

Draft SRA Compensation Fund Rules 2011 (Annex H3)

Solicitors' ~~SRA~~ Compensation Fund Rules ~~2009~~2011

The Solicitors' Compensation Fund Rules 1995 were replaced on 31 March 2009 by the Solicitors' Compensation Fund Rules 2009 as part of a general updating of the rules to introduce firm-based regulation and legal disciplinary practices as provided for in the Legal Services Act 2007.

Rules dated ~~31 March 2009 commencing 31 March 2009~~[\[10 August 2011\]](#) made by the Solicitors Regulation Authority Board under sections 36, 36A, 79 and 80 of the Solicitors Act 1974 and section 9 of the Administration of Justice Act 1985, ~~with the concurrence of the Master of the Rolls and the Lord Chancellor under article 4 of the Legal Services Act 2007 (Commencement No. 4, Transitory and Transitional Provisions and Appointed Day) Order 2009 and paragraph 16 of Schedule 22 to the Legal Services Act 2007~~ and [section 21\(2\), section 83\(5\)\(e\), section 83\(10\) and Schedule 11, Part 3, paragraph 19 of the Legal Services Act 2007, and an order under section 69 of the Legal Services Act 2007 dated \[\] \("the section 69 Order"\)](#), with the approval of the Legal Services Board under [Schedule 4 Part 3 of the 2007 Act](#).

1. Interpretation

(1) In these rules:

"**the Act**" means the Solicitors Act 1974;

["**the 2007 Act**" means the Legal Services Act 2007;](#)

["**the Acts**" means *the Act* and *the 2007 Act*;](#)

"**applicant**" means a person or persons applying for a grant out of the Compensation Fund under rule 3 of these rules;

"**appointed representative**" means the personal representative of a deceased *defaulting practitioner*, the trustee of a bankrupt *defaulting practitioner*, the administrator of an insolvent *defaulting practitioner*, or other duly appointed representative of a *defaulting practitioner*;

"**approved regulator**" means

- (a) a body listed in paragraph 1 of Schedule 4 to the Legal Services Act 2007 ~~(whether or not that paragraph has been brought into force)~~, or designated as an *approved regulator* by an order under paragraph 17 of that Schedule; [or](#)

- (b)** [a body which is designated as a licensing authority under Part 1 of Schedule 10 to the Legal Services Act 2007;](#)

and reference to the SRA as an *approved regulator* [or a licensing authority](#) means the SRA carrying out regulatory [and licensing](#) functions assigned to the Law Society as an [approved regulator or as a designated licensing authority](#);

["Authorisation Rules 2011"](#) means the SRA Authorisation Rules for Legal Services Bodies and Licensable Bodies 2011;

"defaulting practitioner" means:

- (a)** a solicitor in respect of whose act or default, or in respect of whose employee's act or default, an application for a grant is made;
- (b)** a *registered European lawyer* in respect of whose act or default, or in respect of whose employee's act or default, an application for a grant is made;
- (c)** a *recognised body* in respect of whose act or default, or in respect of whose manager's or employee's act or default, an application for a grant is made; ~~or~~
- (d)** a *registered foreign lawyer* who is a *manager* of a partnership, limited liability partnership or company together with a solicitor, a *registered European lawyer* or a *recognised body*, and in respect of whose act or default or in respect of whose employee's act or default, an application for a grant is made; [or](#)
- (e)** [a licensed body \(in respect of its regulated activities\) in respect of whose act or default, or in respect of whose owner's, or manager's or employee's act or default, an application for a grant is made;](#)

and the expressions "*defaulting solicitor*", "*defaulting registered European lawyer*", "*defaulting recognised body*", ~~and~~ "*defaulting registered foreign lawyer*" [and "defaulting licensed body"](#) shall be construed accordingly;

"exempt European lawyer" has the meaning assigned in ~~rule 24 of the Solicitor's Code of Conduct 2007~~ [the SRA Practice Framework Rules 2011](#);

"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 "holds an interest" shall be construed accordingly;

"legal activity" has the meaning given in section 12 of the 2007 Act and includes any reserved legal activity and any other activity which consists of the provision of legal advice or assistance, or representation in connection with the application of the law or resolution of legal disputes;

"licensed body" means a body licensed by the SRA under Part 5 of [the 2007 Act](#);

