

SRA Glossary



Guidance, changes, terms, notes and tags

The Standards and Regulations Glossary comprises a set of defined terms which are used in the Standards and Regulations. Terms being used in their defined sense appear as italicised text within the individual sets of provisions of the Standards and Regulations. The same terms in the Standards and Regulations may appear as italicised text in some cases but not in others. Where they are not italicised, for reasons relating to the specific context, they are not being used in their defined sense and take their natural meaning in that context.

[Open all](#)

A



academic stage of training

means the undertaking by an individual of the following programmes of study which satisfy the requirements of the Joint Statement:

- (a) a Qualifying Law Degree;
- (b) a CPE;
- (c) an Exempting Law Degree; or
- (d) an Integrated Course;

at an approved education provider

accounting period

means the period for which your accounts are made up, and that:

- (a) begins at the end of the previous accounting period; and
- (b) comprises a period of 12 months unless you change the period for which your accounts are ordinarily made up or the accounting period covers your first report or a report after a break from practice in which case the accounting period may be for a period of less than 12 months or for more than 12 months, up to a maximum period of 18 months

accounting records

means all reconciliations, bank and building society statements (paper or electronic), original passbooks, signed letters of engagement with reporting accountants, the accountants' reports (whether qualified or not), any client's written instructions to hold client money other than in accordance with these rules, records and documents, including electronic records, relating to any third party managed accounts and any other records or documents necessary to show compliance with the SRA Accounts Rules

AJA

means the Administration of Justice Act 1985

AJA (2012)

means the Administration of Justice Act 1985.

ancillary insurance intermediary

has the meaning given in article 2(1)(4) of the IDD

applicant

means for the purposes of the SRA Compensation Fund Rules a person applying for a grant out of the Compensation Fund.

approved education provider

means a provider recognised by the SRA as providing a Qualifying Law Degree, CPE, Exempting Law Degree, or an Integrated Course

approved regulator

means any body listed as an approved regulator in paragraph 1 of Schedule 4 to the LSA or designated as an approved regulator by an order under paragraph 17 of that Schedule

arrangement (2012)

in relation to financial services, fee sharing and *referrals* in Chapters 1, 6 and 9 of the *SRA Code of Conduct* means any express or tacit agreement between you and another *person* whether contractually binding or not.

asset

includes money, documents, wills, deeds, investments and other property

authorised body

means:

- (a) a body that has been authorised by the SRA to practise as a licensed body or a recognised body; or
- (b) a sole practitioner's practice that has been authorised by the SRA as a recognised sole practice

authorised decision maker

in relation to a decision, means a person authorised to make that decision by the SRA under a schedule of delegation

authorised education provider

means a provider recognised by the SRA as providing the Legal Practice Course or the Professional Skills Course

authorised insurer

means:

- (a) a person who has permission under Part 4A of FSMA to effect or carry out contracts of insurance of a relevant class;
- (b) a person who carries on an insurance market activity, within the meaning of section 316(3) of FSMA;
- (c) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to FSMA, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of insurance of a relevant class; or
- (d) a person who does not fall within paragraph (i), (ii) or (iii) and who may lawfully effect or carry out contracts of insurance of a relevant class in a member state other than the UK,

where "relevant class" has the meaning set out in section 87(1B) of the SA provided that this definition must be read with section 22 of FSMA, any relevant order under that section, and Schedule 2 to FSMA.

authorised non-SRA firm

means a firm which is authorised to carry on legal activities as defined in section 12 of the LSA by an approved regulator other than the SRA

authorised person

- (a) subject to sub-paragraph below, means a person who is authorised by the SRA or another approved regulator to carry on a legal activity as defined under s12 of the LSA and the term "non-authorised person" shall be construed accordingly; and
- (b) in the SRA Financial Services (Scope) Rules, has the meaning given in section 31 of the FSMA

authorised training provider

means a person authorised by the SRA under the SRA Education, Training and Assessment Provider Regulations to take on and train a trainee

B

bank

has the meaning given in section 87(1) of the SA

barrister

means a person called to the Bar by one of the Inns of Court and who has completed pupillage and is authorised by the General Council of the Bar to practise as a barrister

beneficiary

means a person with a beneficial entitlement to funds held by the Law Society on statutory trust

best list

means a list of potential beneficial entitlements to statutory trust monies which, in cases where it is not possible to create a reconciled list, is, in the view of the SRA, the most reliable that can be achieved with a reasonable and proportionate level of work taking into account the circumstances of the intervention and the nature of the evidence available

building society

means a building society within the meaning of the Building Societies Act 1986

C

CBTL credit agreement

has the meaning given in the FCA Handbook

cessation

means where the insured firm's practice ceases during the period of insurance or after the period of insurance in circumstances where the insured firm has not obtained insurance complying with the MTC and incepting on and with effect from the day immediately following the expiry of the policy period

cessation period

means the period commencing on the expiry of the extended policy period where, during the extended policy period the relevant authorised body has not ceased practice or obtained a policy of qualifying insurance incepting with effect on and from the day immediately following expiration of the policy period, and ending on the date which is the earlier to occur of:

- (a) the date, if any, on which the authorised body obtains a policy of qualifying insurance incepting with effect on and from the day immediately following expiration of the policy period;
- (b) the date which is 90 days after the commencement of the extended policy period; or
- (c) the date on which the insured firm's practice ceases

character and suitability

includes fitness and propriety under rule 13.1 of the SRA Authorisation of Firms Rules

charity

has the meaning given in section 1 of the Charities Act 2011

chartered accountancy bodies

means the Institute of Chartered Accountants in England and Wales; the Institute of Chartered Accountants of Scotland; the Association of Chartered Certified Accountants; or the Institute of Chartered Accountants in Ireland

circumstances

means an incident, occurrence, fact, matter, act or omission which may give rise to a claim in respect of civil liability.

circumstances (2012)

means an incident, occurrence, fact, matter, act or omission which may give rise to a *claim* in respect of civil liability.

claim

means a demand for, or an assertion of a right to, civil compensation or civil damages or an intimation of an intention to seek such compensation or damages. For these purposes, an obligation on an insured firm and/or any insured to remedy a breach of the SRA Accounts Rules, or any rules which replace them in whole or in part, shall be treated as a claim, and the obligation to remedy such breach shall be treated as a civil liability for the purposes of clause 1 of the MTC, whether or not any person makes a demand for, or an assertion of a right to, civil compensation or civil damages or an intimation of an intention to seek such compensation or damages as a result of such breach, except where any such obligation may arise as a result of the insolvency of a bank (as defined in section 87 of the SA) or a building society which holds client money in a client account of the insured firm or the failure of such bank or building society generally to repay monies on demand.

claim (2012)

means a demand for, or an assertion of a right to, civil compensation or civil damages or an intimation of an intention to seek such compensation or damages. For these purposes, an obligation on an *insured firm* and/or any *insured* to remedy a breach of the Solicitors' Accounts Rules 1998 (as amended from time to time), or any rules (including, without limitation, the *SRA Accounts Rules*) which replace the Solicitors' Accounts Rules 1998 in whole or in part, shall be treated as a claim, and the obligation to remedy such breach shall be treated as a civil liability for the purposes of clause 1 of the *MTC*, whether or not any *person* makes a demand for, or an assertion of a right to, civil compensation or civil damages or an intimation of an intention to seek such compensation or damages as a result of such breach, except where any such obligation may arise as a result of the insolvency of a bank (as defined in section 87 of the *SA*) or a *building society* which holds client money in a client account of the *insured firm* or the failure of such bank or *building society* generally to repay monies on demand.

claimant

means:

- (a) a person making a claim to statutory trust monies; and
- (b) in the SRA Indemnity Insurance Rules and the MTC, a person or entity which has made or may make a claim including a claim for contribution or indemnity

client

means the person for whom you act and, where the context permits, includes prospective and former clients

in the SRA Financial Services (Scope) Rules, in relation to any regulated financial services activities carried on by an authorised body for a trust or the estate of a deceased person (including a controlled trust), means the trustees or personal representatives in their capacity as such and not any person who is a beneficiary under the

trust or interested in the estate

client account

has the meaning given to it in the SRA Accounts Rules

client money

has the meaning given in rule 2.1 of the SRA Accounts Rules

client money (overseas)

means money held or received by your overseas practice:

- (a) relating to services delivered by your overseas practice to a client;
- (b) on behalf of a third party in relation to services delivered by your overseas practice (such as money held as agent, stakeholder or held to the sender's order);
- (c) as a trustee or as the holder of a specified office or appointment;
- (d) in respect of fees and any unpaid disbursements if held or received prior to delivery of a bill for the same

COFA

means a compliance officer for finance and administration and in relation to a licensable body is a reference to its HOFA

