

Minutes of the Meeting of the CLLS Professional Rules & Regulation Committee held on Thursday 10th March 2016

Location: Allen & Overy LLP: One Bishops Square, E1 6AD

Present: Sarah de Gay (Slaughter and May, Chair)
Roger Butterworth (Bird & Bird LLP)
Jonathan Kembery (Freshfields Bruckhaus Deringer LLP)
Clare Wilson (Herbert Smith LLP)
Chris Vigrass (Ashurst LLP)
Mike Pretty (DLA Piper UK LLP)
Jo Riddick (Macfarlanes LLP)
Raymond Cohen (Linklaters LLP)
Tracey Butcher (Mayer Brown)
Annette Fritze-Shanks (Allen & Overy)

In attendance: Lara Still (Linklaters LLP) (minutes)

Apologies: Antoinette Jucker (Pinsent Masons LLP)
David Hobart (CLLS)

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1. Update on 2.2.16 meeting with SRA

Raymond Cohen attended the 2 February meeting with the SRA on behalf of the Committee and reported as follows:

- There was a brief update on the report on the AML thematic review, which has yet to be published.
- Paul Philip, Chief Executive of the SRA, provided an update on the SRA Regulatory Reform Programme, including the project aimed at simplifying the SRA Handbook (more detail on this topic is provided in Item 2, below).
- There was a discussion of the Treasury proposals for independent regulation and the approach being taken by the Law Society.
- The meeting discussed the CMA announcement in January 2016 that they would launch a market study into legal services and noted that an initial consultation was expected to open in March 2016. It is expected that the initial consultation will focus on the retail and small business end of legal services, where legal services are perceived to be too expensive for individual consumers. The Committee agreed that they would monitor progress as the CMA could expand their review to City law firms.

- In December 2015, the SRA appointed five new board members, including Geoff Nicholas from Freshfields, Bruckhaus, Deringer LLP.
- The next symposium with the SRA was scheduled to be held on 4th May at DLA Piper and it was agreed that, if the SRA's Consultation Paper on it had been published, the SRA Handbook review would be the key topic of discussion.

2. Update on new SRA Handbook working group meeting with SRA, 8.2.16

The Chair reported that the Committee's working group on the SRA handbook had held their first meeting with the SRA on 8 February 2016 and reported to the Committee on progress.

3. SRA Impact Assessment (Christopher Decker)

The Chair reported that the SRA had appointed Christopher Decker, an academic, to work with them to prepare an impact assessment of the proposed changes to the SRA Handbook. He had asked to meet with Committee members and a meeting had therefore been scheduled (of those who were available) for 21 March 2016 (to take place at Slaughter & May's office at 4pm).

4. SRA Consultation Paper on Insurance Act 2015 Implications

Chris Vigrass reported on his review of the SRA's consultation paper on the Insurance Act 2015 and consequential changes to the minimum terms and conditions of professional indemnity insurance. The proposed changes include:

- a proposal to adopt a non-consumer standard of non-disclosure once the Insurance Act comes into effect because the insurance contract between a firm and its insurer is a non-consumer contract - the Committee agreed that this seemed reasonable; and
- a new duty of firms to make a fair presentation of risk - it was noted by the Committee that City law firms should not have any trouble complying.

It was agreed that Chris Vigrass would circulate a draft response on the CP for review by the Committee prior to submission by the 24 March deadline.

5. Law Society Consultation Paper on the SRA Review of Accounts Rules

In January 2016 the Law Society issued a consultation paper setting forth its proposals for how the SRA might implement a review and revision of the SRA Accounts Rules. The Committee noted that the SRA had yet to issue a consultation paper regarding its proposed changes to the Accounts Rules. It was agreed that the Committee would reserve its comments for the SRA consultation.

6. Lobbying

The Chair noted that the SRA's Executive Director for Policy, Crispin Passmore, had passed on a message from the Registrar of Consultant Lobbyists encouraging more City firms to respond to the Registrar's recent letter to them regarding the Register of Consultant Lobbyists.

7. Next PRRC meeting venue (26.5.16)

Raymond Cohen agreed to host the next PRRC meeting at Linklaters on 26 May 2016.

Jonathan Kembery agreed to ask a member of the Freshfields risk team to attend and take minutes beginning with the next meeting.

8. AOB

There being no further business, the Chair brought the meeting to an end.

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Chair