

**City of London Law Society
Professional Rules and Regulation Committee**

**Minutes of the meeting 27 April 2010 6.00 pm
Pinsent Masons LLP (CityPoint, One Ropemaker Street, London EC2Y 9AH)**

1. Present:

Chris Perrin (Chair) (CP)	Clifford Chance LLP
Raymond Cohen (RC)	Linklaters LLP
Sarah deGay (SD)	Slaughter & May
Alasdair Douglas (AD)	Travers Smith LLP
Antoinette Jucker (AJ)	Pinsent Masons LLP
Jonathan Kemberry (JK)	Freshfields Bruckhaus Deringer LLP
Heather McCallum (HM)	Allen and Overy LLP
Julia Palca (JP)	Olswang
Mike Pretty (MP)	DLA Piper UK LLP
John Trotter (JT)	Lovells
Clare Wilson (CW)	Herbert Smith LLP

Apologies

Nil

In attendance

Robert Leeder (Policy & Committees Coordinator)

2. Meeting with Charles Plant

CP reported on a Law Society dinner that he had recently attended where Charles Plant had been speaking. CP had also spoken and had objected to the manner in which Charles had mis-characterised some of the proposals contained in Nick Smedley's 2009 report. The CLLS was still awaiting clarification from the SRA regarding how/to what extent the SRA would implement the Smedley proposals.

It was also understood that the SRA was continuing to try to recruit a senior City individual to work in SRA units handling corporate law firm regulation.

3. "Outcomes Focussed Regulation" (OBR)

There was some concern that the new guidance that would accompany the Professional Conduct Rules (especially Rules 2, 3 and 4) could be applied strictly, even under the new OBR approach. For example, there was concern about the situation where an individual's circumstances matched those described in an "indicative example" in the guidance: it was thought that the SRA might view such an individual as being *prima facie* in breach of the related rule if he/she did not act in the way suggested by the guidance. It was doubted that such an approach would be consistent with the principles underpinning OBR.

A consultation on the text of the rules (and their associated guidance) was expected soon. Responsibility for considering the proposed text would be divided amongst the Committee members in the first instance.

4. SRA pilot visits

Concern was expressed as to the philosophy behind the SRA's "pre-pilot" firm visits (three of the planned four of which had apparently recently been conducted). The visits were considered to be too short (typically lasting only half a day), and seemed to cover, in abbreviated form, the same issues as in other visits in recent times. There was also a concern that the SRA's overall regulatory strategy remained unclear.

5. Proposed changes to Professional Conduct Rules 3 and 4

The Committee referred to the SRA's recently published response to its consultation on possible amendments to Rules 3 and 4. The Committee expressed disappointment that the paper had stated that the SRA had counted the CLLS's submission (made on behalf of all its members) as a "single" response (equivalent in weight, for example, to the response of an individual firm) when comparing the number of consultation responses broadly in support of/opposed to the proposed changes. It was noted that the CLLS had previously raised with the SRA its concerns about its submissions being classified in this way.

It was noted that the SRA intended to proceed with amendments to the wording of Rule 4 (rule and guidance), although it was unclear whether the changes would incorporate the wording that the CLLS had suggested during its earlier discussions with the regulator. (CP has since established through Bronwen Still that the Standards Committee had not had time to consider the CLLS proposed wording and that it was therefore the original SRA wording which would be adopted.)

It was thought that the CLLS should monitor the SRA's progress on reviewing Rule 3, as part of the SRA's more general consultation (to commence at the end of May) in relation to all the rule changes required for ABS.

There was some discussion about the SRA's provision of "safe harbour" advice to firms in relation to situations of potential conflict. The SRA was reported to be taking between 5 and 10 working days to provide advice on such queries.

6. FSA thematic review

HM had attended the FSA's thematic review meeting (on 5 March). The meeting had seemed to be more relevant to the financial services industry than to law firms.