

Overview of Legislation and Our Direction of Travel

Richard Collins
SRA Executive Director

Legal Aid Sentencing and Punishment of Offenders Act 2012

- Received royal assent 1 May 2012
- Prohibits payment and receipt of referral fees in personal injury cases (sections 56-60)
- Package of measures aimed at reducing the costs of civil litigation

What sort of arrangements will be caught?

3 questions:

- Is there a referral?
- Is there a payment?
- Is the payment *for* the referral?

How do we currently regulate referral fees?



- Referral fees permitted
(except in legal aid and criminal cases)
- Subject to our Principles and specific Outcomes, e.g. Requiring transparency, independence and protection of client's interest

Developing our Approach

Key Challenges:

- Consistency with our outcomes-focused, risk-based approach
- Ensure consistency between regulators
- Lack of clarity in LASPO
- Protecting consumers where firms heavily reliant on referral fees could be at risk
- How will the market adapt?
- Policing the Ban
- Joint Marketing Schemes

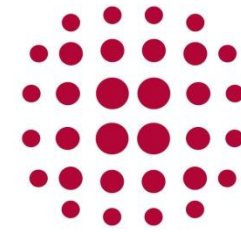
SRA Proposals



Proposals set out in our Summer Discussion paper were broadly welcomed:

- New mandatory outcomes in the SRA Code of Conduct
- Supported by indicative behaviours
- Read alongside SRA Principles and other outcomes in the Handbook
- Supported by a Supervision and Enforcement Strategy

Consultation – October 2012



Solicitors
Regulation
Authority

- Discusses responses to June discussion document and proposals for dealing with issues raised
- Sets out proposals for implementing LASPO, including revised/new outcomes and indicative behaviours
- Provides information on our interpretation of LASPO for regulatory purposes

Timetable

23 October – 18 December	Formal consultation process on SRA proposals
19 November	SRA referrals symposium
23 January 2013	Code changes approved by SRA Board
Mid February 2013	Changes to Regulatory Framework approved by LSB
Early March 2013	Final version published
April 2013	Implementation of ban