

RESPONSE OF THE BIRMINGHAM LAW SOCIETY ("BLS") TO SRA CONSULTATION PAPER

June 2013

RED TAPE INITIATIVE – PHASE 2: REMOVING UNNECESSARY REGULATIONS AND SIMPLIFYING PROCESSES

Proposal 1 – Reduce the reporting obligations of compliance officers ("CO")

1. BLS supports the proposal and agrees with the reasoning of the SRA.
2. Inevitably where there is a judgment to be made there is the risk that there will be variances between the view taken by one CO and another on the significance of an identified breach. Therefore, it has to be recognised that the adoption of the proposal will not be risk free.
3. The risk could be reduced with the publication of guidance from the SRA. It is assumed that the SRA already has some guidelines in-house by which to assess the materiality of a breach reported to it. It would be particularly helpful for COs if such guidance carried with it some hard examples with which to illustrate the dividing line as it is in the 'grey areas' that the most difficult judgments fall to be made.
4. The change would be virtually free of cost for the SRA and it is reasonable to anticipate a cost saving or, at the very least, a better use of its resources.

Proposal 2 – Simplify the practising certificate renewal process following certain events (i.e. insolvency).

5. BLS supports the proposal for bringing *Regulation 3 of the SRA Practising Regulation 2011* into line with the Insolvency Regulations so as to time-limit to 36 months the requirements of Regulation 3 (specifically Reg 3.1(k)(iii) and (iv)).
6. There would appear to be a very low risk associated with the change and, as in 4 above, if anything there might well be a cost benefit.

Dated ²⁶ June 2013

President