~~"manager" means a partner in a partnership, a member of a limited liability~~

partnership or a director of a company, as defined in rule 24 of the Solicitor's Code of Conduct 2007;

"manager" means

- (a) a member of a limited liability partnership;
- (b) a director of a company;
- (c) a partner in a partnership; or
- (d) in relation to any other body, a member of its governing body;

"owner" means a person who holds an interest in a recognised or a licensed body;

~~"recognised body" has the meaning assigned by section 9 of the Administration of Justice Act 1985~~ means a body for the time being recognised by the SRA under section 9 of the Administration of Justice Act 1985, and the SRA Recognised Bodies Regulations 2009 or the Authorisation Rules 2011 (as the case may be);

"registered European lawyer" means an individual registered with the SRA under regulation 17 of the European Communities (Lawyer's Practice) Regulations 2000;

"registered foreign lawyer" has the meaning assigned by section 89 of the Courts and Legal Services Act 1990;

"regulated activity" means

- (a) any reserved legal activity;
- (b) any legal activity; and
- (c) any other activity in respect of which a licensed body is regulated pursuant to Part 5 of the 2007 Act;

"reserved legal activity" has the meaning given in section 12 of the 2007 Act, and includes the exercise of a right of audience, the conduct of litigation, reserved instrument activities, probate activities, notarial activities and the administration of oaths, as defined in Schedule 2 to the 2007 Act;

"the Society" means the Law Society of England and Wales;

and

"SRA" means the Solicitors Regulation Authority.

- (2) Other expressions in these rules have the meaning assigned to them by the Act.
- (3) The Interpretation Act 1978 applies to these rules as it applies to an Act of Parliament.
- (4) These rules, in so far as they apply to licensed bodies, shall remain in force from the date they come into effect until 31 December 2012 (the "Transitional Period").

- (5) [Notwithstanding the provisions of rule 25\(2\), the Society shall remain at liberty to receive claims, make grants and loans, recover, and raise contributions after the Transitional Period in respect of matters relating to the Transitional Period.](#)

2. Maintenance of and contributions to the Fund

(1)

- (a) [The ~~Law~~ Society \(~~"the Society"~~\) shall establish and maintain the fund called the Solicitors' Compensation Fund \("the Fund"\) for making grants in respect of compensation claims.](#)
- (b) [The Society may hold monies raised for the purposes of the Fund in a single fund, and may distribute any monies, pursuant to the provisions of the Acts, these rules, and the Authorisation Rules 2011, out of such fund.](#)
- (c) [Rule 2\(1\)\(b\) shall remain in force until 31 December 2012 when it shall, unless renewed, cease to have effect.](#)
- (d) [The Society may after the Transitional Period hold, apportion and distribute the funds held by the Society as it considers appropriate and in accordance with the statutory purposes for which the funds were received. In so doing the Society will have regard to \(i\) the sources from which the funds were received; \(ii\) the contributions made; and \(iii\) the anticipated level of claims and demands upon the Fund.](#)
- (e) [The termination of the single fund will not affect the lawfulness of any steps taken by the Society with regard to it, nor will it prevent the Society from raising contributions which the Society considers may be required in order to meet claims, or discharge any of the Society's obligations with regard to the Fund.](#)

(2) Every solicitor, *registered European lawyer*, *registered foreign lawyer* and *recognised body* shall make contributions to the Fund in such amounts, at such times and in such circumstances, as may be prescribed from time to time by the Council of the Law Society. Any unpaid contributions may be recovered as a debt due to *the Society*.

(3) [Every *licensed body* shall be required under these rules and the Authorisation Rules 2011, to make contributions to the Fund in such amounts, at such times and in such circumstances, as may be prescribed from time to time by the Council of the Law Society. Any unpaid contributions may be recovered as a debt due to the Society. The Society may recover unpaid contributions from *licensed bodies* after the Transitional Period, and may require *licensed bodies* to make such further contributions as the Society considers necessary after the Transitional Period in order to maintain a fund with sufficient resources to meet claims and discharge the Society's obligations with regard to the Fund.](#)

(34) Paragraph (2) shall not apply to a solicitor, *registered European lawyer* or *registered foreign lawyer* who is a Crown Prosecutor.

