

SRA Authorisation of Firms Rules

Rule 8: Compliance officers

- 8.1** Subject to rules 8.4 to 8.7, an *authorised body* must at all times have an individual who is designated as its COLP and an individual who is designated as its COFA, and whose designations the SRA has approved.
- 8.2** Subject to rule 8.3 and rules 8.4 to 8.7, an individual who is designated under rule 8.1 must:
- (a) be a manager or employee of the *authorised body*;
 - (b) consent to the designation;
 - (c) not be disqualified from acting as a HOLP or HOFA under section 99 of the LSA;
 - (d) in the case of a COLP, be an individual who is authorised to carry on reserved legal activities by an approved regulator; and
 - (e) not be an RSL.
- 8.3** An authorised body is not required to comply with rule 8.2(a) where an individual who is designated under rule 8.1:
- (a) is currently approved by the SRA as a compliance officer for an authorised body with a manager or owner in common with the body; and
 - (b) is a manager or employee of that related authorised body.
- 8.4 Firms with more than one manager or owner:**
Where an *authorised body* has more than one *manager* or *owner*, an individual cannot be designated as its COLP or COFA if:
- (a) in its most recently completed accounting period, it:
 - i. had an annual turnover of more than £600,000; or
 - ii. held or received client money with a maximum statement or passbook balance exceeding £2,000,000 (or the equivalent in foreign currency); and
 - (b) the individual is a manager or owner of the authorised body who has authority whether under the authorised body's constitution, governance arrangements or usual practice, to determine or direct significant management decisions relating to the structure or running of the authorised body.
- 8.5 Sole owner-manager firms above the turnover threshold:**
An individual who is the sole owner and manager of an authorised body cannot be designated as its COLP or COFA if the authorised body, in its most recently

completed accounting period, had an annual turnover of more than £600,000.

8.6 Sole owner-manager firms above the client-money threshold only:

An individual who is the sole owner and manager of an authorised body cannot be designated as its COFA if in its most recently completed accounting period, the authorised body:

- (a) held or received client money with a maximum statement or passbook balance exceeding £2,000,000 (or the equivalent in foreign currency); and
- (b) had an annual turnover of no more than £600,000.

8.7 Treatment of incidental client money threshold exceedance

For the purposes of rules 8.4(a)(ii) and 8.6(a), an authorised body is to be treated as not having held or received client-money with a maximum statement or passbook balance exceeding £2,000,000 (or the equivalent in a foreign currency) where the authorised body:

- (a) had an annual turnover of no more than £600,000 in its most recently completed accounting period;
- (b) has reasonably concluded that the exceedance of the client-money threshold in its most recently completed accounting period arose solely from one or more transactions which were necessary to complete the transaction or work, and were not representative of, or anticipated as part of, the authorised body's usual or expected business activities;
- (c) did not, in either of its previous two accounting periods, hold or receive client money with a maximum statement or passbook balance exceeding £2,000,000 (or the equivalent in a foreign currency);
- (d) notifies the SRA promptly of relying on this rule; and
- (e) maintains a written record of the basis on which it reached the conclusions in rules 8.7(b) and 8.7(c)

Part 4: Approval of role holders

Rule 13: Approval of role holders

13.7 Approval of a person's designation under rule 13.1 or 13.6:

- (d) expires when the person ceases to be eligible under rules 8.2 to 8.7.

Supplemental notes

Made by the SRA Board on 21 April 2026.

Made under sections 31 of the Solicitors Act 1974, sections 9 and 9A of the Administration of Justice Act 1985, and section 83 of, and Schedule 11 to, the Legal Services Act 2007.