

Changes to legislation: There are currently no known outstanding effects for the Administration of Justice Act 1985, Paragraph 25. (See end of Document for details)

SCHEDULES

SCHEDULE 2

[^{F1}LEGAL SERVICES PRACTICES]: SUPPLEMENTARY PROVISIONS

Textual Amendments

- F1** Words in Sch. 2 heading substituted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 85](#) (with ss. 29, 192, 193); S.I. 2009/503, [art. 2\(b\)\(ii\)](#)

Modifications etc. (not altering text)

- C1** Sch. 2 applied (with modifications) by SI 2000/1119 Sch. 4 para. 24(2) (as substituted (1.11.2015) by [The Legal Services Act 2007 \(The Law Society\) \(Modification of Functions\) Order 2015 \(S.I. 2015/401\)](#), art. 1(3), [Sch. 2 para. 3\(c\)\(ii\)](#))

Commencement Information

- I1** Sch. 2 wholly in force at 1.1.1992 see s. 69(2) and [S.I. 1991/2683](#), [art. 2](#)

Effect on contentious business agreement of supervening incapacity of recognised body to act for client

- 25 (1) If, after some business has been done under a contentious business agreement made between a recognised body and a client but before the body has wholly performed it, the body ceases to be capable of wholly performing it by reason of one of the following events, namely—
- (a) the body ceases (for any reason) to be a recognised body;
 - [^{F1}(b) a relevant insolvency event occurs in relation to the body;]
 - (c) the client terminates the retainer or employment of the body in favour of another recognised body or a solicitor (as, notwithstanding the agreement, he shall be entitled to do),
- any party to, or the representative of any party to, the agreement may apply to the court, and the court shall have the same jurisdiction as to enforcing the agreement so far as it has been performed, or setting it aside, as the court would have had if the recognised body were still capable of wholly performing it.
- (2) The court, notwithstanding that it is of the opinion that the agreement is in all respects fair and reasonable, may order the amount due in respect of business under the agreement to be ascertained by [^{F2}assessment], and in that case—
- (a) the [^{F3}costs officer], in ascertaining that amount, shall have regard so far as may be to the terms of the agreement; and
 - (b) payment of the amount found by him to be due may be enforced in the same manner as if the agreement had been wholly performed.
- (3) If in such a case as is mentioned in sub-paragraph (1)(c) an order is made for the [^{F2}assessment] of the amount due to the recognised body in respect of the business

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done under the agreement, the court shall direct the [^{F3}costs officer] to have regard to the circumstances under which the termination of the body's retainer or employment has taken place, and the [^{F3}costs officer], unless he is of the opinion that there has been no default, negligence, improper delay or other conduct on the part of [^{F4}any manager] or employee of the body affording the client reasonable ground for terminating its retainer or employment, shall not allow to the body the full amount of the remuneration agreed to be paid to it.

- [^{F5}(4) For the purposes of this paragraph a relevant insolvency event occurs in relation to a recognised body if—
- (a) a resolution for a voluntary winding-up of the body is passed without a declaration of solvency under section 89 of the Insolvency Act 1986;
 - (b) the body enters administration within the meaning of paragraph 1(2)(b) of Schedule B1 to that Act;
 - (c) an administrative receiver within the meaning of section 251 of that Act is appointed;
 - [^{F6}(d) a winding up becomes a creditors' voluntary winding up under section 96 of that Act (conversion to creditors' voluntary winding up);]
 - (e) an order for the winding up of the body is made.]

Textual Amendments

- F1** Sch. 2 para. 25(1)(b) substituted (30.6.2008) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, **Sch. 16 para. 112(a)** (with ss. 29, 192, 193); S.I. 2008/1436, **art. 2(d)(ii)**
- F2** Words in Sch. 2 para. 25(2)(3) substituted (1.1.2010) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, **Sch. 16 para. 112(b)(i)** (with ss. 29, 192, 193); S.I. 2009/3250, **art. 2(f)(ii)** (with art. 9)
- F3** Words in Sch. 2 para. 25(2)(3) substituted (1.1.2010) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, **Sch. 16 para. 112(b)(ii)** (with ss. 29, 192, 193); S.I. 2009/3250, **art. 2(f)(ii)** (with art. 9)
- F4** Words in Sch. 2 para. 25(3) substituted (30.6.2008) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, **Sch. 16 para. 112(c)** (with ss. 29, 192, 193); S.I. 2008/1436, **art. 2(d)(ii)**
- F5** Sch. 2 para. 25(4) inserted (30.6.2008) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, **Sch. 16 para. 112(d)** (with ss. 29, 192, 193); S.I. 2008/1436, **art. 2(d)(ii)**
- F6** Sch. 2 para. 25(4)(d) substituted (6.4.2017) by [The Deregulation Act 2015 and Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments\) \(Savings\) Regulations 2017 \(S.I. 2017/540\)](#), reg. 1, **Sch. 1 para. 1(2)** (with reg. 4)

Modifications etc. (not altering text)

- C1** Sch. 2 para. 25(1) applied (with modification) by S.I. 2000/1119, **Sch. 4 para. 24(2)** (as substituted (1.7.2009) by [The Legal Services Act 2007 \(Registered European Lawyers\) Order 2009 \(S.I. 2009/1587\)](#), arts. 1(1), **3(17)**)

Commencement Information

- I1** Sch. 2 para. 25 wholly in force at 1.1.1992 see s. 69(2) and S.I. 1991/2683, **art. 2**

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