

Moving toward a fairer fee policy
A second discussion paper from the SRA on the preferred model for sharing costs of regulation

Response of the Birmingham Law Society

Question 1

We agree with the Banded Turnover principle of charging.

Question 2

We agree the 40/60 split between the individual and the firm.

Question 3

We have no additional comments.

Question 4

We agree the Compensation Fund should only be used for the purposes outlined in the question.

Question 5

We agree with Option 2. Options 1 and 3 could produce more distorted results.

Question 6

- 6.1 It is premature to impose a new system as the information provided is only indicative. Firms should be allowed to assess how they are affected by the new system once more detail is given. Birmingham Law Society suggests that firms have access to an online calculator to help with this. If made available immediately, there is ample time for further consultation on this point to enable the change to be introduced when planned.
- 6.2 Where the business model requires fundamental change, then the proposed method will reflect the consequence of having the model. There should be a consistent outcome.

Question 7

Please see answer to Question 6.1 above.

Question 8

Please see answer to Question 6.1 above.

Question 9

No, we do not think that additional fees should be charged to encourage firms to provide information on time, but there should be a penalty for late information supplied beyond a specified date.

Question 10

Provided the turnover of the branches located abroad is included in the overall turnover of the firm, there is no need to charge a fee. If it is not included, the fee should be based on the turnover the branch, calculated by the same method.

Question 11

Support the proposal in principle; however, the figures quoted are too low. A percentage of the fee should be allocated to the Compensation Fund. The fee should not be so high as to constitute a barrier to entry.

Question 12

Yes – we support your approach to new firms / sole practitioners at first renewal.

Question 13

Agree with Option 2. Option 1 relies on distorted accounts in relation to new firm.

Question 14

Agree with Option 2.

Question 15

The fee should be based on turnover.

Question 16

We have no further comments.