
- (i)** an individual who is, and is entitled to *practise* as, a *lawyer of England and Wales, a lawyer of an Establishment Directive profession or an RFL*;

- (ii) a *legally qualified body*; or
 - (iii) an individual who is approved under regulation 3 of the Recognised Bodies Regulations and, subject to (e) below, is a *manager* of the body.
- (e) An individual who is not entitled under (d)(i) above may be an owner of a *recognised body* without being a *manager* of the body if:
- (i) the *recognised body* is a *company* which is wholly or partly owned by a *partnership* or *LLP* which is a *legally qualified body*;
 - (ii) the individual is approved under regulation 3 of the Recognised Bodies Regulations and is a *manager* of the *partnership* or *LLP*; and
 - (iii) the individual is precluded under the partnership agreement or members' agreement from exercising or authorising any vote in relation to the *company*.