COLP

means compliance officer for legal practice and in relation to a licensable body is a reference to its HOLP

Companies Acts

means the Companies Act 1985 and the Companies Act 2006

company

means a company incorporated in a state to which the Establishment of Lawyers Directive 98/5/EC applies and registered under the Companies Acts or a *societas Europaea*

competing for the same objective

means any situation in which two or more clients are competing for an "objective" which, if attained by one client, will make that "objective" unattainable to the other client or clients, and "objective" means an asset, contract or business opportunity which two or more clients are seeking to acquire or recover through a liquidation (or some other form of insolvency process) or by means of an auction or tender process or a bid or offer, but not a public takeover

compliance officer

is a reference to a body's COLP or its COFA

conflict of interest

means a situation where your separate duties to act in the best interests of two or more clients in relation to the same or a related matters conflict.

connected practices

means a body providing legal services, established outside England and Wales which is not an overseas practice or an excluded body but is otherwise connected to an authorised body in England and Wales, by virtue of:

- (a) being a parent undertaking, within the meaning of section 1162 of the Companies Act 2006, of the authorised body;
- (b) being jointly managed or owned, or having a partner, member or owner in common, or controlled by or, with the authorised body;
- (c) participating in a joint enterprise or across its practice generally, sharing costs, revenue or profits related to

the provision of legal services with the authorised body; or

(d) common branding.

and in this definition:

- (i) a "body" means a natural person or company, LLP or partnership or other body corporate or unincorporated association or business entity; and
- (ii) an "excluded body" means a body which is part of:
 - (A) a Verein or similar group structure involving more than one body providing legal services in respect of which the authorised body in England and Wales connected to it is not regarded as being the body which is the headquarters of that Verein or similar group structure or a significant part of it;
 - (B) a joint practice, alliance or association or association with the authorised body in England and Wales connected to it which is controlled by a body providing legal services outside England and Wales; or
 - (C) a group of affiliated bodies providing legal services which is not managed or controlled by an authorised body in England and Wales
- (iii) A "joint enterprise" means any contractual arrangements between two or more independent bodies which provide legal services, for profit and/or other defined purpose or goal which apply generally between them, not just agreed on a matter by matter basis
- (iv) "Common branding" means the use of a name, term, design, symbol, words or a combination of these that identifies two or more legal practices as distinct from other legal practices or an express statement that a legal practice is practising in association with one or more other named firms

continuous payment authority

means consent given to a client for a firm to make one or more requests to a payment service provider for one or more payments from the client's payment account, but excluding:

- (a) a direct debit to which the direct debit guarantee applies; and
- (b) separate consent given by a client to a firm, following the making of the regulated credit agreement, for the firm to make a single request to a payment service provider for one payment of a specified amount from the client's payment account on the same day as the consent is given or on a specified day

contract of insurance

means (in accordance with article 3(1) of the Regulated Activities Order) any contract of insurance which is a long-term insurance contract or a general insurance contract

contributions (2012)

means contributions previously made to the *fund* in accordance with Part III of the Solicitors' Indemnity Rules 2007 (or any earlier corresponding provisions), and any additional sums paid in accordance with Rule 16 of the *SRA Indemnity Rules*

costs

means your fees and disbursements

Council (2012)

has the meaning given in section 87 of the *S4*

court

means any court, tribunal or inquiry of England and Wales, or a British court martial, or any court of another

jurisdiction

CPE

means the Common Professional Examination, namely, a course, including assessments and examinations, approved by the SRA on behalf of the SRA and Bar Standards Board for the purposes of completing the academic stage of training for those who have not satisfactorily completed a Qualifying Law Degree

credit agreement

has the meaning given by article 60B(3) of the Regulated Activities Order

credit broking

means an activity of the kind specified in article 36A of the Regulated Activities Order.

credit tokens

means a card, check, voucher, coupon, stamp, form, booklet or other document or thing given to a client by a person carrying on a credit-related regulated financial services activity ("the provider"), who undertakes that:

- (a) on production of it (whether or not some other action is also required) the provider will supply cash, goods or services (or any of them) on credit; or
- (b) where, on the production of it to a third party (whether or not any other action is also required), the third party supplies cash, goods and services (or any of them), the provider will pay the third party for them (whether or not deducting any discount or commission), in return for payment to the provider by the client and the provider shall, without prejudice to the definition of credit, be taken to provide credit drawn on whenever a third party supplies the client with cash, goods or services, and

the use of an object to operate a machine provided by the person giving the object or a third party shall be treated as the production of the object to that person or third party

credit-related regulated financial services activities

means any of the following activities specified in Part 2 or 3A of the Regulated Activities Order:

- (a) entering into a regulated credit agreement as lender (article 60B(1));
- (b) exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement (article 60B(2));
- (c) credit broking (article 36A);
- (d) debt adjusting (article 39D(1) and (2));
- (e) debt counselling (article 39E(1) and (2));
- (f) debt collecting (article 39F(1) and (2));
- (g) debt administration (article 39G(1) and (2));
- (h) entering into a regulated consumer hire agreement as owner (article 60N(1));
- (i) exercising, or having the right to exercise, the owner's rights and duties under a regulated consumer hire agreement (article 60N(2));
- (j) providing credit information services (article 89A);
- (k) providing credit references (article 89B);
- (l) operating an electronic system in relation to lending (article 36H);
- (m) agreeing to carry on a regulated activity (article 64) so far as relevant to any of the activities (a) to (l).

which is carried on by way of business and relates to a specified investment applicable to that activity or, in the case of (j) and (k), relates to information about a person's financial standing

D



debt management plan

means a non-statutory agreement between a client and one or more of the client's lenders the aim of which is to discharge or liquidate the client's debts, by making regular payments to a third party which administers the plan and distributes the money to the lenders

defaulting practitioner

has the meaning given in rule 5 of the SRA Compensation Fund Rules.

defence costs

means legal costs and disbursements and investigative and related expenses reasonably and necessarily incurred with the consent of the insurer in:

- (a) defending any proceedings relating to a claim; or
- (b) conducting any proceedings for indemnity, contribution or recovery relating to a claim; or
- (c) investigating, reducing, avoiding or compromising any actual or potential claim; or
- (d) acting for any insured in connection with any investigation, inquiry or disciplinary proceeding (save in respect of any disciplinary proceeding under the authority of the SRA or the Tribunal).

and does not include any internal or overhead expenses of the insured firm or the insurer or the cost of any insured's time.

degree

means a UK degree, awarded at level 6 (or above) of the Framework for Higher Education Qualifications, by a recognised degree-awarding body

director

means a director of a company; and in relation to a *societas Europaea* includes:

- (a) in a two-tier system, a member of the management organ and a member of the supervisory organ; and
- (b) in a one-tier system, a member of the administrative organ

disbursements

means any costs or expenses paid or to be paid to a third party on behalf of the client or trust (including any VAT element) save for office expenses such as postage and courier fees

discrimination

has the meaning given in the Equality Act 2010

durable medium

means any instrument which:

- (a) enables the recipient to store information personally addressed to them in a way accessible for future reference and for a period of time adequate for the purposes of the information; and
 - (b) allows the unchanged reproduction of the information stored
-

E

EEA

means European Economic Area

eligible former principal (2012)

means a *principal* of a *previous practice* where:

- (i) that *previous practice* ceased on or before 31 August 2000; and
- (ii) a *relevant claim* is made in respect of any matter which would have given rise to an entitlement of the *principal* to indemnity out of the *fund* under the Solicitors' Indemnity Rules 1999 had the claim been notified to Solicitors Indemnity Fund Limited on 31 August 2000; and
- (iii) the *principal* has not at any time been a "principal" of the *relevant successor practice* ("principal" having the meaning applicable to the *SRA*); and
- (iv) at the time that the *relevant claim* is made the *principal* is not a "principal" in "private practice" ("principal" and "private practice" having the meanings applicable to the *SRA*).

employee

means an individual who is:

- (a) engaged under a contract of service by a person, firm or organisation or its wholly owned service company;
- (b) engaged under a contract for services, made between a firm or organisation and:
 - (i) that individual;
 - (ii) an employment agency; or
 - (iii) a company which is not held out to the public as providing legal services and is wholly owned and directed by that individual, or

under which the person, firm or organisation has exclusive control over the individual's time for all or part of the individual's working week, save that:

- (A) for the purposes of the SRA Financial Services (Scope) Rules, means an individual who is employed in connection with the firm's regulated financial services activities under a contract of service or under a contract for services such that he or she is held out as an employee or consultant of the firm
- (B) for the purposes of the SRA Indemnity Insurance Rules and the MTC, means any person other than a principal:
 - (I) employed or otherwise engaged in the insured firm's practice (including under a contract for services) including, without limitation, as a solicitor, lawyer, trainee solicitor or trainee lawyer, consultant, associate, locum tenens, agent, appointed person, office or clerical staff member or otherwise;
 - (II) seconded to work in the insured firm's practice; or
 - (III) seconded by the insured firm to work elsewhere,

but does not include any person who is engaged by the insured firm under a contract for services in respect of any work where that person is required, whether under the SRA Indemnity Insurance Rules or under the rules of any other professional body, to take out or to be insured under separate professional indemnity insurance in respect of that work

and the term "employer" is to be construed accordingly

Establishment Directive

means the Establishment of Lawyers Directive 98/5/EC

Establishment Directive (2012)

means the Establishment of Lawyers Directive 98/5/EC.

