

TO: Posts
FROM: Rupert Connell
SUBJECT: Separate Business Rule - Update
DATE: July 5, 2015

The Solicitors Regulation Authority gives green light to removing the restrictions on solicitors having links with outside businesses

The SRA Board has agreed changes to the Separate Business Rule that allow solicitors to own or be connected to separate businesses that provide ‘*non-reserved legal services*’. The original purpose of the Separate Business Rule was to prevent solicitors having links to separate businesses outside the remit of regulation – see [our posts - separate business rule - March 6, 2015](#).

The changes, which follow an extensive consultation process, require formal approval from the Legal Services Board and are expected take effect from November 1, 2015.

The SRA’s executive director for strategic planning and performance is quoted in *The Lawyer*, 11 May 2015, as saying:

“The way we’ve approached things in the past has meant that the individuals prevented from participating in [the alternative legal services] market are often solicitors, who, ironically, are the best qualified to do so.”

“It is our entity rules that have prevented that from happening. So we need to look again at some of our more restrictive rules. Our policy statement indicates that we want solicitors to be able to practise where they like in whatever form they like, as long as they accept that they will be bound by the five core professional principles.”

These principles require solicitors to act with independence and integrity, to maintain proper standards, to act in the best interests of their clients, to comply with their duty to the court and act independently in the interest of justice, and to keep client affairs confidential.

Aurelia Advisory operates in the unregulated legal services sector and will be updating its business model so that clients can benefit from the more extensive range of services that we will be able to provide following implementation of the new Rule.

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