(45) [The Society may invest any money which forms part of the Fund in any](#)

investments in which trustees may invest under the general power of investment in section 3 of the Trustee Act 2000 (as restricted by sections 4 and 5 of that Act).

- (56) *The Society* may insure with authorised insurers, in relation to the Fund, for such purposes and on such terms as it considers appropriate.
- (67) The Society may
- (a) borrow for the purposes of the Fund;
 - (b) charge investments which form part of the Fund as security for borrowing by the Society for the purposes of the Fund.
- (78) The Fund may be applied by the SRA for the following purposes (in addition to the making of grants in respect of compensation claims):
- (a) payment of premiums on insurance policies effected under paragraph (56);
 - (b) repayment of money borrowed by *the Society* for the purposes of the Fund and payment of interest on any money so borrowed under paragraph (67);
 - (c) payment of any other costs, charges or expenses incurred by *the Society* in establishing, maintaining, protecting, administering or applying the Fund;
 - (d) payment of any costs, charges or expenses incurred by the SRA in exercising its powers under Part 2 of Schedule 1 to *the Act* (intervention powers);
 - (e) payment of any costs or damages incurred by the Society, the SRA, their employees or agents as a result of proceedings against any or either of them for any act or omission of its or theirs in good faith and in the exercise or purported exercise of such powers.

3. Grants which may be made from the Fund

The object of the Fund is to replace client money which a *defaulting practitioner* or a *defaulting practitioner's* employee or *manager* has misappropriated or otherwise failed to account for. The *applicant* need not necessarily be or have been the *defaulting practitioner's* client.

- (1) A grant out of the Fund is made wholly at the discretion of the SRA. No person has a right to a grant enforceable at law.
- (2) For any grant to be made out of the Fund, an *applicant* must satisfy the SRA that:
 - (a) he has suffered or is likely to suffer loss in consequence of the dishonesty of a *defaulting practitioner* or the employee or *manager* or owner of a defaulting practitioner, or
 - (b) he has suffered or is likely to suffer loss and hardship in consequence of a failure to account for money which has come

into the hands of a *defaulting practitioner* or the employee or *manager or owner* of a *defaulting practitioner*, which may include the failure by a defaulting practitioner to complete work for which he was paid,

in the course of a transaction of a kind which is part of the usual business of [a person falling within the definition of "defaulting practitioner" the persons listed in rule 1 \(1\)\(a\) to \(d\), and in relation to a licensed body, the act or default was in connection with a regulated activity.](#)

- (3) For the purposes of paragraph (2)(b):
- (a) an individual whose dealings with the *defaulting practitioner* have been in a personal capacity and who has suffered or is likely to suffer loss due to a failure to account shall be deemed to have suffered hardship; and
 - (b) a body corporate, or an individual whose dealings with the *defaulting practitioner* have been in a business capacity and who has suffered or is likely to suffer loss due to a failure to account must provide evidence to satisfy the *SRA* that it, he or she (the body or individual) has suffered or is likely to suffer hardship.
- (4) A grant may, at the sole discretion of the *SRA*, be made as an interim measure.

4. Grants in respect of persons in default of regulatory requirements

- (1) A grant may be made in respect of a *defaulting solicitor* even if the *defaulting solicitor* had no practising certificate in force at the date of the relevant act or default provided that the *SRA* is reasonably satisfied that the *applicant* was unaware of the absence of a valid practising certificate.
- (2) A grant may be made in respect of a *defaulting registered European lawyer* even if, at the date of the relevant act or default, the registration of that lawyer in the *SRA*'s register of European lawyers was suspended or was cancelled under regulation 8 of the [European Lawyers Registration SRA Practising Regulations 2009](#) due to non-renewal provided that the *SRA* is reasonably satisfied that the *applicant* was unaware of the suspension or cancellation.
- (3) A grant may be made in respect of a *defaulting recognised body* even if the recognition of that body had expired for non-renewal under regulation [8.39](#) of the [Solicitors' SRA Recognised Bodies Regulations 2007](#) on or before the date of the relevant act or default provided that the *SRA* is reasonably satisfied that the *applicant* was unaware of such revocation.
- (4) [A grant may be made in respect of a defaulting licensed body \(in respect of its regulated activities\) even if the licence issued to that body under the Authorisation Rules 2011 has been suspended or revoked on or before the date of the relevant act or default, provided that the SRA is reasonably satisfied that the applicant was unaware of the suspension or revocation.](#)

- (45) A grant may be made in respect of a *defaulting registered foreign lawyer* even if, at the date of the relevant act or default, the registration of that lawyer in the register of foreign lawyers was suspended, or was cancelled under Schedule 14 paragraph 3(4)(a) of the Courts and Legal Services Act 1990 due to non-renewal, provided that the SRA is reasonably satisfied that the *applicant* was unaware of the suspension or cancellation.