Establishment Directive profession

means any profession listed in article 1.2(a) of the Establishment Directive, including a solicitor, barrister or advocate of the UK

Establishment Directive state

means a state to which the Establishment Directive applies

European corporate practice

means a lawyers' practice which is a body incorporated in an Establishment Directive state, or a partnership with separate legal identity formed under the law of an Establishment Directive state and which is regulated as a lawyers' practice:

- (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;
- (c) whose managers include at least one such individual, or at least one body corporate whose managers include at least one such individual; and
- (d) of which lawyers are entitled to exercise, or control the exercise of, more than 90% of the voting rights

European cross-border practice

means:

- (a) professional activity regulated by the SRA in a state whose legal profession is a full, an associate or an observer member of the Council of Bars and Law Societies of Europe (CCBE state) other than the UK, whether or not you are physically present in that CCBE state; and
- (b) any professional contact regulated by the SRA with a lawyer of a CCBE state other than the UK,

excluding professional contacts and professional activities taking place within a firm or in-house legal department

excess

means the first amount of a claim which is not covered by the insurance

execution-only

means a transaction which is effected by an authorised body for a client where the authorised body assumes on reasonable grounds that the client is not relying on the authorised body as to the merits or suitability of that transaction

exempt person

in the SRA Financial Services (Scope) Rules means a person who is exempt from the general prohibition as a result of an exemption order made under section 38(1) or as a result of section 39(1) or 285(2) or (3) of the FSMA and who, in engaging in the activity in question, is acting in the course of business in respect of which that

person is exempt

Exempting Law Degree

means a Qualifying Law Degree incorporating a Legal Practice Course, approved by the SRA

existing instructions

means instructions to carry out legal activities as defined in section 12 of the LSA received by an authorised body from a client, which the body has accepted, on terms that have been agreed by the client, prior to the body becoming subject to cover under the cessation period

Exit day

has the meaning given in section 20 of the European (Withdrawal) Act 2018

expired run-off claim (2012)

means any claim made against the *fund* for indemnity under the *SRA Indemnity Rules* in respect of which no *preceding qualifying insurance* remains in force to cover such claim, by reason only of:

- (i) the run-off cover provided or required to be provided under the policy having been activated; and
- (ii) the sixth anniversary of the date on which cover under such *qualifying insurance* would have ended but for the activation of such run-off cover having passed; or
- (iii) (in the case of a firm in default or a run-off firm) the period of run-off cover provided or required to be provided under arrangements made to cover such claim through the *ARP* having expired.

expired run-off cover (2012)

means either:

- (i) (unless (ii) below applies) the terms of the *preceding qualifying insurance*, excluding clause 5 (Run-off cover) of the *MTC* as if it were a contract between Solicitors Indemnity Fund Limited and the firm or person making an *expired run-off claim*; or
- (ii) where they are provided to Solicitors Indemnity Fund Limited prior to payment of the *claim* the terms of the *preceding qualifying insurance* provided that:
 - (A) references in the *preceding qualifying insurance* to the qualifying insurer that issued such insurance shall be read as references to Solicitors Indemnity Fund Limited;
 - (B) any obligation owed by any *insured* under the *preceding qualifying insurance* to the qualifying insurer which issued such insurance shall be deemed to be owed to Solicitors Indemnity Fund Limited in place of such qualifying insurer, unless and to the extent that Solicitors Indemnity Fund Limited in its absolute discretion otherwise agrees;
 - (C) the obligations of the *fund* and/or any *insured* in respect of an *expired run-off claim* shall neither exceed nor be less than the requirements of the *MTC* which, in accordance with the applicable *SIR* such *preceding qualifying insurance* included or was required to include.

Solicitors Indemnity Fund Limited shall be under no obligation to take any steps to obtain the terms of any such *preceding qualifying insurance* which for these purposes includes the terms on which it was written in respect of

the *insured firm* or person in question, and not merely a standard policy wording.

extended policy period

means the period commencing at the end of the policy period and ending on the date which is the earlier to occur of:

- (a) the date, if any, on which the firm obtains a policy of qualifying insurance incepting on and with effect from the day immediately following the expiration of the policy period;
- (b) the date which is 30 days after the end of the policy period; or
- (c) the date on which the insured firm's practice ceases

F

FCA

means the Financial Conduct Authority

fees

means your own charges or profit costs (including any VAT element)

financial benefit

includes any commission, discount or rebate, but does not include your fees or interest earned on any client account

Financial Services Register

means the record maintained by the FCA as required by section 347 of the FSMA and including those persons who carry on, or are proposing to carry on, insurance distribution activities

foreign lawyer

has the meaning given in section 89(9) of the Courts and Legal Services Act 1990

foreign lawyer (2012)

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

FSMA

means the Financial Services and Markets Act 2000.

Fund

means the fund established and maintained under rule 1.1 of the SRA Compensation Fund Rules.

fund (2012)

means the fund maintained in accordance with the *SRA Indemnity Rules*

G

general insurance contract

means any contract of insurance within Part I of Schedule 1 to the Regulated Activities Order

H

high-cost short-term credit

means a regulated credit agreement:

- (a) which is a borrower-lender agreement or a P2P agreement;
- (b) in relation to which the APR is equal to or exceeds 100%;
- (c) either:
 - (i) in relation to which a financial promotion indicates (by express words or otherwise) that the credit is to be provided for any period up to a maximum of 12 months or otherwise indicates (by express words or otherwise) that the credit is to be provided for a short term; or
 - (ii) under which the credit is due to be repaid or substantially repaid within a maximum of 12 months of the date on which the credit is advanced;
- (d) which is not secured by a mortgage, charge or pledge; and
- (e) which is not:
 - (i) a credit agreement in relation to which the lender is a community finance organisation; or
 - (ii) a home credit loan agreement, a bill of sale loan agreement or a borrower-lender agreement enabling a borrower to overdraw on a current account or arising where the holder of a current account overdraws on the account without a pre-arranged overdraft or exceeds a pre-arranged overdraft limit

higher courts

means the Crown Court, High Court, Court of Appeal and Supreme Court in England and Wales

higher courts advocacy qualification

means either:

- (a) Higher Courts (Civil Advocacy) Qualification which entitles the solicitor or REL to exercise rights of audience in all civil proceedings in the higher courts, including judicial review proceedings in any court arising from any criminal cause; or
- (b) Higher Courts (Criminal Advocacy) Qualification which entitles the solicitor or REL to exercise rights of audience in all criminal proceedings in the higher courts and judicial review proceedings in any court arising from any criminal cause

HOFA

means a Head of Finance and Administration within the meaning of paragraph 13(2) of Schedule 11 to the LSA

HOLP

means a Head of Legal Practice within the meaning of paragraph 11(2) of Schedule 11 to the LSA

home finance mediation activity

has the meaning given in the FCA Handbook

I

IDD

means Directive (EU) 2016/97 on insurance distribution

immigration work

means the provision of immigration advice and immigration services, as defined in section 82 of the Immigration and Asylum Act 1999

indemnity period

means in the SRA Indemnity Insurance Rules and the MTC, the period of one year starting on 1 September 2000, 2001 or 2002, the period of 13 calendar months starting on 1 September 2003, or the period of one year



starting on 1 October in any subsequent calendar year

indemnity period (2012)

means:

- (i) in the *SRA Indemnity Insurance Rules*, the period of one year starting on 1 September 2000, 2001 or 2002, the period of 13 calendar months starting on 1 September 2003, or the period of one year starting on 1 October in any subsequent calendar year; and
- (ii) in the *SRA Indemnity Rules*, the period of one year commencing on 1 September in any calendar year from 1987 to 2002 inclusive, the period of 13 calendar months commencing on 1 September 2003, and the period of one year commencing on 1 October in any subsequent calendar year.

insolvency event

means in relation to a participating insurer:

