



# Administration of Justice Act 1985

## 1985 CHAPTER 61

### PART I

#### SOLICITORS

##### *Incorporated practices*

## 9 Incorporated practices.

(1) The Council may make rules—

- (a) making provision as to the management and control by solicitors [<sup>F1</sup>or solicitors and one or more registered foreign lawyers] of bodies corporate carrying on businesses consisting of the provision of professional services such as are provided by individuals practising as solicitors [<sup>F2</sup>or by multi-national partnerships];
- (b) prescribing the circumstances in which such bodies may be recognised by the Council as being suitable bodies to undertake the provision of any such services;
- (c) prescribing the conditions which (subject to any exceptions provided by the rules) must at all times be satisfied by bodies corporate so recognised if they are to remain so recognised; and
- (d) regulating the conduct of the affairs of such bodies.

(2) Rules made by the Council may also make provision—

- (a) for the manner and form in which applications for recognition under this section are to be made, and for the payment of fees in connection with such applications;
- (b) for regulating the names that may be used by recognised bodies;
- (c) as to the period for which any recognition granted under this section shall (subject to the provisions of this Part) remain in force;
- (d) for the revocation of any such recognition on the grounds that it was granted as a result of any error or fraud;

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- (e) for the keeping by the Society of a list containing the names and places of business of all bodies corporate which are for the time being recognised under this section, and for the information contained in any such list to be available for inspection;
  - (f) for rules made under any provision of the 1974 Act to have effect in relation to recognised bodies with such additions, omissions or other modifications as appear to the Council to be necessary or expedient;
  - (g) .....<sup>F3</sup>
  - (h) for the manner of service on recognised bodies of documents authorised or required to be served on such bodies under or by virtue of this Part.
- (3) Notwithstanding section 24(2) of the 1974 Act (application of penal provisions to bodies corporate), sections 20, 22(1) and 23(1) of that Act (prohibition on unqualified person acting as solicitor, etc.) shall not apply to a recognised body; and nothing in section 24(1) of that Act shall apply in relation to such a body.
- (4) Section 22(1), or (as the case may be) section 23(1), of that Act shall not apply to any act done by an officer or employee of a recognised body if—
- (a) it was done by him at the direction and under the supervision of another person who was at the time an officer or employee of the body; and
  - (b) it could have been done by that other person for or in expectation of any fee, gain or reward without committing an offence under the said section 22 or (as the case may be) under the said section 23.
- (5) A certificate signed by an officer of the Society and stating that any body corporate is or is not, or was or was not at any time, a recognised body shall, unless the contrary is proved, be evidence of the facts stated in the certificate; and a certificate purporting to be so signed shall be taken to have been so signed unless the contrary is proved.
- (6) Schedule 2 (which makes provision with respect to the application of provisions of the 1974 Act to recognised bodies and with respect to other matters relating to such bodies) shall have effect.
- (7) Subject to the provisions of that Schedule, the Lord Chancellor may by order made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament provide for any enactment or instrument passed or made before the commencement of this section and having effect in relation to solicitors to have effect in relation to recognised bodies with such additions, omissions or other modifications as appear to the Lord Chancellor to be necessary or expedient.
- (8) In this section—
- “the 1974 Act” means the <sup>M1</sup>Solicitors Act 1974;
  - “the Council” and “the Society” have the meaning given by section 87(1) of the 1974 Act; <sup>F4</sup> . . .
  - [<sup>F5</sup>“multi-national partnership” means a partnership whose members consist of one or more registered foreign lawyers and one or more solicitors;]
  - “recognised body” means a body corporate for the time being recognised under this section.
  - [<sup>F5</sup>“registered foreign lawyer” means a person who is registered under section 89 of the Courts and Legal Services Act 1990]
- (9) Any rules made by the Council under this section shall be made with the concurrence of the Master of the Rolls.

