

RPA News

Regulation. Protection. Action.

News update for all practitioners from the Victorian Legal Services Board + Commissioner

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New approach to principal practising certificate grants from January 2019

As part of the Board's risk-based regulation program, we have closely studied the causes of client complaints, practitioner mistakes and disciplinary offences.

Among the trends we identified is that things often go wrong for principal solicitors who have inadequate training in how to run the business side of their law practice. This occurs in all sizes and types of practices.

Addressing the causes

To assist lawyers aspiring to become the principal of a law practice and help them avoid the pitfalls that await the unprepared, the Board has developed [a new policy governing the grant of a principal practising certificate](#).

The policy guides the Board's discretion in granting principal practising certificates and states that a lawyer seeking such a grant will need to demonstrate that they possess the relevant skills and expertise necessary to manage a law practice competently, diligently and successfully.

Supporting that position is a set of [Practice Management Course Guidelines](#) which outline the areas of business management that the Board expects new principals to be proficient in, such as strategic planning, financial administration, governance and risk management, as well as staff management.

The Board's new policy and guidelines were developed in cooperation with the Law Institute of Victoria and the Legal Practitioners' Liability Committee, and with assistance and advice from the Law Society of NSW and regulators in other jurisdictions.

How to meet the Board's requirements

One way aspiring principal lawyers can demonstrate to the Board they have the skills and expertise required is by completing a practice management course that the Board has assessed as meeting its guidelines.

[The Law Institute of Victoria](#), [Leo Cussen Centre for Law](#) and [The College of Law](#) have developed practice management courses that meet the Board's guidelines. Check the course providers' websites for availability and registration details.

Commencement

The policy applies to all applications for a principal practising certificate, where a grant of (or variation to) a principal practising certificate is to be effective on or after **1 January 2019**. The policy will **not** apply to lawyers **renewing** their existing principal practising certificate.

Improving standards of legal services

This new approach is not designed to be restrictive, but to help ensure that new principals are properly prepared to take on the important responsibilities associated with running a law practice. Raising the bar for granting a principal practising certificate will help protect consumers of legal services, the reputation of the legal profession and lawyers themselves. This policy mirrors the approach already taken in New South Wales and several other jurisdictions.

The Policy and course guidelines are [available on the Board's website](#).

New Practising Certificate Fees Regulations made

The new fees for practising certificates were finalised on 6 February 2018 with the making of the *Legal Profession Uniform Law Application (Practising Certificate Fees) Regulations 2018*. The new Regulations set a stratified fee structure which better reflects the costs of regulating the different classes of legal practitioners.

The new fees will apply to all practising certificates for the 2018-19 financial year. New grants of practising certificates that apply for the 2017-18 financial year will continue to attract the old fees.

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