5. Grants to practitioners

- (1) A grant may be made to a *defaulting practitioner* who or which has suffered or is likely to suffer loss by reason of his, her or its liability to any client in consequence of some act or default of:
- (a) in the case of a *defaulting solicitor*, registered European lawyer or registered foreign lawyer, any of his or her employees or any fellow manager;
 - (b) in the case of a *defaulting recognised body*, any of its managers or employees or any fellow manager,
 - (c) [in the case of a *defaulting licensed body*, any of its *managers or employees or any fellow manager*, provided that such act or default was in connection with a regulated activity,](#)

in circumstances where but for the liability of that *defaulting practitioner* a grant might have been made from the Fund to some other person.

- (2) No grant shall be made under paragraph (1) unless the SRA is satisfied that no other means of making good the loss is available and that the *defaulting practitioner* is or in the case of a recognised body [or licensed body](#), are fit and proper to receive a grant.
- (3) A grant under paragraph (1) shall normally be made by way of a loan and shall be repayable by the recipient at the time and upon such terms as shall be specified by the SRA.
- (4) In the case of a [defaulting recognised body or a defaulting licensed body](#), such grant may be payable to one or more of the *managers* of the [defaulting recognised body or defaulting licensed body](#). If a loan is made to more than one manager, they shall be jointly and severally liable for the repayment of the loan to *the Society*.

6. Foreign lawyers

- (1) If a *registered European lawyer* is exempted from contributing to the Fund on the basis that he or she has completely equivalent cover under home state rules, no grant shall be made:
- (a) in respect of any act or default of the *registered European lawyer* or his or her employee unless, in the case of an employee, the employee is:
 - (i) a solicitor, or
 - (ii) the employee of a partnership which includes at least one person who or which contributes to the Fund; or

- (b) under rule 5 to the *registered European lawyer*.
- (2) No grant shall be made in respect of any act or default of a *registered European lawyer* or an *exempt European lawyer*, or the employee of a *registered European lawyer*, where such act or default took place outside the United Kingdom, unless the *SRA* is satisfied that the act or default was, or was closely connected with, the act or default of a solicitor or the employee of a solicitor, or that the act or default was closely connected with the *registered European lawyer's* practice in the United Kingdom.
- (3) No grant shall be made in respect of the act or default of a *registered foreign lawyer*, or of the employee of a *registered foreign lawyer*, where such act or default took place outside England and Wales, unless the *SRA* is satisfied that the act or default was, or was closely connected with, the act or default of a solicitor or the employee of a solicitor, or that the act or default was closely connected with practice in England and Wales.

7. Losses outside the remit of the Fund

A grant will not be made in respect of the following:

- (a) Losses arising solely by reason of professional negligence by a *defaulting practitioner*, or the employee or *manager* of a *defaulting practitioner*.
- (b) Losses which are the personal debts of a *defaulting practitioner* and where the facts would not otherwise give rise to a claim on the Fund.
- (c) The loss results from, but does not form part of, any misappropriation of, or failure to account for, money or money's worth.
- (d) The loss results from the trading debts or liabilities of the *defaulting practitioner*.
- (e) The loss amounts to a claim for contractually agreed interest between the applicant and the *defaulting practitioner*.
- (f) The *SRA* was not notified of the *applicant's* loss in accordance with rule 10.
- (g) The loss occurred in relation to an overseas partnership which does not fall within rule ~~15, 27(1)(e)~~ [53\(1\)\(c\)](#) or [53\(2\)\(b\)](#) of the ~~Solicitors' Code of Conduct 2007~~ [SRA Accounts Rules 1998](#), unless:
- (i) the loss occurred as a result of a solicitor's dishonesty, or
- (ii) the loss occurred as a result of failure to account by a solicitor acting as a named trustee.
- (h) The application is by the Legal Services Commission for loss occasioned through making regular payments under the Commission's contracting schemes for civil and/or criminal work.