- (a) the appointment of a provisional liquidator, administrator, receiver or an administrative receiver;
- (b) the approval of a voluntary arrangement under Part I of the Insolvency Act 1986 or the making of any other form of arrangement, composition or compounding with its creditors generally;
- (c) the passing of a resolution for voluntary winding up where the winding up is or becomes a creditors' voluntary winding up under Part IV of the Insolvency Act 1986;
- (d) the making of a winding up order by the court;
- (e) the making of an order by the court reducing the value of one or more of the participating insurer's contracts under section 377 of FSMA; or
- (f) the occurrence of any event analogous to any of the foregoing insolvency events in any jurisdiction outside England and Wales.

insurance distribution

has the meaning given in the FCA Handbook

insurance distribution activity

means any of the following regulated activities as specified in the Regulated Activities Order which are carried on in relation to a contract of insurance or rights to or interests in a life policy:

- (a) dealing in investments as agent (article 21)
- (b) arranging (bringing about) deals in investments (article 25(1))
- (c) making arrangements with a view to transactions in investments (article 25(2))
- (d) assisting in the administration and performance of a contract of insurance (article 39A)
- (e) advising on investments (except peer to peer agreements) (article 53(1))
- (f) agreeing to carry on a regulated activity in (a) to (e) above (article 64).

insurance distribution officer

means the individual within the management structure of the firm who is responsible for insurance distribution activity

insurance intermediary

has the meaning given in article 2(1)(3) of the IDD

Insurance Product Information Document

means a document that meets the requirements of article 20(5) to article 20(8) of the IDD and the Commission Implementing Regulation (EU) 2017/1469

insurance undertaking

has the meaning given in article 2(1)(6) of the IDD

insurance-based investment product

has the meaning given in article 2(1)(17) of the IDD

insured

means each person and entity named or described as a person to whom the insurance extends and includes, without limitation, those referred to in clause 1.3 in the MTC

insured (2012)

in the *SRA Indemnity Insurance Rules* means each person and entity named or described as a person to whom the insurance extends and includes, without limitation, those referred to in clause 1.3 in the *MTC* and, in relation to *prior practices* and *successor practices* respectively, those referred to in clauses 1.5 and 1.7 of the *MTC*

insured firm

means the authorised body which contracted with the insurer to provide the insurance

insured firm's practice

means:

- (a) the legal practice carried on by the insured firm as at the commencement of the period of insurance; and
- (b) the continuous legal practice preceding and succeeding the practice referred to in paragraph (i) (irrespective of changes in ownership of the practice)

insurer

means:

- (a) for the purposes of the SRA Financial Services (Conduct of Business) Rules 2001 a firm with permission to effect or carry out contracts of insurance (other than a bank); and
- (b) for the purposes of the SRA Indemnity Insurance Rules and the MTC the underwriter(s) of the insurance

Integrated Course

means a course incorporating the foundations of legal knowledge as set out in the Academic Stage Handbook and the Legal Practice Course

interest

includes a sum in lieu of interest

interest holder

means a person who has an interest or an indirect interest, or holds a material interest, in a body (and "indirect interest" and "interest" have the same meaning as in the LSA), and references to "holds an interest" shall be construed accordingly

intervened practitioner

means the solicitor, recognised body, licensed body, REL or RFL whose practice or practices are the subject of

an intervention

intervention

means the exercise of the powers specified in section 35 of and Schedule 1 to the SA, or section 9 of and paragraphs 32 to 35 of Schedule 2 to the AJA, or section 89 of and paragraph 5 of Schedule 14 to the Courts and Legal Services Act 1990, or section 102 of and Schedule 14 to the LSA

introducer

means any person, business or organisation who or that introduces or refers clients to your business, or recommends your business to clients or otherwise puts you and clients in touch with each other

J



Joint Statement

means the Joint Statement on Qualifying Law Degrees, prepared jointly by the SRA and the Bar Standards Board, setting out the conditions a law degree course must meet in order to be recognised by the SRA as a Qualifying Law Degree

L



lawyer

means a member of one of the following professions, entitled to practise as such:

- (a) the profession of solicitor, barrister or advocate of the UK;
- (b) an authorised person other than one authorised by the SRA;
- (c) an Establishment Directive profession other than a UK profession; and
- (d) any other regulated legal profession specified by the SRA for the purpose of this definition

lawyer of England and Wales

means:

- (a) a solicitor; or
- (b) an individual who is authorised to carry on legal activities in England and Wales by an approved regulator other than the SRA, but excludes a member of an Establishment Directive profession registered with the Bar Standards Board under the Establishment Directive

lead insurer

means the insurer named as such in the contract of insurance in accordance with clause 2.6 of the MTC

Legal Ombudsman

means the scheme administered by the Office for Legal Complaints under Part 6 of the LSA

legal or equitable mortgage

includes a legal or equitable charge and, in Scotland, a heritable security

Legal Practice Course

means a course provided by an authorised education provider which meets the prescribed requirements

legal services body

has the meaning given in section 9A of the AJA

legally qualified

has the meaning given in section 9A(6) of the AJA save that, for a body to meet the management and control

requirements enabling it to fall within section 9A(6)(h), it must be:

- (a) a recognised body;
- (b) a licensed body in which lawyers are entitled to exercise, or control the exercise of more than 90 percent of the voting rights of that licensed body;
- (c) an authorised non-SRA firm in which lawyers are entitled to exercise, or control the exercise of more than 90 percent of the voting rights of that authorised non-SRA firm

licensable body

has the meaning given in section 72 of the LSA

licensed body

means a body licensed by the SRA under section 71(2) of the LSA in accordance with the SRA Authorisation of Firms Rules

licensed body (2012)

means a body licensed by the *SRA* under Part 5 of the *LSA*

life office

means a person with permission to effect or carry out long-term insurance contracts

life policy

means a long-term insurance contract other than a pure protection contract or a reinsurance contract, but including a pension policy

LLP

means a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000

long-term insurance contract

has the meaning given in Part II of Schedule 1 to the Regulated Activities Order

LSA

means the Legal Services Act 2007

M

manager

means:

- (a) the sole principal in a recognised sole practice;
- (b) a member of a LLP;
- (c) a director of a company;
- (d) a partner in a partnership; or
- (e) in relation to any other body, a member of its governing body

master insurer policy (2012)

means an insurer under a master policy.

master policy (2012)

means a policy referred to in Rule 5 of the *SRA Indemnity Rules*.

material interest

has the meaning given to it in Schedule 13 to the LSA



MCD

means the Mortgage Credit Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property

MCD credit agreement

has the meaning given in the FCA Handbook

member

means:

- (a) in relation to a company, a person who has agreed to be a member of the company and whose name is entered in the company's register of members; and
- (b) in relation to an LLP, a member of that LLP

member (2012)

(i)

means:

(A)

in relation to a *company*, a *person* who has agreed to be a member of the *company* and whose name is entered in the *company's* register of members; and

(B)

in relation to an *LLP*, a member of that *LLP*; save that

(ii)

for the purposes of the *SRA Indemnity Rules*, means a member of a practice, being:

(A)

any principal (including any *principal*) therein;

(B)

any *director* or officer thereof, in the case of a *recognised body* or a *licensed body* which is a *company*;

(C)

any member thereof in the case of a *recognised body* or a *licensed body* which is an *LLP*;

(D)

any *recognised body* or a *licensed body* which is a *partner* or held out to be a *partner* therein and any officer of such *recognised body* or a *licensed body* which is a *company*, or any member of such *recognised body* or a *licensed body* which is an *LLP*;

(E)

any person employed in connection therewith (including any *trainee solicitor*);

(F)

any *solicitor* or *REL* who is a consultant to or associate in the practice;

(G)

any *foreign lawyer* who is not an *REL* and who is a consultant or associate in the practice; and

(H)

any *solicitor* or *foreign lawyer* who is working in the practice as an agent or locum tenens, whether he or she is so working under a contract of service or contract for services;

and includes the estate and/or personal representative(s) of any such persons.

mixed payments

means a payment that includes both client money and non-client money

MTC

means the minimum terms and conditions with which a policy of qualifying insurance is required by the SRA Indemnity Insurance Rules to comply, a copy of which is annexed as an annex 1 to those rules.

MTC (2012)

means the minimum terms and conditions with which a *policy of qualifying insurance* is required by the *SRA Indemnity Insurance Rules* to comply, a copy of which is annexed as Appendix 1 to those Rules.