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#### Textual Amendments

- F1** Words in s. 9(1)(a) inserted (14.10.1991) by Courts and Legal Services Act 1990 (c. 41, SIF 37), s. 125(3), **Sch. 18 para. 54(2)(a)**; S.I. 1991/1883, art. 3, **Sch.**
- F2** Words at end of s. 9(1)(a) inserted (14.10.1991) by Courts and Legal Services Act 1990 (c. 41, SIF 37), s. 125(3), **Sch. 18 para. 54(2)(b)**; S.I. 1991/1883, art. 3, **Sch.**
- F3** S. 9(2)(g) repealed (1.1.2000) by 1999 c. 22, s. 106, **Sch. 15 Pt.II** (with Sch. 14 para. 7(2), 36(9)); S.I. 1999/3344, art. 2(d), **Sch.1**
- F4** Word in s. 9(8) repealed (1.6.1992) by Courts and Legal Services Act 1990 (c. 41, SIF 76:1), s. 125(7), **Sch. 20**; S.I. 1992/1221, art. 2, **Sch.**
- F5** Definitions in s. 9(8) inserted (14.10.1991) by Courts and Legal Services Act 1990 (c. 41, SIF 37), s. 125(3), **Sch. 18 para. 54(3)**; S.I. 1991/1883, art. 3, **Sch.**

#### Modifications etc. (not altering text)

- C1** S. 9 definition of "recognised body" applied (14.10.1991) by Courts and Legal Services Act 1990 (c. 41, SIF 37), s. 89(9); S.I. 1991/1883, art. 3, **Sch.**  
S. 9 extended (22.5.2000) by S.I. 2000/1119, reg. 37(3), **Sch. 4 para. 1(3)(b)**

#### Commencement Information

- I1** S. 9 wholly in force at 1.1.1992 see s. 69(2) and S.I. 1991/2683

#### Marginal Citations

- M1** 1974 c. 47.

VALID FROM 31/03/2009

#### [<sup>F6</sup>9A Legal services bodies

- (1) For the purposes of section 9, a “legal services body” means a body (corporate or unincorporate) in respect of which —
- the management and control condition, and
  - the relevant lawyer condition,
- are satisfied.
- (2) The management and control condition is satisfied if—
- at least 75% of the body's managers are legally qualified,
  - the proportion of shares in the body held by persons who are legally qualified is at least 75%,
  - the proportion of voting rights in the body which persons who are legally qualified are entitled to exercise, or control the exercise of, is at least 75%,
  - all the persons with an interest in the body who are not legally qualified are managers of the body, and
  - all the managers of the body who are not legally qualified are individuals approved by the Society as suitable to be managers of a recognised body.
- (3) The Society may by rules under section 9 provide that, in relation to specified kinds of bodies, subsection (2) applies as if the references to 75% were to such greater percentage as may be specified (and different percentages may be specified for different kinds of bodies).

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- (4) The relevant lawyer condition is satisfied in relation to a body if at least one manager of the body is—
- (a) a solicitor,
  - (b) a registered European lawyer, or
  - (c) a qualifying body.
- (5) For that purpose a qualifying body is a body in respect of which—
- (a) the management and control condition is satisfied
  - (b) the relevant lawyer condition is satisfied by virtue of subsection (4)(a) or (b), and
  - (c) the services condition is satisfied.
- (6) For the purposes of this section the following are legally qualified—
- (a) an authorised person who is an individual;
  - (b) a registered foreign lawyer (within the meaning of section 89 of the Courts and Legal Services Act 1990 (c. 41));
  - (c) a person entitled to pursue professional activities under a professional title to which the Directive applies in a state to which the Directive applies (other than the title of barrister or solicitor in England and Wales);
  - (d) an authorised person which is a body in respect of which—
    - (i) the services condition is satisfied, and
    - (ii) the management and control condition would be satisfied if the references in subsection (2) to persons who are legally qualified were to persons who are legally qualified by virtue of paragraphs (a) to (c);
  - (e) a body which provides professional services such as are provided by individuals who are authorised persons or lawyers of other jurisdictions, and in respect of which the management and control condition would be satisfied if the references in subsection (2) to persons who are legally qualified were to persons who are legally qualified by virtue of paragraphs (a) to (c).
  - (f) a legal partnership which—
    - (i) was in existence immediately before the commencement of this paragraph,
    - (ii) since that time has continued to be a partnership of the kind mentioned in rule 12.01(1)(b), 12.02(1)(b) or 12.04(1)(c)(i) of the pre-commencement conduct rules (framework of practice), and
    - (iii) has not, since that time, had a body corporate (other than a body within paragraph (g)) as a member;
  - (g) a body corporate which—
    - (i) was recognised under section 9 immediately before the commencement of this paragraph, and
    - (ii) has since that time continued to satisfy the requirements of rule 14.03(1) and 14.04(1) to (3) or the requirements of rule 14.05(1) to (3) of the pre-commencement conduct rules (restrictions on directors, owners etc. of incorporated practices);
  - (h) a body which—
    - (i) is an authorised person and satisfies the services condition, or
    - (ii) provides professional services such as are provided by individuals who are authorised persons or lawyers of other jurisdictions,

