



## SRA Update

Issue 122 - December 2023

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Welcome to the latest issue of SRA Update. It's not a surprise that our decision to intervene into Axiom Ince and its potential impacts has continued to dominate the conversation over the last month. There is an ongoing criminal and professional investigation, so we are limited into how much detail we can go into, but we have set out the key points about the case before reflecting on some of the issues it raises. This includes the more immediate and longer-term impacts on the compensation fund and consumer protection. We have set out our approach to managing claims linked to Axiom, including that we do not plan at this point to carry out an interim collection of funds.

Also this month, find out about how artificial intelligence might help your firm, alongside risks you will need to consider; we want your views on providing qualifying work experience; and find out about the Legal Ombudsman's views of providing a good service on costs. This is the last issue of 2023, so I would like to wish you a good festive break and a happy new year.

**Paul Philip**

Chief Executive

### **Axiom Ince intervention and its impacts**

[\[https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/axiom-ince-intervention-and-impacts/\]](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/axiom-ince-intervention-and-impacts/)

There has been widespread attention following our decision to intervene into Axiom Ince and the potential impacts for the public and the profession. Due to the understandable interest in this case and its impacts, we have published a statement to clarify some key points about the case before reflecting on some of the issues it raises.

[Read more about: Axiom Ince intervention and its impacts](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/axiom-ince-intervention-and-impacts/) [https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/axiom-ince-intervention-and-impacts/]

### **No planned interim compensation fund contributions**

[\[https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/axiom-comp-fund-decision/\]](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/axiom-comp-fund-decision/)



We continue to deal with the impacts for the public of the collapse of Axiom Ince, which comes on the back of recent increases in the number and size of interventions. We are looking at the issue of compensating clients for financial losses – both over the immediate and longer term. At this point there is not a need for additional in-year contributions to be collected.

[Read more about: No planned interim compensation fund contributions \[https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/axiom-comp-fund-decision/\]](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/axiom-comp-fund-decision/)

## **Report looks at pros and cons of AI**

[\[https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/risk-outlook-ai/\]](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/risk-outlook-ai/)

The latest in our Risk Outlook series looks at how AI is impacting the legal services sector. Our report outlines current and potential future developments, highlighting opportunities and risks you may need to consider.

[Read more about: Report looks at pros and cons of AI \[https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/risk-outlook-ai/\]](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/risk-outlook-ai/)

## **How do you manage risk?** [\[https://higher-rights.sra.org.uk/sra/news/sra-update-121-risk-survey/\]](https://higher-rights.sra.org.uk/sra/news/sra-update-121-risk-survey/)

We want to hear your views on the risks facing the legal market and how you approach managing those risks. You can do this via a survey we are running with help from research experts BMG and Frontier Economics.

[Read more about: How do you manage risk? \[https://higher-rights.sra.org.uk/sra/news/sra-update-121-risk-survey/\]](https://higher-rights.sra.org.uk/sra/news/sra-update-121-risk-survey/)

## **Tell us your thoughts on qualifying work experience** [\[https://higher-rights.sra.org.uk/sra/news/sra-update-122-qwe-views/\]](https://higher-rights.sra.org.uk/sra/news/sra-update-122-qwe-views/)

As the Solicitors Qualifying Examination (SQE) continues to take root, we are always looking to find out the views of employers on qualifying work experience. You can help with this by completing our survey.

[Read more about: Tell us your thoughts on qualifying work experience \[https://higher-rights.sra.org.uk/sra/news/sra-update-122-qwe-views/\]](https://higher-rights.sra.org.uk/sra/news/sra-update-122-qwe-views/)

## **Ombudsman and good costs - plus PO Box change** [\[https://higher-rights.sra.org.uk/sra/news/sra-](https://higher-rights.sra.org.uk/sra/news/sra-)



## [update-122-leo-costs-post/](#)

The Legal Ombudsman has produced guidance on providing a good service around costs, which accounts for ten per cent of its postbag. And talking of post, the Ombudsman is changing its PO Box address from 22 January.

[Read more about: Ombudsman and good costs – plus PO Box change](#)  
[<https://higher-rights.sra.org.uk/sra/news/sra-update-122-leo-costs-post/>]

## [\*\*Webinars - anti-money laundering assessments\*\*](#) [<https://higher-rights.sra.org.uk/sra/news/events/>]

Completing firm-wide and client matter assessments are legal requirements. We'll be holding two free webinars in February to support you in completing thorough and robust assessments, including talking through how our templates could help you.

[Read more about: Webinars - anti-money laundering assessments](#)  
[<https://higher-rights.sra.org.uk/sra/news/events/>]

## [\*\*Help shape insight into career progression\*\*](#) [<https://higher-rights.sra.org.uk/sra/news/sra-update-122-career-progression/>]

Take part in the InterLaw Diversity Forum's latest career progression research to help give insight into career experiences of legal and business services professionals working in the legal sector. The forum is just one of the organisations we work with who actively promote equality, diversity and inclusion in the profession.