N

non-commercial body

means a body that falls within section 23(2) of the LSA

non-mainstream regulated activities

means a regulated financial services activity of an authorised body regulated by the FCA in relation to which the conditions in the Professional Firms' Sourcebook (5.2.1 R) are satisfied

non-registered European lawyer (2012)

means:

(i)

in the *SRA Indemnity Rules*, a member of a legal profession which is covered by the *Establishment Directive*, but who is not:

(A)

a *solicitor*, *REL* or *RFL*

(B)

a barrister of England and Wales, Northern Ireland or the Irish Republic, or

(C)

a Scottish advocate; and

(ii)

in the *SRA Financial Services (Scope) Rules*, a member of a profession covered by the *Establishment Directive* who is based entirely at an office or offices outside England and Wales and who is not a solicitor, *REL* or *RFL*

non-SRA firm

means a sole practitioner, partnership, LLP or company which is not authorised to practise by the SRA, and which is either:

(a) authorised or capable of being authorised to practise by another approved regulator; or

(b) not capable of being authorised to practise by any approved regulator

O

occupational pension scheme

means any scheme or arrangement which is comprised in one or more documents or agreements and which has, or is capable of having, effect in relation to one or more descriptions or categories of employment so as to provide benefits, in the form of pensions or otherwise, payable on termination of service, or on death or retirement, to or in respect of earners with qualifying service in an employment of any such description or category

overseas

means outside England and Wales

overseas (2012)

means outside England and Wales.

overseas client account

means an account at a bank or similar institution, subject to supervision by a public authority, which is used only for the purpose of holding client money and the title, designation or account detail allow the account to be identified as belonging to the client or clients of a solicitor or REL, or that they are being held subject to a trust

overseas practice

means:

- (a) a branch office of an authorised body;
- (b) a subsidiary company of an authorised body;
- (c) a subsidiary undertaking, within the meaning of section 1162 of the Companies Act 2006, of an authorised body;
- (d) an entity whose business, management or ownership are otherwise in fact or law controlled by an authorised body;
- (e) an individual acting as a representative (whether as an employee or agent) of an authorised body; or
- (f) a sole principal whose business, management or ownership are otherwise in fact or law controlled by an authorised body.

established outside England and Wales and providing legal services

overseas practice (2012)

(i)

means:

(A)

a branch office of an *authorised body*;

(B)

a *subsidiary company* of an *authorised body*;

(C)

a subsidiary undertaking, within the meaning of section 1162 of the Companies Act 2006, of an *authorised body*;

(D)

an entity whose business, management or ownership are otherwise in fact or law controlled by an *authorised body*;

(E)

an individual acting as a representative (whether as an employee or agent) of an *authorised body*; or

(F)

a sole principal whose business, management or ownership are otherwise in fact or law controlled by an *authorised body*;

established outside England and Wales and providing legal services; and

(ii)

in the *SRA Indemnity Rules* means a *practice* carried on wholly from an *overseas* office or offices, including a *practice* deemed to be a *separate practice* by virtue of paragraph (ii) of the definition of *separate practice*.

own interest conflict

means any situation where your duty to act in the best interests of any client in relation to a matter conflicts, or there is a significant risk that it may conflict, with your own interests in relation to that or a related matter

owner

means, in relation to a body, a person with any interest in the body, save that:

- (a) in the SRA Authorisation of Firms Rules, and the SRA Authorisation of Individuals Regulations, owner means any person who holds a material interest in an authorised body, and in the case of a partnership, any partner regardless of whether they hold a material interest in the partnership; and
- (b) for the purposes of the SRA Principles and the SRA Code of Conduct for Firms means a person who holds a material interest in the body; and
- (c) for the purposes of the SRA Assessment of Character and Suitability Rules includes owners who have no active role in the running of the business as well as owners who do,

and "own" and "owned" shall be construed accordingly

P



panel solicitors (2012)

means any solicitors appointed by the Solicitors Indemnity Fund in accordance with Rule 14.15 of the *SRA Indemnity Rules*.

Partial Home State Cover

has the meaning given in annex 2 to the SRA Indemnity Insurance Rules

participating insurer

means an authorised insurer which has entered into a participating insurer's agreement with the SRA which remains in force for the purposes of underwriting new business at the date on which the relevant contract of qualifying insurance is made

participating insurer's agreement

means an agreement in such terms as the SRA may prescribe setting out the terms and conditions on which a participating insurer may provide professional indemnity insurance to solicitors and others in private legal practice in England and Wales

partner

means a person who is or is held out as a partner in a partnership

partnership

means a body that is not a body corporate in which persons are, or are held out as, partners

partnership (2012)

means a body that is not a *body corporate* in which *persons* are, or are held out as, *partners*, save that in the *MTC* means an unincorporated *insured firm* in which *persons* are or are held out as *partners* and does not include an *insured firm* incorporated as an *LLP*.

pawn

means any article subject to a pledge

pawnee

means a person who takes any article in pawn and includes any person to whom the rights and duties of the original pawnee have passed by assignment or operation of law

payment

includes any form of consideration whether any benefit is received by you or by a third party (but does not include the provision of hospitality that is reasonable in the circumstances) and "pay" and "paid" shall be construed accordingly

pension policy

means a right to benefits obtained by the making of contributions to an occupational pension scheme or to a personal pension scheme, where the contributions are paid to a life office

period of insurance

means the period for which the insurance operates

period of recognised training

means training required under the SRA Authorisation of Individuals Regulations

person

includes a body of persons (corporate or unincorporated)

person (2012)

includes a body of persons (corporate or unincorporated).

personal pension scheme

means any scheme or arrangement which is not an occupational pension scheme or a stakeholder pension scheme and which is comprised in one or more instruments or agreements, having or capable of having effect so as to provide benefits to or in respect of people on retirement, or on having reached a particular age, or on termination of service in an employment

personal recommendation

means a recommendation that is presented as suitable for the person to whom it is made, or is based on a consideration of the circumstances of that person

pledge

means a pawnee's rights over an article taken in pawn

policy

has the meaning given in the FCA Handbook

policy period

means the period of insurance in respect of which risks may attach under a policy, but excluding the extended policy period and the cessation period

practice

means the whole or such part of the private legal practice of an authorised body as is carried on from one or more offices in England and Wales

practice (2012)

means the activities, in that capacity, of:

(i)

a *solicitor*;

(ii)

an *REL* from an office or offices within the *UK*;

(iii)

a member of an *Establishment Directive profession* registered with the *BSB* under the *Establishment Directive*, carried out from an office or offices in England and Wales;

(iv)

an *RFL* from an office or offices within England and Wales, as:

(A)

an *employee* of a *recognised sole practice*, or

(B)

a *manager, employee, member or interest holder* of an *authorised body* or a *manager, employee or owner* of an *authorised non-SRA firm*

(v)

an *authorised body*,

(vi)

a *manager* of an *authorised body*,

(vii)

a person employed in England and Wales by an *authorised body*,

(viii)

a *lawyer of England and Wales*, or

(ix)

an *authorised non-SRA firm*

and "practise" and "practising" should be construed accordingly; save for in:

(i)

the *SRA Indemnity Insurance Rules* where "practice" means the whole or such part of the *private practice* of a *firm* as is carried on from one or more offices in England and Wales;

(ii)

the *SRA Indemnity Rules* where it means a practice to the extent that:

(A)

in relation to a *licensed body*, it carries on *regulated activities* and

(B)

in all other cases, it carries on *private practice* providing professional services as a sole *solicitor* or *REL* or as a *partnership* of a type referred to in Rule 6.1(d) to 6.1(f) and consisting of or including one or more *solicitors* and/or *RELs*; and shall include the business or practice carried on by a *recognised body* in the providing of professional services such as are provided by individuals practising in *private practice* as *solicitors* and/or *RELs* or by such individuals in *partnership* with *RFLs* whether such practice is carried on by the *recognised body* alone or in *partnership* with one or more *solicitors, RELs* and/or other *recognised bodies*; and

(iii)

in the *SRA Overseas Rules* where it shall be given its natural meaning.

