

*Changes to legislation:* There are currently no known outstanding effects for the Administration of Justice Act 1985, Paragraph 32. (See end of Document for details)

## SCHEDULES

### SCHEDULE 2

#### [<sup>F1</sup>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](#)

#### *Intervention by Society*

- 32 (1) Subject to sub-paragraph (2), where—
- (a) the [<sup>F1</sup>Society is] satisfied that a recognised body [<sup>F2</sup>or a manager of such a body] has failed to comply with any rules applicable to [<sup>F3</sup>the body or manager] by virtue of section 9 of this Act; or
  - (b) a person has been appointed receiver or manager of property of a recognised body; or
  - [<sup>F4</sup>(c) a relevant insolvency event occurs in relation to a recognised body; or]
  - (d) the [<sup>F5</sup>Society has] reason to suspect dishonesty on the part of any [<sup>F6</sup>manager] or employee of a recognised body in connection with
    - [<sup>F7</sup>(i) that body's business,
    - (ii) any trust of which that body is or was a trustee,
    - (iii) any trust of which the manager or employee is or was a trustee in his capacity as such a manager or employee, or
    - (iv) the business of another body in which the manager or employee is or was a manager or employee or the practice (or former practice) of the manager or employee; or]
  - [<sup>F8</sup>(da) the Society considers that there has been undue delay on the part of the personal representatives of a deceased solicitor who immediately before death was practising as the sole principal of a recognised body in connection with the recognised body's business or in connection with any trust; or
  - (db) the Society is satisfied that a solicitor practising as the sole principal of a recognised body is incapacitated by illness, injury or accident to such an

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extent as to be unable to attend to the solicitor's practice or to the recognised body's business; or]

[<sup>F9</sup>(e) the Society is satisfied that it is necessary to exercise the powers conferred by Part 2 of Schedule 1 to the 1974 Act (or any of them) in relation to a recognised body to protect—

- (i) the interests of clients (or former or potential clients) of the recognised body,
- (ii) the interests of the beneficiaries of any trust of which the recognised body is or was a trustee, or
- (iii) the interests of the beneficiaries of any trust of which a person who is or was a manager or employee of the recognised body is or was a trustee in that person's capacity as such a manager or employee;]

the powers conferred by Part II of Schedule 1 to the 1975 Act shall be exercisable in relation to the recognised body and its business in like manner as they are exercisable in relation to a solicitor and his practice.

[<sup>F10</sup>(1A) 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;
- (d) a meeting of creditors is held in relation to the body under section 95 of that Act (creditors' meeting which has the effect of converting a members' voluntary winding up into a creditors' voluntary winding up);
- (e) an order for the winding up of the body is made.]

(2) <sup>F11</sup> .....

#### Textual Amendments

- F1** Words in Sch. 2 para. 32(1)(a) substituted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 119\(2\)\(a\)](#) (with ss. 29, 192, 193); S.I. 2009/503, [art. 2\(b\)\(ii\)](#)
- F2** Words in Sch. 2 para. 32(1)(a) inserted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 119\(2\)\(b\)](#) (with ss. 29, 192, 193); S.I. 2009/503, [art. 2\(b\)\(ii\)](#)
- F3** Word in Sch. 2 para. 32(1)(a) substituted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 119\(2\)\(c\)](#) (with ss. 29, 192, 193); S.I. 2009/503, [art. 2\(b\)\(ii\)](#)
- F4** Sch. 2 para. 32(1)(c) substituted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 119\(3\)](#) (with ss. 29, 192, 193); S.I. 2009/503, [art. 2\(b\)\(ii\)](#)
- F5** Words in Sch. 2 para. 32(1)(d) substituted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 119\(4\)\(a\)](#) (with ss. 29, 192, 193); S.I. 2009/503, [art. 2\(b\)\(ii\)](#)
- F6** Word in Sch. 2 para. 32(1)(d) substituted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 119\(4\)\(b\)](#) (with ss. 29, 192, 193); S.I. 2009/503, [art. 2\(b\)\(ii\)](#)
- F7** Words in Sch. 2 para. 32(1)(d) substituted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 119\(4\)\(c\)](#) (with ss. 29, 192, 193); S.I. 2009/503, [art. 2\(b\)\(ii\)](#)
- F8** Sch. 2 para. 32(1)(da), (db) inserted (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. 1 para. 20\(14\)\(a\)](#)
- F9** Sch. 2 para. 32(1)(e) inserted (31.3.2009) by [Legal Services Act 2007 \(c. 29\)](#), ss. 177, 211, [Sch. 16 para. 119\(5\)](#) (with ss. 29, 192, 193); S.I. 2009/503, [art. 2\(b\)\(ii\)](#)

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- F10** Sch. 2 para. 32(1A) inserted (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 211, **Sch. 16 para. 119(6)** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(ii)**
- F11** Sch. 2 para. 32(2) repealed (31.3.2009) by Legal Services Act 2007 (c. 29), ss. 177, 210, 211, Sch. 16 para. 119(7), **Sch. 23** (with ss. 29, 192, 193); S.I. 2009/503, **art. 2(b)(ii)(f)(v)(bb)**

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**Commencement Information**

- I1** Sch. 2 para. 32 wholly in force at 1.1.1992 see s. 69(2) and S.I. 1991/2683, **art. 2**

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