[Read more about: Help shape insight into career progression](#) [<https://higher-rights.sra.org.uk/sra/news/sra-update-122-career-progression/>]

## [\*\*Your health, your career\*\*](#) [<https://higher-rights.sra.org.uk/solicitors/resources-archived/your-health-your-career/>]

Are you worried about your health affecting your work? Life as a solicitor can be challenging and the demands and pressures can easily build up. We can signpost you to sources of help and make adjustments for you if you are in difficulty.

[Read more about: Your health, your career](#) [<https://higher-rights.sra.org.uk/solicitors/resources-archived/your-health-your-career/>]



Welcome to the latest issue of Compliance News. It might be the end of the year – and this is the last issue of 2023 – but there is plenty to update you on. We have made some minor amendments to our Standards and Regulations. The Legal Services Affinity Group (LSAG), which represents all anti-money laundering regulators in legal services in the UK, has updated guidance to help you comply with your obligations. On a similar theme, we have updated our own extensive frequently-asked questions page based on some of your recent queries. And for those of you that missed either our Compliance Officers Conference in October or its virtual sibling, you can now catch up with our sessions on YouTube. All that remains for me now is to wish you a good festive break and a happy new year.

## **Paul Philip**

Chief Executive

### **[First fixed penalties issued](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/first-fixed-fines/)** [<https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/first-fixed-fines/>]

We have published details of the first fixed penalties issued since introducing the new fixed financial penalty regime. This was brought in as part of wider reforms to our approach to issuing financial penalties.

[Read more about: First fixed penalties issued](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/first-fixed-fines/) [<https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/first-fixed-fines/>]

### **[Catch up with our conference](https://higher-rights.sra.org.uk/sra/news/events/on-demand-events/compliance-conference-2023/)** [<https://higher-rights.sra.org.uk/sra/news/events/on-demand-events/compliance-conference-2023/>]

For those who missed both our Compliance Officers Conference on 18 October and our virtual events at the start of last month, you can catch up with them via our ‘watch again’ facility. Topics covered include our account rules, anti-money laundering, sanctions, cybercrime and firm culture, with more than nine out of ten delegates finding the sessions useful or very useful.

[Read more about: Catch up with our conference](https://higher-rights.sra.org.uk/sra/news/events/on-demand-events/compliance-conference-2023/) [<https://higher-rights.sra.org.uk/sra/news/events/on-demand-events/compliance-conference-2023/>]

### **[High-risk third countries list amended](https://higher-rights.sra.org.uk/sra/news/sra-update-122-high-risk-third-countries/)** [<https://higher-rights.sra.org.uk/sra/news/sra-update-122-high-risk-third-countries/>]



The Government has updated its list of high-risk third countries. Checking on whether or not clients are linked to such countries is an important part of Enhanced Due Diligence.

[Read more about: High-risk third countries list amended \[https://higher-rights.sra.org.uk/sra/news/sra-update-122-high-risk-third-countries/\]](https://higher-rights.sra.org.uk/sra/news/sra-update-122-high-risk-third-countries/)

## **Minor amends to Standards and Regulations** [\[https://higher-rights.sra.org.uk/sra/news/sra-update-122-standards-and-regulations-amends/\]](https://higher-rights.sra.org.uk/sra/news/sra-update-122-standards-and-regulations-amends/)

We have made a number of minor changes to our Standards and Regulations. The changes address areas which either had unintended knock-on consequences or feedback from the profession suggested they needed changing to provide clarity.

[Read more about: Minor amends to Standards and Regulations \[https://higher-rights.sra.org.uk/sra/news/sra-update-122-standards-and-regulations-amends/\]](https://higher-rights.sra.org.uk/sra/news/sra-update-122-standards-and-regulations-amends/)

## **Legal services general licence extended** [\[https://higher-rights.sra.org.uk/sra/news/sra-update-121-licence-extension/\]](https://higher-rights.sra.org.uk/sra/news/sra-update-121-licence-extension/)

Your firm might rely on the Legal Services General Licence as part of its approach to sanctions compliance. The Office of Financial Sanctions Implementation has announced that the licence has been renewed for another six months.

[Read more about: Legal services general licence extended \[https://higher-rights.sra.org.uk/sra/news/sra-update-121-licence-extension/\]](https://higher-rights.sra.org.uk/sra/news/sra-update-121-licence-extension/)

## **Anti-money laundering and sanctions Q&As added** [\[https://higher-rights.sra.org.uk/solicitors/resources-archived/money-laundering/guidance-support/aml-questions-answers/\]](https://higher-rights.sra.org.uk/solicitors/resources-archived/money-laundering/guidance-support/aml-questions-answers/)

Our anti-money laundering (AML) resources pages have a host of support for you. We have added a number of frequently-asked questions to our list, including ones on holding money for an individual whose assets are frozen and how to deal with matters initiated in an overseas branch with different AML processes.

[Read more about: Anti-money laundering and sanctions Q&As added \[https://higher-rights.sra.org.uk/solicitors/resources-archived/money-laundering/guidance-support/aml-questions-answers/\]](https://higher-rights.sra.org.uk/solicitors/resources-archived/money-laundering/guidance-support/aml-questions-answers/)

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