Practice Skills Standards

means the standards published by the SRA which set out the practice skills trainees will develop during the period of recognised training and use when qualified

practising overseas

means the conduct of a practice:

- (a) of an overseas practice;
- (b) of a manager, member or owner of an overseas practice in that capacity;
- (c) of a solicitor established outside England and Wales for the purpose of providing legal services in an overseas jurisdiction; and
- (d) of an REL established in Scotland or Northern Ireland for the purpose of providing legal services in those jurisdictions

preceding qualifying insurance (2012)

means, in the case of any *firm* or person who makes an *expired run-off claim* the policy of *qualifying insurance* which previously provided run-off cover in respect of that *firm* or person, or which was required to provide such cover, or (in the case of a firm in default or a run-off firm) arrangements to provide such run-off cover through the *ARP*.

prescribed

means prescribed by the SRA from time to time

previous practice (2012)

means any *practice* which shall have ceased to exist as such for whatever reason, including by reason of:

- (i) any death, retirement or addition of *principals*; or
- (ii) any split or cession of the whole or part of its practice to another without any change of *principals*.

principal

means:

- (a) where the authorised body is or was:
 - (i) a recognised sole practice ? the sole practitioner;
 - (ii) a partnership - each partner;
 - (iii) a company with a share capital ? each director of that company and any person who:
 - (A) is held out as a director; or
 - (B) beneficially owns the whole or any part of a share in the company; or
 - (C) is the ultimate beneficial owner of the whole or any part of a share in the company;
 - (iv) a company without a share capital - each director of that company and any person who:
 - (A) is held out as a director; or
 - (B) is a member of the company; or
 - (C) is the ultimate owner of the whole or any part of a body corporate or other legal person which is a member of the company;
 - (v) an LLP - each member of that LLP, and any person who is the ultimate owner of the whole or any part of a body corporate or other legal person which is a member of the LLP;
- (b) where a body corporate or other legal person is a partner in the authorised body, any person who is within paragraph (a)(iii) of this definition (including sub-paragraphs (A) and (C)), paragraph (a)(iv) of this definition (including sub-paragraphs (A) and (C)), or paragraph (a)(v) of this definition

principal (2012)

(i)

subject to paragraphs (ii) to (iv) means:

(A)

a *sole practitioner*;

(B)

a *partner* in a *partnership*;

(C)

in the case of a *recognised body* which is an *LLP* or *company*, the *recognised body* itself;

(D)

in the case of a *licensed body* which is an *LLP* or *company*, the *licensed body* itself;

(E)

the principal *solicitor* or *REL* (or any one of them) employed by a *non-solicitor employer* (for example, in a law centre or in commerce and industry); or

(F)

in relation to any other body, a member of its governing body;

(ii)

in the *SRA Authorisation Rules*, *SRA Practice Framework Rules* and *SRA Practising Regulations*, means a *sole practitioner* or a *partner* in a *partnership*;

(iii)

in the *SRA Indemnity Insurance Rules* means:

(A)

where the *firm* is or was:

(I)

a *sole practitioner*- that practitioner;

(II)

a *partnership*- each *partner*;

(III)

a *company* with a share capital - each *director* of that *company* and any *person* who:

(01)

is held out as a *director*; or

(02)

beneficially owns the whole or any part of a share in the *company*; or

(03)

is the ultimate beneficial owner of the whole or any part of a share in the *company*;

(IV)

a *company* without a share capital - each *director* of that *company* and any *person* who:

(01)

is held out as a *director*; or

(02)

is a *member* of the *company*; or

(03)

is the ultimate owner of the whole or any part of a *body corporate* or other legal person which is a *member* of the *company*;

(V)

an *LLP* each *member* of that *LLP*; and any *person* who is the ultimate owner of the whole or any part of a *body corporate* or other legal person which is a *member* of the *LLP*.

(B)

where a *body corporate* or other legal person is a *partner* in the *firm* any *person* who is within paragraph (A)(III) of this definition (including sub-paragraphs (01) and (03) thereof), paragraph (A)(IV) of this definition (including sub-paragraphs (01) and (03) thereof), or paragraph (A)(V) of this definition;

(iv)

in the *SRA Indemnity Rules* means:

(A)

a *solicitor* who is a *partner* or a sole *solicitor* within the meaning of section 87 of the *S4* or an *REL* who is a *partner*; or who is a sole practitioner, or an *RFL* or *non-registered European lawyer* who is a *partner*; and includes any *solicitor*, *REL*, *RFL* or *non-registered European lawyer* held out as a principal; and

(B)

additionally in relation to a *practice* carried on by a *recognised body* or a *licensed body* alone, or a *practice* in which a *recognised body* or a *licensed body* is or is held out to be a *partner*.

(I)

a *solicitor*, *REL*, *RFL* or *non-registered European lawyer* (and in the case of a *licensed body* any other person) who:

(01)

beneficially owns the whole or any part of a share in such *recognised body* or *licensed body* (in each case, where it is a *company* with a share capital); or

(02)

is a member of such *recognised body* or *licensed body* (in each case, where it is a *company* without a share capital or an *LLP* or a *partnership* with legal personality); or

(II)

a *solicitor*, *REL*, *RFL* or *non-registered European lawyer* (and in the case of a *licensed body* any other person) who is:

(01)

the ultimate beneficial owner of the whole or any part of a share in such *recognised body* or *licensed body* (in each case, where the *recognised body* or *licensed body* is a *company* with a share capital); or

(02)

the ultimate owner of a member or any part of a member of such *recognised body* or *licensed body* (in each case, where the *recognised body* or *licensed body* is a *company* without a share capital or an *LLP* or a *partnership* with legal personality).

prior practice

means each practice to which the insured firm's practice is ultimately a successor practice by way of one or more mergers, acquisitions, absorptions or other transitions, but does not include any such practice which has elected

to be insured under run-off cover in accordance with clause 5.5 of the MTC

private legal practice

means the provision of services in private practice as a solicitor or REL in an authorised body including, without limitation:

- (a) providing such services in England, Wales or anywhere in the world in a recognised sole practice, a recognised body or a licensed body (in respect of an activity regulated by the SRA in accordance with the terms of the body's licence);
- (b) the provision of such services as a secondeed of the insured firm;
- (c) any insured acting as a personal representative, trustee, attorney, notary, insolvency practitioner or in any other role in conjunction with a practice;
- (d) the provision of such services by any employee; and
- (e) the provision of such services pro bono;

but does not include:

- (f) discharging the functions of any of the following offices or appointments:
 - (i) judicial office;
 - (ii) Under Sheriffs;
 - (iii) members and clerks of such tribunals, committees, panels and boards as the Council may from time to time designate but including those subject to the Tribunals and Inquiries Act 1992, the Competition Commission, Legal Services Commission Review Panels, Legal Aid Agency Review Panels and Parole Boards;
 - (iv) Justices' Clerks; or
 - (v) Superintendent Registrars and Deputy Superintendent Registrars of Births, Marriages and Deaths and Registrars of Local Crematoria

private practice (2012)

- (i) for the purposes of the *SRA Indemnity Insurance Rules*

(A)

in relation to a *firm* which is a *licensed body* means its *regulated activities*, and

(B)

subject to paragraph (A) of this definition, in relation to all *firms* includes without limitation all the professional services provided by the *firm* including acting as a personal representative, trustee, attorney, notary, insolvency practitioner or in any other role in conjunction with a *practice*, and includes services provided pro bono publico.

but does not include:

(C)

solicitor or *REL* in the course of employment with an employer other than a *firm* or

(D)

non-SRA firm or by an *REL* through an *Exempt European Practice*, or

(E)

discharging the functions of any of the following offices or appointments:

(I)

judicial office;

(II)

Under Sheriffs;

(III)

members and clerks of such tribunals, committees, panels and boards as the *Council* may from time to time designate but including those subject to the Tribunals and Inquiries Act 1992, the Competition Commission, Legal Services Commission Review Panels, Legal Aid Agency Review Panels and Parole Boards;

(IV)

Justices' Clerks;

(V)

Superintendent Registrars and Deputy Superintendent Registrars of Births, Marriages and Deaths and Registrars of Local Crematoria; or

(VI)

such other offices as the *Council* may from time to time designate;

(F)

solicitor *REL's* family, or registered charities; or

(G)

in respect of a sole *solicitor* or a sole *REL practice* consisting only of:

(I)

providing professional services without remuneration for friends, relatives, or to companies wholly owned by the *solicitor* *REL's* 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 paragraphs (E)(I) to (VI) above.

(ii)

for the purposes of the *SRA Indemnity Rules* "private practice" shall be deemed to include:

(A)

the acceptance and performance of obligations as trustees; and

(B)

notarial practice where a solicitor notary operates such notarial practice in conjunction with a solicitor's practice, whether or not the notarial fees accrue to the benefit of the solicitor's practice;

but does not include:

(C)

practice to the extent that any fees or other income accruing do not accrue to the benefit of the *practice* carrying on such practice (except as provided by paragraph (B) in this definition);

(D)

practice by a *solicitor or REL* in the course of his or her employment with an employer other than a *solicitor, REL, recognised body, licensed body or partnership* such as is referred to in Rule 6.1(d) to 6.1(f); in which connection and for the avoidance of doubt:

(I)

any such *solicitor or REL* does not carry on private practice when he or she acts in the course of his or her employment for persons other than his or her employer;

(II)

any such *solicitor or REL* does not carry on private practice merely because he or she uses in the course of his or her employment a style of stationery or description which appears to hold him or her out as a *principal or solicitor or foreign lawyer* in private practice; or

(III)

any practice carried on by such a *solicitor* outside the course of his or her employment will constitute private practice;

(E)

discharging the functions of the following offices:

(I)

judicial office;

(II)

Under Sheriffs;

