



## SRA Update

Issue 123 - January 2024

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Welcome to the latest issue of SRA Update and a happy New Year to you too.

In this issue, we look at the recently-published firm diversity data, which shows how the profession continues to improve but there is more to do. There is a useful tool you can use to see how you compare to similar firms. We have also levied further fixed fines, which enable us to deal with non-complex breaches of our rules more swiftly. So far these are mainly for not complying with our transparency rules. These rules help people compare law firms' services and make informed choices. Compliance is not optional - we have lots of support to help you comply. Finally, we have a range of events coming up. These are two webinars on assessing your money laundering risks, another on changes to how we present SQE1 exam results, and following the success of our inaugural event last year, we will be running an in-person event for in-house solicitors.

### Paul Philip

Chief Executive

### **[Latest firm diversity data published](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/2023-firm-diversity-data-pay-gaps/)**

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We have published the latest diversity data that law firms supplied us with. It shows diversity within law firms is continuing to slowly improve year-on-year - with smaller firms more diverse than larger ones - so the profession continues to more closely reflect the communities it serves.

**[Read more about: Latest firm diversity data published \[https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/2023-firm-diversity-data-pay-gaps/\]](https://higher-rights.sra.org.uk/sra/news/press/2023-press-releases/2023-firm-diversity-data-pay-gaps/)**

### **[In-house solicitors data published alongside firm details](https://higher-rights.sra.org.uk/sra/equality-diversity/diversity-profession/diversity-in-house/)** **[\[https://higher-rights.sra.org.uk/sra/equality-diversity/diversity-profession/diversity-in-house/\]](https://higher-rights.sra.org.uk/sra/equality-diversity/diversity-profession/diversity-in-house/)**

We have also published data for the in-house sector, which makes up around a fifth of the profession. This gives us a better idea of where



solicitors from certain demographics are working, such as for government departments or in the private sector.

[Read more about: In-house solicitors data published alongside firm details](https://higher-rights.sra.org.uk/sra/equality-diversity/diversity-profession/diversity-in-house/) [<https://higher-rights.sra.org.uk/sra/equality-diversity/diversity-profession/diversity-in-house/>]

## **Fixed penalties for technical breaches continue** [<https://higher-rights.sra.org.uk/sra/news/press/2024-press-releases/more-fixed-penalties/>]

We issued our first fixed penalties in November for failure to adhere to the transparency rules. Issuing such fines was brought in as part of our new financial penalties regime. We have now issued further penalties to a number of other firms.

[Read more about: Fixed penalties for technical breaches continue](https://higher-rights.sra.org.uk/sra/news/press/2024-press-releases/more-fixed-penalties/) [<https://higher-rights.sra.org.uk/sra/news/press/2024-press-releases/more-fixed-penalties/>]

## **The latest issue of Lawtech Insight is out** [<https://publications.sra.org.uk/lawtech-insight-december-2023/>]

The latest issue of Lawtech Insight has practical tips and insights for smaller and medium-sized firms around getting the most out of technology. It covers everything from investment to integration, and training to data protection.

[Read more about: The latest issue of Lawtech Insight is out](https://publications.sra.org.uk/lawtech-insight-december-2023/) [<https://publications.sra.org.uk/lawtech-insight-december-2023/>]

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

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

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

## **Webinar - SQE: Scaled scoring and SQE1 results** [<https://events.sra.org.uk/sra/669/home>]



Find out more about how we have changed the way we present SQE1 assessment results. Our free webinar features Julie Swan, our Director of Education and Training, and colleagues from our assessment partner Kaplan. It is aimed at aspiring solicitors and training providers, and you can send us any questions when you book your place or ask them during the webinar.

[Read more about: Webinar – SQE: Scaled scoring and SQE1 results](https://events.sra.org.uk/sra/669/home)  
[<https://events.sra.org.uk/sra/669/home>]

## **[In-house solicitors conference, book your place](https://www.eventsforce.net/sra/668/home)** [<https://www.eventsforce.net/sra/668/home>]

Following on from our first-ever in-house conference last year, we will be holding a second event in London on March 14. With SRA speakers and representatives from both private and public sector in-house teams, we will be looking at in-house solicitor’s challenges, priorities and opportunities in 2024.