- (i) [In the case of a defaulting licensed body, losses unconnected with the regulated activities of the licensed body or losses occasioned by an owner, manager or employee unconnected with the regulated activities of the licensed body.](#)

8. Undertakings

A grant in respect of a failure by a *defaulting practitioner* to comply with an undertaking will be considered if it can be shown that the undertaking was given in the course of the *defaulting practitioner's* usual business acting on behalf of a client, that the recipient acted reasonably in accepting the undertaking and placing reliance on the undertaking and that:

- (i) the undertaking was given with dishonest intent for the purpose of procuring money or money's worth, or
- (ii) the undertaking, although not given with dishonest intent, is subsequently dishonestly not performed for the purpose of procuring money or money's worth.

The *SRA* does not consider the giving of an undertaking in circumstances which amount to the giving of a bare guarantee of the *defaulting practitioner's* personal liabilities, or the financial obligations and liabilities of a client or third party, to form part of the usual business of a solicitor or other legal practitioner. [and in the case of a defaulting licensed body the SRA does not consider such an undertaking to be part of its regulated activities.](#)

9. Multi-party and multi-profession issues

- (1) Where the loss has been sustained as a result of the combined activities of more than one party, (e.g. a *defaulting practitioner* conspires with an accountant or surveyor, or is assisted by a negligent accountant or valuer) the *SRA* will consider the role of each contributing factor in causing the *applicant's* loss. The *SRA* will base any grant on its assessment of that portion of the loss primarily attributable to the acts of the *defaulting practitioner* as opposed to that portion which is primarily attributable to the acts or omissions of the other parties, or to other factors. The *SRA* may decide to make a grant on a pro-rata basis in accordance with its assessment of the importance of each contributing factor in the loss, or may reject an application in its entirety if it is of the opinion that the loss was primarily due to other factors rather than the *defaulting practitioner's* dishonesty.
- (2) When a solicitor, *registered European lawyer* or *registered foreign lawyer* is practising as the *manager* or employee of a body authorised not by the *SRA* but by another approved regulator, the *SRA* will not consider any claim in respect of that individual's act or default, or his or her employee's act or default.
- (3) When an individual authorised not by the *SRA* but by another *approved regulator* is practising as the *manager* or employee of a *recognised body*, the *SRA* will in its discretion consider a claim in respect of that individual's act or default.
- (4) [Where the loss has been sustained as a result of the activities of a licensed body in connection with both its regulated activities and its](#)

unregulated activities, the SRA will consider the role of each contributing factor in causing the *applicant's* loss. The SRA will base any grant on its assessment of that portion of the loss primarily attributable to the acts of the *defaulting licensed body* in connection with its *regulated activities* as opposed to that portion which is primarily attributable to the acts or omissions of the unregulated activities, or to other factors. The SRA may decide to make a grant on a pro-rata basis in accordance with its assessment of the importance of each contributing factor in the loss, or may reject an application in its entirety if it is of the opinion that the loss was primarily due either to the unregulated activities or to other factors rather than dishonesty of an owner, manager or employee of the defaulting licensed body in connection with its regulated activities.

10. Applications: form and time limit

Every application must be delivered to the SRA, in such form as may from time to time be prescribed by the SRA, within twelve months after the loss, or likelihood of loss, or failure to account, as the case may be, first came, or reasonably should have come, to the knowledge of the *applicant*. The SRA may extend this period if satisfied that there are circumstances which justify the extension of the time limit.

11. Documentation in support

The burden of proving a claim rests with the *applicant* who must provide such documentation as may be required by the SRA including when requested, a statement of truth. Failure to provide such documentation or to co-operate with the SRA will be taken into account when determining the merits of the application.

12. Exhausting other remedies

- (1) A grant may be refused or limited where the loss or part of the loss is an insured risk or where the loss is capable of being made good by some other means.
- (2) The SRA may, before deciding whether to make a grant, require the *applicant*:
 - (a) to pursue any civil remedy which may be available to the *applicant* in respect of the loss,
 - (b) to commence insolvency proceedings,
 - (c) to make a formal complaint to the Police in respect of any dishonesty on the part of the *defaulting practitioner* or
 - (d) to assist in the taking of any action against the *defaulting practitioner*.
- (3) In the absolute discretion of the SRA, a grant may be made before requiring the *applicant* to resort to other means of recovery.

