

# **Further consultation on client money in legal services: Protecting the client money that solicitors hold**

## **Annex: SRA Authorisation of Firms Rules**

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December 2025

**8.1** [Subject to rules 8.4 – 8.6, An \*authorised body\*](#) must at all times have an individual who is designated as its *COLP* and an individual who is designated as its *COFA*, and whose designations the *SRA* has approved.

**8.2** Subject to rule 8.3 [and 8.4 – 8.6](#), an individual who is designated under rule 8.1 must:

- (a) be a *manager* or *employee* of the *authorised body*;
- (b) consent to the designation;
- (c) not be disqualified from acting as a *HOLP* or *HOFA* under section 99 of the *LSA*;
- (d) in the case of a *COLP*, be an individual who is authorised to carry on *reserved legal activities* by an *approved regulator*; and
- (e) not be an *RSL*.

**8.3** An *authorised body* is not required to comply with rule 8.2(a) where an individual who is designated under rule 8.1:

- (a) is currently approved by the *SRA* as a *compliance officer* for an *authorised body* with a *manager* or *owner* in common with the body; and
- (b) is a *manager* or *employee* of that related *authorised body*.

**8.4** [Firms with more than one \*manager\* or \*owner\*:](#)

[An individual cannot be designated as the \*COLP\* or \*COFA\* for an \*authorised body\* if:](#)

- [\(a\) the \*authorised body\*, in its most recently completed \*accounting period\*:](#)
  - [\(i\) had an annual \*turnover\* of more than £600,000; or](#)
  - [\(ii\) held or received client money with a maximum statement or passbook balance exceeding £500,000 \(or the equivalent in foreign currency\); and](#)
- [\(b\) the individual is a \*manager\* or \*owner\* of the \*authorised body\* who has authority whether under the \*authorised body's\* constitution, governance arrangements or usual practice, to determine or direct significant management decisions relating to the structure or running of the \*authorised body\*; and](#)
- [\(c\) the individual is not the sole \*owner\* and the sole \*manager\* of the \*authorised\*](#)

body.

#### **8.5 Sole owner-manager firms above the turnover threshold:**

An individual cannot be designated as the COLP or COFA for an authorised body if:

- (a) the authorised body, in its most recently completed accounting period, had an annual turnover of more than £600,000; and
- (b) the individual is the sole owner and the sole manager of the authorised body.

#### **8.6 Sole owner-manager firms above the client-money threshold only:**

An individual cannot be designated as the COFA for an authorised body if:

- (a) the authorised body, in its most recently completed accounting period:
  - (i) held or received client money with a maximum statement or passbook balance exceeding £500,000 (or the equivalent in foreign currency);
  - (ii) had an annual turnover of no more than £600,000; and
- (b) the individual is the sole owner and the sole manager of the authorised body.

## **Part 4: Approval of role holders**

### **Rule 13: Approval of role holders**

**13.7** Approval of a person's designation under rule 13.1 or 13.6:

- (d)** expires when the person ceases to be eligible under rules 8.2–8.6.

# Supplemental notes

Made by the SRA Board on .

Made under sections 31 of the Solicitors Act 1974, sections 9 and 9A of the Administration of Justice Act 1985, and section 83 of, and Schedule 11 to, the Legal Services Act 2007.