[Read more about: In-house solicitors conference, book your place](https://www.eventsforce.net/sra/668/home)  
[<https://www.eventsforce.net/sra/668/home>]

## **[Ombudsman PO Box change](https://higher-rights.sra.org.uk/sra/news/sra-update-123-leo-post/)** [<https://higher-rights.sra.org.uk/sra/news/sra-update-123-leo-post/>]

The Legal Ombudsman is changing its PO Box address from 22 January. You might have this information on your complaints details given out to clients, so make sure you are providing the correct address.

[Read more about: Ombudsman PO Box change](https://higher-rights.sra.org.uk/sra/news/sra-update-123-leo-post/) [<https://higher-rights.sra.org.uk/sra/news/sra-update-123-leo-post/>]

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

Welcome to the latest issue of Compliance News, and a Happy New Year to you too. In this issue, we look at cybercrime, which as you know has been hitting the headlines recently. Also, have a look at our latest Risk Outlook, which explores the pros and cons of artificial intelligence in legal



services. We also have a focus on anti-money laundering issues, including changes to the status of politically exposed persons in this country and an extension to the general sanctions licence. Plus details of two webinars that can help you assess your risk levels.

## **Paul Philip**

Chief Executive

### **[Reporting cybercrime incidents](https://higher-rights.sra.org.uk/sra/news/sra-update-123-cybercrime/)** [<https://higher-rights.sra.org.uk/sra/news/sra-update-123-cybercrime/>]

Most of you will remember that we wrote to compliance officers before Christmas following some recent high-profile cyberattacks on law firms. We wanted to remind you of our expectations in terms of reporting an attack to us and having business continuity processes in place.

[Read more about: Reporting cybercrime incidents](https://higher-rights.sra.org.uk/sra/news/sra-update-123-cybercrime/) [<https://higher-rights.sra.org.uk/sra/news/sra-update-123-cybercrime/>]

### **[Rule changes now in place](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/>]

Minor changes to our rules came into force on 1 November 2023. These were tweaks to our Standards and Regulations, which were introduced in 2019. We consulted on these small changes, following suggestions from the profession that the original drafting risked potential unintended consequences.

[Read more about: Rule changes now in place](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/>]

### **[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/>]

## **Focus on AML**

## **Politically exposed persons - changes to the regulations** [<https://higher-rights.sra.org.uk/sra/news/sra-update-123-pep-changes/>]

The money laundering regulations have been changed to alter the status of politically exposed persons (PEPs) depending on whether or not they are from the UK or overseas. While you must still carry out the same amount of due diligence, such PEPs are now deemed lower risk.

[Read more about: Politically exposed persons - changes to the regulations](https://higher-rights.sra.org.uk/sra/news/sra-update-123-pep-changes/) [<https://higher-rights.sra.org.uk/sra/news/sra-update-123-pep-changes/>]

## **High-risk third countries list amended** [<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/>]

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## **Legal services general licence extended** [<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/>]

## **Addendum to anti-money laundering guidance** [<https://higher-rights.sra.org.uk/globalassets/documents/solicitors/addendum-to-the-lsag-guidance.pdf>]

We are part of the Legal Services Affinity Group (LSAG) – covering all legal services regulators in the United Kingdom – which produces



guidance on adhering to the Money Laundering Regulations. LSAG has updated its guidance to deal with recent developments.

[Read more about: Addendum to anti-money laundering guidance](https://higher-rights.sra.org.uk/globalassets/documents/solicitors/addendum-to-the-lsag-guidance.pdf)  
[<https://higher-rights.sra.org.uk/globalassets/documents/solicitors/addendum-to-the-lsag-guidance.pdf>]

### **[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. These include 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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### **If you are regulated by the SRA**

As a regulated individual, please **simply ensure that the SRA has your current contact email address on record.**

To ensure we have your current email address, log in to [mySRA](https://higher-rights.sra.org.uk/mySRA)  
[<https://higher-rights.sra.org.uk/mySRA>] and check your profile.

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