13. Notice to *defaulting practitioner*

- (1) The SRA shall not make a grant unless:
 - (a) a communication has been sent to the *defaulting practitioner* at his, her or its last known correspondence address or to his, her

or its appointed representative informing the *defaulting practitioner* of the nature and value of the application; and

- (b) not less than eight days have elapsed since the date of receipt of such communication, which shall be regarded as the day following the date of the communication.

- (2) If it appears to the *SRA* that any communication sent under paragraph (1) will not come to the attention of the *defaulting practitioner* or his, her or its appointed representative, then the *SRA* may make a grant notwithstanding failure to comply with the provisions of this rule.

14. Costs

(1) Litigation

Where an *applicant* intends to or has already instituted proceedings for recovery of his loss and wishes to apply for a grant in respect of the costs of the proceedings, the *SRA* will only consider such costs where:

- (a) they can be shown to be proportionate to the loss and the amount likely to be recovered, or
- (b) the proceedings were necessary for the making of an application to the Fund.

(2) Application costs

Where a grant is made, the *SRA* may consider an application for a further grant in respect of the reasonable costs properly incurred by the *applicant* with either his solicitor or other professional adviser, provided that such costs were incurred wholly, necessarily and exclusively in connection with the preparation, submission and proof of the application.

(3) Costs where the *defaulting practitioner* has failed to complete work

If the *defaulting practitioner* did not complete the work for which he was paid, a failure to account shall be deemed to have arisen within the meaning of rule 3(2)(b) of these rules. In such circumstances, the *SRA* may consider making a grant in respect of the additional reasonable legal costs incurred by the *applicant* in completing the outstanding work or a grant by way of contribution towards those costs.

15. Interest

- (1) The *SRA* may consider an application for a supplementary grant by way of a sum in lieu of lost interest on a principal grant. Such interest will be calculated in accordance with the rates prescribed from time to time by the *SRA*. This will normally be calculated from the day the loss which was the subject of the principal grant was incurred, up to the next working day after payment of the principal grant. Such payment will take into account that a grant is a gift and is therefore not subject to tax.
- (2) Where the application for the principal grant is in respect of a failure to redeem a mortgage, the *SRA* may also make a grant in respect of the additional interest accrued to the mortgage account as a result of the

16. Maximum grant

Subject to rule 23, the maximum grant that may be made is £2million.

17. Recovery and subrogation

Where a grant is made otherwise than by way of loan or if by way of a loan repayment of the loan is waived or otherwise the borrower has failed to repay part or all of the loan, *the Society* shall be subrogated to the rights and remedies of the person to whom or on whose behalf the grant is made (the recipient) to the extent of the amount of the grant. In such event the recipient shall if required by the *SRA* whether before or after the making of a grant and upon the *SRA* giving to the recipient a sufficient indemnity against costs, prove in any insolvency and/or winding-up of the *defaulting practitioner* and sue for recovery of the loss in the name of the recipient but on behalf of the *Society*. The recipient shall also comply with all proper and reasonable requirements of the *SRA* for the purpose of giving effect to *the Society's* rights and shall permit the *SRA* to have conduct of such proceedings.

18. Reduction in grants

Where an *applicant* or the *applicant's* servant or agent has contributed to the loss as a result of his, her or its activities, omissions or behaviour whether before, during or after the event giving rise to the application, the *SRA* may, in the exercise of discretion and to the extent that such activity, omission or behaviour has contributed to the loss, reduce the amount of any grant that may be authorised or reject the application in its entirety.

19. Deduction from grants

- (1) The *SRA* may deduct from any grant the costs that would have been legally due to the *defaulting practitioner* so that the *applicant* will not be in a better position by reason of a grant than he, she or it would otherwise have been in.
- (2) The *SRA* may within its discretion deduct from any grant all monies already recovered by an *applicant* and monies which either will be or should have been recovered.

