

*These notes relate to the Legal Profession and Legal Aid
(Scotland) Act (asp 5) which received Royal Assent on 19 January
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LEGAL PROFESSION AND LEGAL AID (SCOTLAND) ACT (ASP 5) WHICH RECEIVED ROYAL ASSENT ON 19 JANUARY 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5 – General

Section 77: Advice, services or activities to which Act does not apply

Financial services - 2000 Act

215. In respect of (e), the Law Society has been delegated a regulatory role by the Financial Services Authority in relation to regulated activities within the meaning of section 22 of the Financial Services and Markets Act 2000. The activities covered include such matters as dealing or arranging deals in investments, managing investments or giving investment advice.
216. In relation to (f), in which field Financial Services and Financial Markets are reserved areas in terms of heads A3 and A4 of Schedule 5 to the Scotland Act 1998, the Law Society of Scotland is one of nine professional bodies designated by the Treasury under section 326 of the Financial Services and Market Act 2000¹.
217. This regulatory regime covers law firms in Scotland which provide only incidental investment advice. They carry on a narrow range of regulated activities, known as “exempt regulated activities”, under the supervision of the Law Society of Scotland as a designated professional body. In contrast law firms in Scotland which provide financial and investment advice as a main stream activity are regulated directly by the Financial Services Authority in relation to those activities.
218. There are around 100 Law Society of Scotland member firms that are regulated directly by the FSA and approximately 650 other member firms operating under the regulation of the Law Society of Scotland as a designated professional body.

¹ This is in terms of the [Financial Services and Market Act 2000 \(Designated Professional Bodies\) Order 2001 \(S.I. 2001/1226\)](#).