

**City of London Law Society
Professional Rules and Regulation Committee**

**Minutes of the meeting 19 October 2009 4.30pm
Allen & Overy LLP (One Bishops Square, London, E1 6AD)**

1. Present:

Chris Perrin (Chair) (CP)	Clifford Chance LLP
Raymond Cohen (RC)	Linklaters LLP
Sarah deGay (SD)	Slaughter & May
Alasdair Douglas (AD)	Travers Smith LLP
Antoinette Jucker (AJ)	Pinsent Masons LLP
Heather McCallum (HM)	Allen and Overy LLP
Julia Palca (JP)	Olswang
Mike Pretty (MP)	DLA Piper UK LLP
John Trotter (JT)	Lovells
Clare Wilson (CW)	Herbert Smith LLP

Apologies

Jonathan Kemberry	Freshfields Bruckhaus Deringer LLP
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2. Issues arising from the Regulation of Corporate Legal Work Review (the Smedley review)

CP reported on a meeting (to be held several days after the PR&RC meeting, on 22 October) between the SRA working party (appointed by the separate group of Senior Partners of City firms) and himself, Guy Morton, AD and Richard Fleck.

CP said the view had been reached that the Senior Partners of the group should respond to the SRA response to the Lord Hunt review of regulation. A meeting had previously been held between senior SRA Board members (including Charles Plant, Peter Williamson, Antony Townsend and three or four other members of the Board) and a number of Senior Partners, plus Richard Fleck and CP. It appeared from the tone of the meeting that the SRA was not in favour of the Corporate Regulation Group being either semi-autonomous or having monetary enforcement powers. The SRA had also said the CLLS should resolve any issues it had regarding regulatory costs directly with the Law Society. The SRA had also mentioned that it would be commencing pilot studies during November 2009 (which was thought to be too soon).

On the definition of what constituted a “corporate firm”, it was noted that a firm should be considered “corporate” on the basis of either:

- the type of work that it predominantly undertook (including whether it had corporate clients), and
- whether it had its own internal compliance function.

It appeared that this definition was basically consistent with what the SRA were proposing. However, it was not clear how many firms would be classified as being “corporate” under the new definition.

It was also mentioned that the SRA would be commencing a pilot study involving 12 firms. The SRA had mentioned that the pilot study conducted earlier in 2009 had provided some ideas for the current study.

3. Conflict rules

The proposed changes to the rules had apparently been approved by the SRA Ethics Committee and had been sent back for final drafting.

A letter from Skadden Arps, dated 24 September 2009, was considered. The letter referred to the fact that US firms generally do not agree to act for both sides in a matter (while it would be theoretically possible for them to do so in some circumstances).

4. Bi-Annual meetings with the Law Society and the SRA

The next bi-annual meeting with the Law Society (Des Hudson and Mark Stobbs) and with the SRA (Antony Townsend and Peter Williamson) was scheduled for 1 December 2009. AD, CP, David McIntosh and Robert Leeder were to attend from the CLLS side. Several agenda items were suggested, including that:

- It did not appear that the SRA had taken sufficient account of several recent CLLS consultation responses.
- There was some inconsistency in the advice given by SRA phone-line operators.
- There should have been more detail in the Hunt report regarding the way that it fitted together with the Smedley report. (It was thought that it would be worth knowing what the LSB was planning to do with regards to the Hunt report, and what would be the next step.)
- It would be worth knowing what dialogue the SRA was having with the LSB.

Concern was also expressed that the SRA would not be able to recruit persons with sufficient expertise to work in the Corporate Regulation Unit, and that the recommendations of the Smedley Report would be "lost" as the momentum for implementing these changes fell away.

It was thought that the head of Corporate Regulation Unit within the SRA should be the one deciding whether or not to prosecute firms, and that without this being adopted as part of the new model, the SRA regulatory structure would be much the same as before.

5. Proposed response to LSB discussion paper "Consultation on shaping a statement of policy on compliance and enforcement powers"

It was thought that this issue was of more relevance to the Law Society than the CLLS. As such, it was thought unlikely that the CLLS would respond..

6. Proposed response to SRA consultation paper "Handling complaints about the SRA"

It was agreed JP would draft an initial response to the consultation paper.

7. Proposed response to LSB consultation paper “Internal Governance and Practising Fee Rules (Supplementary Consultation on proposed rules to be made under sections 30 and 54 of the Legal Services Act 2007 (c. 29)”

It was agreed CP would draft an initial response to the consultation paper.

8. For noting

The following matters were noted:

- Submitted response to SRA consultation paper 20 (Repeal of Solicitors' (Non-Contentious Business) Remuneration Order 1994).
- Submitted response to the LSB discussion paper “Designating new approved regulators and approving rule changes: Discussion paper on developing rules to approve applications for designation as an approved regulator and to approve changes to the rules of approved regulators”.

9. AOB

Nil.