20. Refusal of an application

- (1) If the *SRA* refuses to make a grant of either the whole or part of the amount applied for, the *applicant* will be informed in writing of the reasons for the decision.
- (2) The fact that an application has been rejected does not prevent a further application being submitted provided that substantial new relevant evidence, information or submissions are produced in support of the new application.

21. Appeals

Should the *applicant* wish to appeal against refusal of an application, written notice of intention to appeal must be delivered to the *SRA* within thirty days of the date of receipt of the decision, which shall be regarded as the day following the date of the written communication of the decision. Such notice must be accompanied by details of the

grounds of appeal together with any additional evidence in support.

22. Notice of requirements

Any requirement of the SRA under these rules will be communicated in writing.

23. Waivers

The SRA may waive any of the provisions of these rules except rules 13 and 20 to 24.

24. Repeals and commencement

- (1) These rules shall come into ~~operation~~~~effect~~ on ~~31 March 2009~~~~[10 August 2011]~~, whereupon (a) the Solicitors' Compensation Fund Rules ~~1995~~~~2009~~ ("~~the 2009 Rules~~") shall cease to have effect save in respect of applications submitted before that date, which shall continue to be subject to the ~~1995~~~~2009~~ rules.; ~~and~~
- ~~(b) the Solicitors' Compensation Fund (Foreign Lawyers' Contributions) Rules 1991 shall cease to have effect.~~
- (2) ~~On 1 July 2009, rule 4 was amended as follows:~~
- ~~(a) in paragraph (2):~~
- ~~(i) delete "cancelled under regulation 8 of the European Lawyers Registration Regulations 2000" and substitute "revoked under regulation 9.2(a)(ii) of the SRA Practising Regulations 2009"; and~~
- ~~(ii) delete "suspension or cancellation" and substitute "suspension or revocation";~~
- ~~(b) in paragraph (3):~~
- ~~(i) delete "had expired for non-renewal under regulation 8.3" and substitute "was suspended or was revoked under regulation 9(c)"; and~~
- ~~(ii) delete "expiry" and substitute "suspension or revocation"; and~~
- ~~(c) in paragraph (4):~~
- ~~(i) delete "cancelled under Schedule 14 paragraph 3(4)(a) of the Courts and Legal Services Act 1990" and substitute "revoked under regulation 9.2(a)(ii) of the SRA Practising Regulations 2009"; and~~
- ~~(ii) delete "suspension or cancellation" and substitute "suspension or revocation".~~

25. Transitional and savings provisions

- (1) ~~From 1 January 2013, the savings provisions in rules 1(5), 2(1)(d), 2(1)(e)~~

and 2(3) shall apply.

- (2)** Subject to rule 25(1), from 1 January 2013 these rules shall have effect subject to the following amendments:
- (a)** in the preamble, the words "and an order under section 69 of the Legal Services Act 2007 dated [] ("the section 69 Order")," shall be omitted;
- (b)** in rule 1:
- (i)** in the definition of "*approved regulator*", sub-paragraph (b), the words "or a licensing authority", "or a licensing authority", "and licensing" and "or as a designated licensing authority" shall be omitted;
- (ii)** in the definition of "*defaulting practitioner*":
- (A)** paragraph (e) shall be omitted;
- (B)** in the final sub-paragraph, the word "and" shall be added before the words "*defaulting registered foreign lawyer*" and the words "and *defaulting licensed body*" shall be omitted;
- (iii)** the definitions of "*licensed body*", "*regulated activity*", "*reserved legal activity*" and "*legal activity*" shall be omitted;"
- (c)** in rule 3(2)(a) and (b) the words "or *owner*" shall be omitted;
- (d)** in rule 3(2) the words "and in relation to a *licensed body*, the act or default was in connection with a *regulated activity*" shall be omitted;
- (e)** rule 4(4) shall be omitted;
- (f)** rule 5(1)(c) shall be omitted;
- (g)** in rule 5(2), the words "or *licensed body*" shall be omitted;
- (h)** in rule 5(4), the words "or a *defaulting licensed body*" and "or *defaulting licensed body*" shall be omitted;
- (i)** rule 7(i) shall be omitted;
- (j)** in rule 8 the words "and in the case of a *defaulting licensed body* the *SRA* does not consider such an undertaking to be part of its *regulated activities*" shall be omitted;

(k) rule 9(4) shall be omitted.