



Legal Services Committee

TERMS OF REFERENCE: SEPTEMBER 2025

Purpose & Accountability

1. ICAEW has been designated as an approved regulator under the Legal Services Act 2007 (the Act) with the ICAEW Board acting as the Approved Regulator under the Act.
2. While the ICAEW Board has delegated to the ICAEW Regulatory Board (IRB) the responsibility for overseeing all of ICAEW's regulatory and disciplinary work, the IRB has delegated all responsibility for overseeing ICAEW's legal services regulatory work to the Legal Services Committee (LSC) which, with ICAEW Professional Standards (PSD), will act as the 'Regulatory Body' in accordance with the Legal Services Board's Internal Governance Rules.
3. The LSC shall be responsible for undertaking ICAEW's responsibilities as an Approved Regulator and Licensing Authority for the reserved legal activities it is authorised to regulate and will discharge all of its responsibilities independently and free of influence from the IRB and ICAEW's representative functions.
4. Before determining matters of new policy or making any substantive amendments to regulations relating to ICAEW members and firms providing legal services, the LSC shall consult with the IRB and other interested parties as appropriate but shall retain the final decision-making authority.
5. If the LSC considers at any time that its decision-making is being inappropriately or unduly influenced by ICAEW's representative functions, the LSC shall report those concerns directly to the Chief Executive of the Legal Services Board.

6. The LSC will provide assurance on its discharge of all ICAEW's obligations under the Act by providing this assurance through the IRB to the ICAEW Board.



Composition

7. The LSC shall comprise of up to ten members of whom half must be lay¹ members. The quorum for a meeting will be four; two lay and two non-lay members. No meeting shall take place in the absence of the Chair, unless the Chair is indisposed or otherwise unable to attend and in such case the Deputy Chair must be present.
8. Up to half of the members of the LSC shall be practitioners with expertise in the regulated areas.
9. No ICAEW officeholders and no members of ICAEW Council, ICAEW Board and the IRB can serve on the LSC.

Committee decisions

10. If there are more non-lay members present than lay members at any meeting, the LSC Chair (or, in their absence, the LSC Deputy Chair) shall select by means of a draw only as many non-lay members as there are lay members present to vote on any decision taken by the Committee at that meeting.
11. If there is deadlock on a decision, the LSC Chair shall have the casting vote. Where the LSC Chair is not present and the LSC Deputy Chair is non-lay, the casting vote shall rest with the Nominated Lay Member (a lay member who has been selected by means of a draw held by the LSC Deputy Chair at the start of any meeting where there is a potential for deadlock).

Appointment of members and terms of appointment

12. The LSC Panels within the Regulatory and Conduct Appointments Committee (RACAC) will be responsible for appointing and evaluating the performance

¹ A lay member for the purposes of this Committee is defined as a person who is not and never has been -

- (a) an authorised person in relation to an activity which is a reserved legal activity under the Legal Services Act 2007, for example, a solicitor or barrister
- (b) a person authorised to provide services which are regulated claims management services under the Compensation Act 2006
- (c) an advocate in Scotland;
- (d) a solicitor in Scotland;
- (e) a member of the Bar of Northern Ireland;
- (f) a solicitor of the Court of Judicature of Northern Ireland.

Persons with legal training are also unable to act as lay members on the Committee.

of LSC Chairs, Deputy Chairs and members and all decisions relating to the removal, or extension of terms, of LSC Chairs, Deputy Chairs and members.



13. LSC members shall be appointed for a term of three years which can be renewed once by RACAC if members wish to serve a second term.
14. If a LSC member is appointed either as LSC Chair or LSC Deputy Chair by RACAC at any point during their term, that member's term will be reset and will run for three years and can still be renewed for a further term at the discretion of RACAC if the member wishes to serve a further term.

Powers and responsibilities

15. The LSC will have sole responsibility within ICAEW for the following activities:

- a) Discharging ICAEW's functions as an approved regulator and licensing authority as set out more fully in the Legal Services Regulations, which include:
 - considering and determining applications for probate accreditation;
 - considering and determining applications for authorised individual, Head of Legal Practice, Head of Finance and Administration, non-authorised owner or probate affiliate status;
 - monitoring compliance with the Legal Services Regulations;
 - taking regulatory action as required to secure compliance with the Legal Services Regulations;
 - referring matters relating to legal services work and/or non-compliance with the Legal Services Regulations to ICAEW's Conduct Department as required;
 - compiling and maintaining a register of licensed firms and supplying this information to the Legal Services Board as required.

and may delegate some or all of the above duties to PSD staff on the basis of agreed criteria. If the LSC chooses to delegate some or all of the above duties, it will carry out a Delegated Powers' Review at least once a year to satisfy itself that the delegated work was discharged in line with the delegated authority and to its satisfaction.

- b) Discharging ICAEW's functions under the Legal Services Compensation Scheme Regulations in determining applications for grants.
- c) The development of ICAEW policy in relation to legal services practitioners, in consultation with key stakeholders;
- d) Rule-setting and any amendments to the Legal Services Regulations and Legal Services Compensation Scheme Regulations in consultation with the LSB and other key stakeholders;
- e) Attendance, through its Chair or Deputy Chair, at meetings convened by the Legal Services Board where the Chair of the LSC is invited to attend; and

- f) Liaising freely with the LSB and other stakeholders on matters concerning legal services practitioners and responding to requests for information from the LSB.



Budget and fee-setting

16. The LSC shall be responsible every year for reviewing the proposed budget prepared by the PSD Finance Director for the forecasted costs of legal services regulatory work for the next calendar year.
17. The LSC shall determine whether any adjustments should be made to the licence fees charged to ICAEW's accredited firms in order to ensure that sufficient resources are available to discharge all of ICAEW's legal services regulation responsibilities so as to comply with the self-funding principle which governs all of ICAEW's regulatory work.

The LSC shall consult with the ICAEW Board where it is minded to propose an increase of more than inflation but it will retain the final decision on the increase to be made (subject to the increases being approved by the Legal Services Board).

Relationship between the LSC and the PSD Chief Officer

18. The PSD Chief Officer will report to the LSC Chair (and the LSC) for the work that they carry out on ICAEW's legal services regulatory and disciplinary matters. The PSD Chief Officer will report to the IRB chair for the regulatory and disciplinary work that they carry out on all non-legal services matters, and to the ICAEW CEO for all other matters.
19. The LSC Chair shall:
- a) provide input to the IRB Chair in setting the PSD Chief Officer's annual objectives in respect of PSD's legal services regulatory and disciplinary work;
 - b) provide input to the annual appraisal of the PSD Chief Officer's performance in relation to any legal services objectives set.

General Administration

20. The LSC will operate in accordance with the Legal Services Regulations and Legal Services Compensation Scheme Regulations.
21. In discharging its functions, the LSC will have regard at all times to the public interest, and the regulatory objectives and requirements of the Act.