(III)

members and clerks of such tribunals, committees, panels and boards as the *Council* may from time to time designate but including those subject to the Tribunals and Inquiries Act 1992, the Competition Commission, Legal Services Commission Review Panels and Parole Boards;

(IV)

Justices' Clerks;

(V)

Superintendent Registrars and Deputy Superintendent Registrars of Births, Marriages and Deaths and Registrars of Local Crematoria;

(VI)

such other offices as the *Council* may from time to time designate.

professional service

means, for the purposes of the SRA Financial Services (Scope) Rules, services provided by an authorised body in the course of its practice and which do not constitute carrying on a regulated financial services activity

publicity

includes all promotional material and activity, including the name or description of your firm, stationery, advertisements, brochures, websites, directory entries, media appearances, promotional press releases, and direct approaches to potential clients and other persons, whether conducted in person, in writing, or in electronic form, but does not include press releases prepared on behalf of a client

pure protection contract

means:

(a) a long-term insurance contract:

(i) under which the benefits are payable only in respect of death or of incapacity due to injury, sickness

or infirmity;

- (ii) which has no surrender value or the consideration consists of a single premium and the surrender value does not exceed that premium; and
- (iii) which makes no provision for its conversion or extension in a manner which would result in its ceasing to comply with (a) or (b); or

(b) a reinsurance contract covering all or part of a risk to which a person is exposed under a long-term insurance contract

Q



qualifying insurance

means a policy that provides professional indemnity insurance cover in accordance with the MTC but only to the extent required by the MTC

qualifying insurance (2012)

means a *policy* that provides professional indemnity insurance cover in accordance with the *MTC* but only to the extent required by the *MTC*

Qualifying Law Degree

means a degree which meets the requirements of the Joint Statement

R



recognised body

means a body recognised by the SRA under section 9 of the AJA

recognised body (2012)

means a body recognised by the *SRA* under section 9 of the *AJA*

recognised jurisdiction

means a jurisdiction we have recognised against prescribed criteria

recognised sole practice

means the practice of a sole solicitor or REL which is recognised by the SRA under section 9 of the AJA

reconciled accounts

means that all elements of the accounting records of an intervened practitioner's practice are consistent with each other

reconciled list

means a list of beneficial entitlements to statutory trust monies created from a set of reconciled accounts

record of training

means a record created and maintained by a trainee, which contains details of the work they have performed as a trainee, how the trainee has acquired, applied and developed their skills by reference to the Practice Skills Standards and the trainee's reflections on their performance and development plans

referral fee

means a referral fee as defined within section 57(7) of the Legal Aid, Sentencing and Punishment of Offenders Act 2012

register

includes:

- (a) the roll and the register of solicitors with practising certificates kept under Part I of the SA,
- (b) the register of European lawyers;
- (c) the register of foreign lawyers; and
- (d) the register of authorised bodies kept under the AJA and the LSA

register of European lawyers

means the register of European lawyers maintained by the SRA under regulation 15 of the European Communities (Lawyer's Practice) Regulations 2000 (SI 2000/1119)

register of foreign lawyers

means the register of foreign lawyers maintained by the SRA under section 89 of the Courts and Legal Services Act 1990

Regulated Activities Order

means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001

regulated activity (2012)

means:

- (i)
 - subject to sub-paragraph (ii) below:
 - (A)
 - any *reserved legal activity*;
 - (B)
 - any *non-reserved legal activity* except, in relation to an *MDP*, any such activity that is excluded on the terms of the licence;
 - (C)
 - any other activity in respect of which a *licensed body* is regulated pursuant to Part 5 of the *LSA* and
 - (ii)
 - in the *SRA Financial Services (Scope) Rules* an activity which is specified in the *Regulated Activities Order*;

regulated claims management activities

means activities which are regulated activities as specified under articles 89G to 89M of the Regulated Activities Order

regulated consumer hire agreement

has the meaning given by article 60N(3) of the Regulated Activities Order

regulated credit agreement

has the meaning given by article 60B(3) of the Regulated Activities Order

regulated financial services activities

means an activity which is specified in the Regulated Activities Order

regulated individual

means:

- (a) a solicitor;
- (b) an REL; and
- (c) a manager, member or owner of an overseas practice.

regulated person (2012)

(i)

in the *SRA Indemnity Rules* has the meaning given in section 21 of the LSA

(ii)

means, in the *SRA Disciplinary Procedure Rules*,

(A)

a *solicitor*;

(B)

an *REL*;

(C)

an *RFL*;

(D)

a *sole practitioner* in a *recognised sole practice*;

(E)

a *recognised body*;

(F)

a *manager* of a *recognised body*;

(G)

a *licensed body*;

(H)

a *manager* of a *licensed body*;

(I)

an *employee* of, or in, an *authorised body*; a *solicitor*; or an *REL* or

(J)

to the extent permitted by law, any person who has previously held a position or role described in (A) to (I) above;

(iii)

for the purposes of the *SRA Cost of Investigations Regulations* means the persons at paragraph (ii) (A) to (J) above and also includes a *person who has an interest in a licensed body* and, to the extent permitted by law, any person who has previously held an interest in a *licensed body*.

regulated services

means the legal and other professional services that you provide that are regulated by the SRA and includes, where appropriate, acting as a trustee or as the holder of a specified office or appointment

regulatory arrangements

has the meaning given to it by section 21 of the LSA

regulatory objectives

has the meaning given to it by section 1 of the LSA

reinsurance contract

means a contract of insurance covering all or part of a risk to which a person is exposed under a contract of insurance

reinsurance distribution

has the meaning given in article 2(1)(2) and article 2(2) of the IDD

REL

means a European lawyer registered in the register of European lawyers

REL (2012)

means registered European lawyer, namely, an individual registered with the *SR4* under regulation 17 of the European Communities (Lawyer's Practice) Regulations 2000 (SI 2000/ no.1119).

relevant indemnity period (2012)

in relation to *contributions* or indemnity means that *indemnity period* in respect of which such *contributions* are payable or such indemnity is to be provided in accordance with the *SR4 Indemnity Rules*

relevant insolvency event

occurs in relation to a body if:

- (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);
- (e) an order for the winding up of the body is made;
- (f) all of the managers in a body which is unincorporated have been adjudicated bankrupt; or
- (g) the body is an overseas company or a *societas Europaea* registered outside England, Wales, Scotland and Northern Ireland and the body is subject to an event in its country of incorporation analogous to an event as set out in paragraphs (a) to (f) above

occurs in relation to an individual if:

- (a) the individual is adjudged bankrupt;
- (b) a debt relief order has been made under Part 7A of the Insolvency Act 1986 in respect of that individual; or
- (c) the individual has entered into an individual voluntary arrangement or a partnership voluntary arrangement under the Insolvency Act 1986.

relevant licensed body

means a licensed body other than:

- (a) an unlimited company, or an overseas company whose members' liability for the company's debts is not limited by its constitution or by the law of its country of incorporation; or
- (b) a nominee company only, holding assets for clients of another practice; and
 - (i) it can act only as agent for the other practice; and
 - (ii) all the individuals who are principals of the licensed body are also principals of the other practice; and
 - (iii) any fee or other income arising out of the licensed body accrues to the benefit of the other practice; or
 - (iv) a partnership in which none of the partners is a limited company, an LLP or a legal person whose

members have limited liability

relevant recognised body

means a recognised body other than:

- (a) an unlimited company, or an overseas company whose members' liability for the company's debts is not limited by its constitution or by the law of its country of incorporation; or
- (b) a nominee company only, holding assets for clients of another practice; and
 - (i) it can act only as agent for the other practice; and
 - (ii) all the individuals who are principals of the recognised body are also principals of the other practice; and
 - (iii) any fee or other income arising out of the recognised body accrues to the benefit of the other practice; or
- (c) a partnership in which none of the partners is a limited company, an LLP or a legal person whose members have limited liability; or
- (d) a sole practitioner that is a recognised body

relevant successor practice (2012)

means in respect of a *previous practice* a *successor practice* or a "successor practice" (as defined in Appendix 1 to the *SIIA*) (as may be applicable) against which a *relevant claim* is made.

remuneration

means any commission, fee, charge or other payment, including an economic benefit of any kind or any other financial or non-financial advantage or incentive offered or given in respect of insurance distribution activities and references to "remunerate" and "remunerated" shall be construed accordingly

reserved legal activities

has the meaning given in section 12 of the LSA

responsible authorised body

in respect of an overseas practice means the authorised body referred to in whichever of paragraph (a) to (f) of the definition of "overseas practice" is applicable to that practice

retail investment product

has the meaning given in the FCA Handbook.

