

**Minutes of the Meeting of the CLLS Professional Rules & Regulation
Committee held on Thursday 22 September 2016 at 16:00**

Location: Pinsent Masons (30 Crown Place, Earl Street, London EC2A 4ES)

Present: Sarah de Gay (Slaughter and May, Chair)
David Hobart (CLLS)
Roger Butterworth (Bird & Bird LLP)
Clare Wilson (Herbert Smith Freehills LLP)
Chris Vigrass (Ashurst LLP)
Mike Pretty (DLA Piper LLP)
Raymond Cohen (Linklaters LLP)
Hilary Foulkes (Skadden, Arps, Slate, Meagher & Flom LLP)
Jo Riddick (Macfarlanes LLP)
Antoinette Jucker (Pinsent Masons LLP)
Annette Fritze-Shanks (Allen & Overy LLP)
Jonathan Kembery (Freshfields) for items 1 and 2 only

Apologies: Tracey Butcher (Mayer Brown)

1. New Chair – welcome to Jonathan

The Chair welcomed Jonathan Kembery as the new Chair of the Professional Rules and Regulation Committee (the **Committee**) with effect from the end of this meeting. Jonathan Kembery confirmed that he was attending this Committee meeting for items 1 and 2 only and would be attending the SRA's next Policy Committee meeting in mid-November after which time he will stand down from that Committee. The Committee expressed its thanks and appreciation to the Chair for all that she had done during her time on the Committee and especially as Chair.

2. Quarterly meeting with the SRA

The Chair reported on the quarterly meeting with the SRA which had taken place on the afternoon of the day on which the LSB had published its vision for legislative reform for legal services in England and Wales (12 September). The paper was not a consultation so no response was required.

Other matters discussed at the meeting were:

2.1 the response to the SRA's Handbook consultation: The SRA had appreciated the CLLS's response and mark up of the proposed changes. It was hoped the Committee's Working Group would meet with the SRA again and if required, would draft in further members of the Committee.

2.2 training for tomorrow: the SRA were of the view that they had not sufficiently expressed their view that the current system is "broken" and hence the need for review. The Chair had expressed the Committee's concerns that the new regime not involve a lowering of standards. The Committee also expressed concerns about training programmes in the unregulated sector and queried how there could be exposure to training in reserved legal activities in non-regulated environments. A further consultation paper

would be published in the near future. The Chair will introduce Jonathan Kembery to Caroline Pearce, the Chair of the CLLS Training Committee.

2.3 the “open data project”: the SRA are looking to make regulatory/enforcement data more transparent.

2.4 price transparency: the CMA study (which was not on city law firms) explores the link between “unmet legal need” and price transparency.

2.5 SRA new IT systems: the SRA hope to invest soon in new IT systems separate to the Law Society's

3. LSB's vision paper

The vision paper is very high level. The sections on “titles” (paragraphs 62-67) and on privilege (paragraph 68 and Appendix E) are particularly thought provoking. The Committee discussed the need for legislative change to implement some of the proposals in the vision paper and the fact that, most probably (given, e.g., Brexit), there would be very little appetite for focusing on this, or on the creation of a single regulator at the moment.

4. SRA Handbook review – update on responses submitted

There had been some press comment on the CLLS's response to the SRA Handbook Review. There was still time for firms to add their endorsement to the CLLS's response and to add other points although the formal consultation period had closed on Wednesday, 21 September.

5. Next PRRC meeting venue

Jonathan Kembery agreed to host the next meeting, which will take place in December at Freshfields.

6. AOB

The issue of HMRC notices being served on (medium sized) law and accounting firms to disclose beneficial owner information was discussed. This is being looked at by the CLLS Tax Committee and the Law Society's Money Laundering Task Force. The Law Society is proposing producing some guidance on the topic. The proposed introduction of new corporate offences of tax evasion, fraud and money laundering is being considered by the CLLS's Corporate Crime Committee. HMT's consultation on the transposition of the Fourth Money Laundering Directive is being looked at by the CLLS Financial Regulation Committee and the Law Society's Money Laundering Task Force. It was suggested that the Committee members may wish to review the draft response before the submission deadline of 10 November.

There being no further business, the Chair brought the meeting to a close.