

2011 No. 1659

LEGAL SERVICES, ENGLAND AND WALES

**The Legal Services Act 2007 (Licensing Authorities) (Maximum
Penalty) Rules 2011**

<i>Made</i> - - - -	<i>5th July 2011</i>
<i>Laid before Parliament</i>	<i>8th July 2011</i>
<i>Coming into force</i> - -	<i>1st August 2011</i>

The Legal Services Board with the consent of the Lord Chancellor makes the following Rules in exercise of the powers conferred by sections 95(3) and 204(2), (3)(e) and (4)(b) of the Legal Services Act 2007(a).

The Legal Services Board has complied with the consultation requirements in section 205 of that Act.

Citation and commencement

1.—(1) These Rules may be cited as the Legal Services Act 2007 (Licensing Authorities) (Maximum Penalty) Rules 2011.

(2) These Rules come into force on 1st August 2011.

Maximum penalty

2. The maximum amount of a penalty which a licensing authority may impose under section 95 of the Legal Services Act 2007 (financial penalties) is—

- (a) in the case of a penalty imposed on a licensed body, £250 million; and
- (b) in the case of a penalty imposed on a manager or employee of a licensed body, £50 million.

Made by the Legal Services Board on 28th June 2011

*Edward Nally
Nicole Smith
Steve Green
Chris Kenny
David Wolfe
Barbara Saunders
David Edmonds
Andrew Whittaker*

I consent
Signed by authority of the Lord Chancellor

J Djanogly
Parliamentary Under Secretary of State
Ministry of Justice

5th July 2011

EXPLANATORY NOTE

(This note is not part of the Rules)

These Rules specify the maximum penalty that may be imposed under section 95 of the Legal Services Act 2007 (“the 2007 Act”).

The 2007 Act contains a scheme for the regulation of those who provide legal services of a kind which may only be provided by those who are authorised to do so, or exempt from those requirements (“reserved legal activities”). Section 95 is in Part 5 of the 2007 Act which allows the Legal Services Board to designate licensing authorities to regulate the carrying on of reserved legal activities by bodies which are wholly or partly owned, controlled or managed by non-lawyers. These bodies are known as licensed bodies.

Section 95 provides for a licensing authority to impose a penalty on a licensed body, or a manager or employee of a licensed body, in accordance with the licensing authority’s licensing rules. Section 83 of, and Schedule 11 to, the 2007 Act makes provision about the licensing rules of a licensing authority. This includes a requirement for licensing rules to make provision as to the criteria and procedure to be applied in determining whether to impose a financial penalty and the amount of the financial penalty. The maximum amount set by the Order is £250 million for a licensed body and £50 million for an employee or manager of a licensed body.

A full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is published with the Explanatory Memorandum which is available alongside the instrument at www.legislation.gov.uk.

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