

Status: Point in time view as at 06/04/2001.

Changes to legislation: There are currently no known outstanding effects for the Solicitors Act 1974, SCHEDULE 2. (See end of Document for details)

SCHEDULES

SCHEDULE 2

Section 36.

THE COMPENSATION FUND

Modifications etc. (not altering text)

- C1** Sch. 2 extended (1.1.1992) by Administration of Justice Act 1985 (c. 61, SIF 34), s. 9, Sch. 2 para. 6(1); S.I. 1991/2683, art.2
- C2** Sch. 2 applied by Administration of Justice Act 1985 (c. 61, SIF 76:1), s. 9, Sch. 2 para. 6(1D) (as substituted by Courts and Legal Services Act 1990 (c. 41, SIF 76:1), s. 90)

- 1 The fund shall be maintained and administered by the Society and shall be held by the Society on trust for the purposes provided for in section 36 and this Schedule.
- 2 (1) Subject to [F¹sub-paragraphs (2) and (2A)], every solicitor—
- (a) shall on each occasion on which he applies for a practising certificate pay to the Society with the fee payable in respect of that certificate under section 11 a contribution (in this Schedule referred to as an “annual contribution”) of such amount as the Council may from time to time determine; and
- (b) where it appears from his application for a practising certificate that he has held or received clients’ money at any time during the period specified in the application, shall also, if so required by the Society, pay to the Society, before the issue of the certificate, a further contribution (in this Schedule referred to as a “special levy”) of such amount . . . F²as the Council may from time to time determine.
- (2) An annual contribution and a special levy—
- (a) shall not be payable in respect of the first three practising certificates to be issued to a solicitor after his admission; and
- (b) shall be payable in the reduced amount mentioned in sub-paragraph (3) in respect of the next three certificates to be so issued.
- [F³(2A) Sub-paragraph (1) above shall not apply to any solicitor who is a Crown Prosecutor.]
- (3) The reduced amount referred to in sub-paragraph (2)(b) is one-half of the amount which would otherwise be payable.
- [F⁴(3A) The Council may require a solicitor to pay an annual contribution of a reduced amount where that payment is made with respect to a practising certificate which has a replacement date which is less than 12 months after the replacement date of the solicitor’s previous practising certificate.

Status: Point in time view as at 06/04/2001.

Changes to legislation: There are currently no known outstanding effects for the Solicitors Act 1974, SCHEDULE 2. (See end of Document for details)

- (3B) Where it appears from his application for a practising certificate that a solicitor has not held or received clients' money at any time during the period specified in the application, the Council may require him—
- (a) to pay an annual contribution of a specified reduced amount on that application, or
 - (b) to pay no annual contribution on that application.]
- (4) All annual contributions and special levies received by the Society under this paragraph shall be paid into the fund.

Textual Amendments

- F1** Words substituted by [Prosecution of Offences Act 1985 \(c. 23, SIF 39:1\)](#), **s. 4(6)**
- F2** Words repealed by [Administration of Justice Act 1985 \(c. 61, SIF 34\)](#), ss. 8, 67(2), Sch. 1 para. 14, **Sch. 8 Pt. II**
- F3** [Sch. 2 para. 2\(2A\)](#) inserted by [Prosecution of Offences Act 1985 \(c. 23, SIF 39:1\)](#), **s. 4(6)**
- F4** [Sch. 2 para. 2\(3A\)\(3B\)](#) inserted (1.7.1991) by [Courts and Legal Services Act 1990 \(c. 41, SIF 37\)](#), s. 125(3), **Sch. 18 para. 18**; S.I. 1991/1364, art. 2, **Sch.**

Modifications etc. (not altering text)

- C3** [Sch. 2 para. 2\(1\)](#) extended (1.1.1992) by [Administration of Justice Act 1985 \(c. 61, SIF 34\)](#), s. 9, **Sch. 2 para. 6(1)** (as amended (1.1.91) by [Courts and Legal Services Act 1990 \(c. 40, SIF 76:1\)](#), **s. 90**); S.I. 1991/2683, **art. 2**
[Sch. 2 para. 2\(1\)\(2\)\(2A\)\(3\)\(3A\)\(3B\)](#) excluded (22.5.2000) by S.I. 2000/1119, reg. 37(3), **Sch. 4 para. 6(3)**
- C4** [Sch. 2 para. 2\(1\)\(a\)](#) extended (1.1.1992) by [Administration of Justice Act 1985 \(c. 61, SIF 34\)](#), s. 9, **Sch. 2 para. 6(1)** (as amended (1.1.91) by [Courts and Legal Services Act 1990 \(c. 40, SIF 76:1\)](#), **s. 90**); S.I. 1991/2683, **art. 2**

- [^{F5} The Society may invest any money which forms part of the fund in any investments in which trustees may invest under the general power of investment in section 3 of the Trustee Act 2000 (as restricted by sections 4 and 5 of that Act).]

Textual Amendments

- F5** [Sch. 2 para. 3](#) substituted (1.2.2001) by [2000 c. 29, s. 40](#), **Sch. 2 para. 37** (with s. 35); S.I. 2001/49, **art. 2**

- 4 [^{F6} . . .]the Society may borrow for the purposes of the fund from any lender and may charge any investments of the fund by way of security for any such loan; but the aggregate sum owing at any one time in respect of such loans shall not exceed £100,000.

Textual Amendments

- F6** Words in [Sch. 2 para. 4](#) repealed (11.2.1991) by [Government Trading Act 1990 \(c. 30, SIF 99:1\)](#), ss. 4, 5(3), **Sch. 2**; S.I. 1991/132, **art. 2**

Status: Point in time view as at 06/04/2001.

Changes to legislation: There are currently no known outstanding effects for the Solicitors Act 1974, SCHEDULE 2. (See end of Document for details)

- 5 The Society may insure with authorised insurers for such purposes and on such terms as the Council may deem expedient in relation to the fund.
- 6 There shall be carried to the credit of the fund—
- (a) all annual contributions and special levies paid to the Society in pursuance of paragraph 2;
 - (b) all interest, dividends and other income and accretions of capital arising from the investment of the fund or any part of it;
 - (c) the proceeds of any realisation of any investments of the fund;
 - (d) all money borrowed for the purposes of the fund;
 - (e) all sums received by the Society under any insurance effected by the society under paragraph 5;
 - (f) all sums received by the Society under section 36(4); and
 - (g) any other money which may belong or accrue to the fund or be received by the Society in respect of the fund.
- 7 All money from time to time forming part of the fund and all investments of the fund shall be applicable—
- (a) for payment of any costs, charges and expenses of establishing, maintaining, administering and applying the fund;
 - (b) for payment of any premiums on insurances affected by the Society under paragraph 5;
 - (c) for repayment of any money borrowed by the Society for the purposes of the fund and for payment of interest on any money so borrowed;
 - (d) for payment of any grants which the Society may make under section 36;
 - (e) for payment of all costs, charges and expenses incurred by the Society by virtue of paragraph 1(1)(a) of Schedule 1 and of any costs or damages incurred by the Society or its employees or agents as a result of proceedings against the Society or its employees or agents for any act or omission done or made by it or them in good faith and in the execution or purported execution of the powers conferred by Part II of Schedule 1;
 - (f) for payment of any other sums properly payable out of the fund by virtue of section 36 or this Schedule.

Status:

Point in time view as at 06/04/2001.

Changes to legislation:

There are currently no known outstanding effects for the Solicitors Act 1974, SCHEDULE 2.