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and which satisfies the requirements of rules under subsection (6C).

- (6A) For the purposes of subsection (6)(f), a partnership is to be treated as the same partnership despite a change in membership, if any person who was a member before the change remains a member.
- (6B) For the purposes of subsection (6)(f) and (g), the references in the pre-commencement conduct rules to a recognised body are to be construed as references to a body which was recognised under section 9 immediately before the commencement of subsection (6)(f) and (g).
- (6C) The Society must make rules for the purposes of paragraph (h) of subsection (6) prescribing the requirements relating to management and control which must be satisfied by or in relation to a body for it to fall within that paragraph.
- (7) For the purposes of this section, the services condition is satisfied in relation to a body if the body provides only services which may be provided by a recognised body (having regard to rules under section 9(1A) and (1C)).
- (8) For the purposes of this section—
- “authorised person” has the same meaning as in section 9;
  - “the Directive” means Directive 98/5/EC of the European Parliament and the Council, to facilitate practice of the profession of lawyer on a permanent basis in a Member State other than that in which the qualification was obtained;
  - “legal partnership” means a partnership in which a solicitor, a registered European lawyer or a recognised body is permitted to practise by virtue of rules made under section 31 of the Solicitors Act 1974 (c. 47), as those rules had effect immediately before the commencement of subsection (6)(f);
  - “manager”, in relation to a body, has the meaning given by section 9;
  - “pre-commencement conduct rules” means rules under Part 2 of the Solicitors Act 1974 or section 9 of this Act, known as the Solicitors' Code of Conduct 2007, as those rules had effect immediately before the commencement of subsection (6)(f) and (g);
  - “recognised body” has the same meaning as in section 9(subject to subsection (6B) above);
  - “registered European lawyer” has the same meaning as in section 9;
  - “shares” has the same meaning as for the purposes of Part 5 of the Legal Services Act 2007 (see sections 72 and 109 of that Act);
  - “the Society” has the meaning given by section 87(1) of the Solicitors Act 1974;
  - “specified” means specified in rules made by the Society;
- and a person has an interest in a body if the person has an interest in the body for the purposes of section 9.]

#### Textual Amendments

- F6** S. 9A inserted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 82** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(ii)** (subject to art. 4) (which amending Sch. 16 para. 82 was amended (27.11.2008) by The Legal Services Act 2007 (Functions of a Designated Regulator) Order 2008 (S.I. 2008/3074), arts. 1, 2)

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**Modifications etc. (not altering text)**

**C2** S. 9A modified (temp.) (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 209, 211, **Sch. 22 para. 15** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(e)** (subject to art. 4)

**10 Penalty for pretending to be a body recognised under s. 9.**

- (1) A body corporate shall not describe itself or hold itself out as a body corporate for the time being recognised under section 9 unless it is so recognised.
- (2) Any body corporate which contravenes subsection (1) shall be guilty of an offence and liable on summary conviction to a fine not exceeding the fourth level on the standard scale.
- (3) Where an offence under this section which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, or any person purporting to act in any such capacity, he as well as the body corporate shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.
- (4) ..... **F7**

**Textual Amendments**

**F7** S. 10(4) repealed (5.11.1993) by 1993 c. 50, s. 1(1), **Sch. 1 Pt.XIV**.

**Commencement Information**

**I2** S. 10 wholly in force at 1.1.1992 see s. 69(2) and S.I. 1991/2683

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