



Law Society  
of Scotland

# Country Report – Scotland

The Law Society of Scotland's report to the 46<sup>th</sup>  
European Presidents' Conference

February 2018



## Law Society of Scotland Country Report

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### Legal services review – project 80/20

The Scottish Government has formally launched an independent review of legal services regulation in April 2017. This followed extensive lobbying by the Law Society for new, flexible and enabling legislation to replace the Solicitors (Scotland) Act 1980. The review is due to report to the Scottish Government in the summer of this year. We have now responded to the Review Group's call for evidence. Our recommendations include:

- expanding consumer protections to currently unregulated areas of legal services
- better regulation of legal firms as entities in addition to the regulation of individual solicitors to better protect consumers
- new powers to suspend solicitors suspected of serious wrongdoing
- widening the Law Society's membership to improve standards amongst other legal professionals
- protection of the term 'lawyer' to mean those who are legally trained and are regulated

[www.lawscot.org.uk/research-and-policy/influencing-the-law-and-policy/new-legislation-to-grow-legal-services/](http://www.lawscot.org.uk/research-and-policy/influencing-the-law-and-policy/new-legislation-to-grow-legal-services/)

### Anti-Money Laundering Guidance

Our AML Project Working Group is looking at the risks, issues and interdependencies in relation to 4 project streams: legislative and accounts rules changes (including *vires* issues), communications to our members, internal changes (the structures and methods we employ to effectively supervise our members) and the collection of regulatory information from our members.

Communications to our members are ongoing, we are developing our future internal structures to align with our supervisory requirements, and we are engaged in developing a web-based data capture and storage portal, which will allow secure, efficient collection of required regulatory information from our membership.

The Society was also actively involved in the production of refreshed legal-sector specific AML guidance in tandem with other legal sector supervisors. The Society published a draft (caveated) version on our website prior to Christmas in order to provide support and clarity for our members. This approach had been agreed across the Legal Sector AML Supervisors Affinity Group (LSAG) and with Her Majesty's Treasury – we await final approval / sign-off from government.

[www.lawscot.org.uk/members/business-support/financial-compliance/anti-money-laundering/](http://www.lawscot.org.uk/members/business-support/financial-compliance/anti-money-laundering/)

### For further information, please contact:

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## **General Data Protection Regulation (GDPR)**

Over the past several months we have been taking numerous steps to ensure our own compliance and our members' compliance with the GDPR requirements.

Our Privacy Law Committee is leading on our GDPR work from a policy perspective we recently published a series of blogs to provide ongoing discussion of key issues. This is also a key issue for our Technology and Law Committee and Professional Practice Committee, both of which are following developments.

Our CPD training team is running an extensive programme of roadshows and a dedicated conference for data protection officers throughout February and March.

We are monitoring guidance from the Article 29 Working Group (which will inform the position taken by the Information Commissioner) and are therefore focusing on helpful "signposting" to the profession in terms of useful sources, while also aiming to raise awareness.

<https://www.lawscot.org.uk/members/business-support/gdpr-general-data-protection-regulation/>

## **Financial benchmarking report**

As the legal market continues to evolve it is vital that our members take steps to ensure that they are effective business managers as well as excellent solicitors. The survey reflects the Society's drive to innovate and provide services to help our members. Taking part allows firms to view and compare:

- income and costs by the size or location of a firm
- a breakdown of the firm's total costs
- cashflow management
- the relationships between the different results for their firm, e.g. plotting staff costs against profitability

A strong communications and marketing strategy is in place with a view to encouraging more firms to participate in year 2 which will provide more robust data for analysis including trend analysis.

<https://www.lawscot.org.uk/members/business-support/financial-benchmarking/>

## **Legal aid**

In February 2017, the Scottish Government established an [Independent Review of Legal Aid](#), which aims to ensure it meets the changing needs of Scotland's justice system.

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We responded to the review group's call for evidence and will continue to engage fully with the review group as its work moves forward. Representatives from the review group, including its Chair, recently met with representatives of our legal aid committee.

We have also completed our research on the profitability of legal aid work and research on the economic benefits of legal aid.

[www.lawscot.org.uk/research-and-policy/influencing-the-law-and-policy/our-responses-to-consultations/legal-aid/](http://www.lawscot.org.uk/research-and-policy/influencing-the-law-and-policy/our-responses-to-consultations/legal-aid/)

## **Brexit**

Since the referendum in June 2016, we have been monitoring closely political developments and promoting our key issues for the public interest and our members including:

- ensuring stability in the law, protecting the rule of law and the proper administration of justice;
- cross-border freedom, security and justice issues;
- recognition and enforcement of citizens' rights; immigration, residence, citizenship and employment status;
- the impact on the devolved administrations;
- continued professional recognition within the EU; and respect for legal professional privilege as it applies to the clients of Scottish solicitors.

Our [website](#) highlights all of our latest briefings, responses and position papers on Brexit-related legislation and parliamentary inquiries. It is also a source of information for our members on the impact of UK withdrawal on the profession and their clients, which we will continue to update throughout the negotiations and during the implementation of the withdrawal agreement.

Much of our work in relation to Brexit has been to identify areas where continued mutual recognition and coordination should be possible and will be of benefit to both the UK and EU. It is our aim to maintain dialogues with EU colleagues to develop these ideas further.

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