

LEGAL SERVICES ACT 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5: Alternative Business Structures

Background

Section 84: Application for licence

219. This section sets out the way licensing authorities must deal with applications for licences. Licensing authorities must determine applications that come from licensable bodies with the required fee and may not grant an application unless they are satisfied that the body will comply with licensing rules. Under [section 84\(4\)](#) licensing authorities must issue the licence as soon as reasonably practicable after the application has been granted and under [section 84\(5\)](#) the licence has effect from that date. Applications for licences may only be made to the Board (acting in its non-licensing authority capacity) under [Schedule 12](#).
220. The Schedule deals with the limited circumstances in which licensable bodies can apply to the Board for a licence. That is when:
- there is no competent licensing authority, and none that is potentially competent (sub-paragraph (3) of paragraph 1) – “competent” and “potentially competent” are defined in paragraphs 5 and 6 as an approved licensing authority that is designated or which the Board anticipates becoming designated in relation to the reserved legal activities that the body proposes to carry out;
 - no licensing authority or potential licensing authority has or plans to have suitable regulatory arrangements (sub-paragraph (4) of paragraph 1). Licensable bodies can apply to licensing authorities for determinations of this ground under paragraph 3, and paragraph 7 defines the factors to be taken into account in considering whether arrangements are suitable; or
 - if the body is of a kind listed in sub-paragraph (6) of paragraph 1 (not for profit bodies, community interest companies, trade unions and prescribed bodies), no licensing authority has terms that are appropriate to it (sub-paragraph (5) of paragraph 1).
221. [Paragraph 2](#) then specifies that the Board must determine whether the licensable body is entitled to apply to it for a licence and give reasons for its decision. Different timescales for the determination apply to each of the grounds (sub-paragraph (2) of paragraph 2). The Board is obliged to make rules providing for a review of its decision, in particular for cases where the ground for its decision no longer applies (sub-paragraphs (4) and (5) of paragraph 2).