RFL

means a foreign lawyer registered in the register of foreign lawyers

RFL (2012)

means registered foreign lawyer, namely, an individual registered with the *SR4* under section 89 of the Courts and Legal Services Act 1990.

running account credit

means a facility under a credit agreement under which the borrower or another person is enabled to receive from time to time from the lender, or a third party, cash, goods or services to an amount or value such that, taking into account payments made by or to the credit of the borrower, the credit limit (if any) is not at any time exceeded

S

SA

means the Solicitors Act 1974.

SA (2012)

means the Solicitors Act 1974.

security

has the meaning given by article 3(1) of the Regulated Activities Order but does not include an investment which falls within the definition of a packaged product

separate business

means, where you own, manage or are employed by an authorised body,

a separate business:

- (a) which you own;
- (b) which you are owned by;
- (c) where you actively participate in the provision of its services, including where you have any direct control over the business or any indirect control over the business through another person, or
- (d) which you are connected with,

and which is not an authorised body, an authorised non-SRA firm, or an overseas practice

separate practice (2012)

means:

- (i)
a *practice* in which the number and identity of the *principals* is not the same as the number and identity of the *principals* in any other *practice*. When the same *principals* in number and identity carry on *practice* under more than one name or style, there is only one *practice*
- (ii)
in the case of a *practice* of which more than 25% of the *principals* are *foreign lawyers*, any *overseas* offices shall be deemed to form a separate practice from the offices in England and Wales;
- (iii)
in the case of an *overseas* office of a *practice*, the fact that a *principal* or a limited number of *principals* represent all the *principals* in the *practice* on a local basis shall not of itself cause that *overseas* office to be a separate practice provided that any fee or other income arising out of that office accrues to the benefit of the *practice*; and
- (iv)
in the case of a *recognised body* or *licensed body* the fact that all of the shares in the *recognised body* or *licensed body* (as the case may be) are beneficially owned by only some of the *principals* in another *practice* shall not, of itself, cause such a *recognised body* or *licensed body* (as the case may be) to be a separate practice provided that any fee or other income arising out of the *recognised body* or *licensed body* accrues to the benefit of that other *practice*

SIF

means the Solicitors Indemnity Fund

SIIR (2012)



means the Solicitors' Indemnity Insurance Rules 2000 to 2010, the *SRA Indemnity Insurance Rules 2011* to 2012 or the *SRA Indemnity Insurance Rules* or any rules subsequent thereto.

societas Europaea

means a European public limited liability company within the meaning of Article 1 of Council Regulation 2157/2001/EC.

Society (2012)

means the Law Society, in accordance with section 87 of the *SA*

sole practitioner

means a solicitor or a REL who is the sole principal in a practice (other than an incorporated practice)

sole practitioner (2012)

means a *solicitor* or an *REL* *practising* as a sole principal in a *practice* (other than an incorporated *practice*) and does not include a *solicitor* or an *REL* *practising in-house*, save for the purposes of:

- (i) the *SRA Accounts Rules* and *SRA Indemnity Insurance Rules* where references to "practising" are to be given their natural meaning; and
- (ii) the *SRA Authorisation Rules* where it includes (as the context may require) a *solicitor* or *REL* intending to *practise* as a sole principal in a *practice* (other than incorporated *practice*).

solicitor

means a person who has been admitted as a solicitor of the Senior Courts of England and Wales and whose name is on the roll, save that in the *SRA Indemnity Insurance Rules* and the MTC this includes a person who practises as a solicitor whether or not the person has in force a practising certificate, and also includes practice under home title of a former REL who has become a solicitor

solicitor (2012)

means a person who has been admitted as a solicitor of the Senior Courts of England and Wales and whose name is on the roll kept by the *Society* under section 6 of the *SA* save that in the *SRA Indemnity Insurance Rules* includes a person who *practises* as a solicitor whether or not he or she has in force a practising certificate, and also includes *practice* under home title of a former *REL* who has become a solicitor.

SRA

means the Solicitors Regulation Authority

SRA Code of Conduct for Individuals

means SRA Code of Conduct for Solicitors, RELs and RFLs

SRA Codes of Conduct

means the SRA Code of Conduct for Solicitors, RELs and RFLs and the SRA Code of Conduct for Firms

stakeholder pension scheme

means a scheme established in accordance with Part I of the Welfare and Pensions Reform Act 1999 and the Stakeholder Pension Scheme Regulations 2000

statutory trust

means the trust created by Schedule 1 of the *SA*, or Schedule 14 of the *LSA*, over monies vesting in the Law Society following an intervention

statutory trust account

means an account in which statutory trust monies are held by the Law Society following an intervention

statutory trust monies

means the monies vested in the Society under the statutory trust.

substantially common interest

means a situation where there is a clear common purpose between the clients and a strong consensus on how it is to be achieved

successor practice

(a) means a practice identified in this definition as 'B', where:

- (i)** 'A' is the practice to which B succeeds; and
- (ii)** 'A's owner' is the owner of A immediately prior to transition; and
- (iii)** 'B's owner' is the owner of B immediately following transition; and
- (iv)** 'transition' means merger, acquisition, absorption or other transition which results in A no longer being carried on as a discrete legal practice.

(b) B is a successor practice to A where:

- (i)** B is or was held out, expressly or by implication, by B's owner as being the successor of A or as incorporating A, whether such holding out is contained in notepaper, business cards, form of electronic communications, publications, promotional material or otherwise, or is contained in any statement or declaration by B's owner to any regulatory or taxation authority; and/or
- (ii)** (where A's owner was a sole practitioner and the transition occurred on or before 31 August 2000) - the sole practitioner is a principal of B's owner; and/or
- (iii)** (where A's owner was a sole practitioner and the transition occurred on or after 1 September 2000) - the sole practitioner is a principal or employee of B's owner; and/or
- (iv)** (where A's owner was a recognised body or a licensed body (in respect of an activity regulated by the SRA in accordance with the terms of the body's licence)) - that body is a principal of B's owner; and/or
- (v)** (where A's owner was a partnership) - the majority of the principals of A's owner have become principals of B's owner; and/or
- (vi)** (where A's owner was a partnership and the majority of principals of A's owner did not become principals of the owner of another legal practice as a result of the transition) - one or more of the principals of A's owner have become principals of B's owner and:

(A) B is carried on under the same name as A or a name which substantially incorporates the name of A (or a substantial part of the name of A); and/or

(B) B is carried on from the same premises as A; and/or

(C) the owner of B acquired the goodwill and/or assets of A; and/or

(D) the owner of B assumed the liabilities of A; and/or

(E) the majority of staff employed by A's owner became employees of B's owner.

(c) notwithstanding the foregoing, B is not a successor practice to A under paragraph (b) (ii), (iii), (iv), (v) or (vi) if another practice is or was held out by the owner of that other practice as the successor of A or as incorporating A, provided that there is insurance complying with the MTC in relation to that other practice

sum insured

means the insurer's limit of liability under a policy in respect of any one claim (exclusive of defence costs)

supplementary run-off cover

means run-off cover provided by the Solicitors Indemnity Fund following the expiry of run-off cover provided to an authorised body in accordance with the SRA Indemnity Insurance Rules or otherwise under a policy (but subject to compliance with the MTC)

T**third party managed account**

means an account held at a bank or building society in the name of a third party which is an authorised payment institution, a small payment institution that has chosen to implement safeguarding arrangement in accordance with the Payment Services Regulations or an EEA authorised payment institution (as each defined in the Payment Services Regulations) regulated by the FCA, in which monies are owned beneficially by the third party, and which is operated upon terms agreed between the third party, you and your client as an escrow payment service

trainee

means any person undertaking a period of recognised training

training principal

means a solicitor or barrister nominated by an authorised training provider to oversee a period of recognised training within that organisation

transaction

means the purchase, sale, subscription or underwriting of a particular investment specified in Part III of the Regulated Activities Order

Tribunal

means the Solicitors Disciplinary Tribunal which is an independent statutory tribunal constituted under section 46 of the SA

trustee

includes a personal representative, and "trust" includes the duties of a personal representative

turnover

means the amounts derived from the provision of goods and services in the most recent financial year, after deduction of:

- (a) trade discounts;
- (b) value added tax; and
- (c) any other taxes based on the amounts so derived

U**UK**

means United Kingdom, made up of: England, Scotland, Wales, and Northern Ireland

undertaking

means a statement, given orally or in writing, whether or not it includes the word "undertake" or "undertaking", to

someone who reasonably places reliance on it, that you or a third party will do something or cause something to be done, or refrain from doing something

V



vocational stage of training

means:

- (a) the Legal Practice Course;
- (b) a required period of recognised training; and
- (c) the Professional Skills Course.

voting rights

in a body includes the right to vote in a partners', members', directors' or shareholders' meeting, or otherwise in relation to the body, and "control the exercise of voting rights" shall be interpreted as including de facto as well as legal control over such rights.

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