

# **The Intellectual Property Regulation Board**

## **Consultation**

### **2024/25 Business Plan**

### **2024 Budget and Practising Fees**

**19 July 2023**

**This consultation closes at 5pm on 21 August 2023**

## Introduction

1. This consultation asks for your views on our proposals for our Business Plan for 2024/25. We anticipate that the main areas of work will be:
  - a. Building on our work on education including:
    - A new project to consider how to lower barriers to entry in the patent attorney profession and improve its diversity;
    - A review of the Accreditation Handbook. The Handbook sets out our approach for accrediting providers of attorney qualification training courses and outlines the core syllabus for the foundation level qualification;
  - b. Monitoring the implementation of the new regulatory arrangements following their introduction on 1 July 2023. In particular, conducting thematic reviews of the new requirements for transparency of charges and the new approach to continuing competence;
  - c. Continuing to build our evidence base about the IP sector;
  - d. Developing our website given the need to upgrade from Drupal 7 to Drupal 10;
  - e. Funding diversity initiatives;
  - f. Responding to consultations and information requests from the Legal Services Board (LSB);
  - g. Business as usual work such as admissions to the registers, investigating complaints, taking disciplinary action and responding to enquiries.
2. We are also seeking your views on:
  - a. Increasing practising fees in 2024 by 8%. This increase will, in the IPReg Board's judgment, allow us to finance our planned activities. In addition, we consider it important that our reserves are sufficient to enable us to respond to unexpected changes in our workload caused by external events (e.g. government action on sanctions) and to take into account the impact of inflation on our day to day operating costs (e.g. by increasing the general contingency reserve). The impact of the proposed increase on each fee category is set out in **Annex A**. This would increase our budgeted income from practising fees from £1,106,462 in 2023 to £1,249,331 in 2024 (an increase of £142,869);
  - b. Introducing an application fee for registered bodies to be admitted to the registers so that they pay the same as licensed bodies;
  - c. Abolishing the fee waiver period (1 November – 23 December)<sup>1</sup> for applications from individuals and entities to be admitted to the registers.
3. We will retain the ability for IPReg to waive practising fees for attorneys who are facing hardship. This was introduced as a result of the Covid-19 pandemic for attorneys who had been made redundant or were furloughed and was broadened in 2023 to help attorneys suffering hardship for other reasons.

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<sup>1</sup> The IPReg office shuts between Christmas and New Year and so there are no admissions during that period.

If you have any comments on the Business Plan, budget or practising fees, please send them to: [info@ipreg.org.uk](mailto:info@ipreg.org.uk) by 5pm on 21 August 2023. If you would like to discuss anything in this consultation with us or would like further information, please contact us online using this [form](#).

## **Draft Business Plan – 2024/25<sup>2</sup>**

### **IPReg’s strategic priorities**

4. In January 2023, reflecting the progress made in achieving its initial strategic priorities, the Board set the following new strategic priorities:
  - a. To carry out our regulatory activities proactively, effectively and inclusively, ensuring the efficient use of resources;<sup>3</sup>;
  - b. To increase the range of good quality education providers accredited by IPReg, in particular as a tool to increase the diversity of the trade mark and patent attorney professions;
  - c. To increase the public profile of IPReg to the regulated community and users of IP legal services.

### **Driving forward our work on education**

5. The IPReg Board wants to maintain the momentum it has built up on education issues. In particular we want to support and drive initiatives to improve equality, diversity and inclusion in the professions. Our main focus to date has been to sponsor organisations that support and encourage children and young adults into science, technology, engineering and maths careers. In the course of our work on diversity, we have identified a number of regulatory policy concerns in the route to qualification for patent attorneys (particularly at the advanced level). We therefore consider that it is appropriate to turn our focus (and resources) to exploring the issues raised about the patent attorney qualification route.
6. In the second half of 2023 we will start gathering evidence about the benefits of, and issues raised by, the current approach, what different routes to qualification might look like and how we could encourage their development. This will involve extensive discussions with stakeholders including firms, CIPA, CITMA, the IP Practice Directors’ Group, the IP Federation, academics, education experts, IP Inclusive and students.
7. This work is still at a very early scoping stage and we will publish more details about our approach and timescales as the project develops. We anticipate that we will want to consider:
  - a. Whether the current competency framework correctly identifies the minimum competencies (i.e. knowledge and skills) required for a “day one” qualified patent attorney and the level at which they have to demonstrate their competence;
  - b. The appropriate principles for bodies that (a) set; and (b) assess qualification pathways at the foundation and advanced levels;
  - c. Whether there could be alternative routes to qualification such as (a) the development of [equivalent means](#); and/or (b) whether the IP sector should develop an apprenticeship route to qualification as a patent attorney and if so, what initial steps need to be taken.

It is likely that this project will start formally with a Call for Evidence in Q1 or Q2 of 2024.

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<sup>2</sup> Note that all dates are for the calendar year.

<sup>3</sup> This was amended by the Board on 13 July 2023 from: to carry out its regulatory activities in a more proactive way and to perform well. In order to do so we will ensure that IPReg has the necessary staff, IT external expertise and other resources

8. In addition, we will continue to work on important issues concerning accredited attorney qualification providers:
  - a. Working with providers to ensure that accreditation recommendations are taken forward and quality assurance mechanisms are fit for purpose, including responding to key stakeholder feedback. Where there are concerns, IPReg will raise these with the provider to ensure that action is taken. This work will continue as necessary in 2024/25;
  - b. Working with providers to ensure that online delivery of courses and examinations meets the required standards;
  - c. Working with stakeholders and potential providers to encourage new qualification pathway options;
  - d. We will continue to undertake reaccreditation assessments (typically every 5 years) of qualification providers;
  - e. We will consider the outcomes of the European Qualifying Examinations Modernisation Discussions and Proposals and the extent to which any changes impact on our qualification requirements (e.g. in relation to exemptions).
9. We will start a review of the Accreditation Handbook. The Handbook sets out the requirements for qualification agencies (such as universities and the Patent Examination Board) to deliver qualification courses and/or examinations which meet our standards. It also outlines the core syllabus for the Foundation Level Qualifications. However, currently the Handbook does not include requirements for the advanced level qualifications and we consider that it would be appropriate to include these as well. Some of this work is closely related to the work on barriers to becoming a patent attorney.
10. In addition, we will review the IPReg Competency Frameworks for both professions. The review of the Patent Attorney Competency Framework will be carried out as part of the project looking at reviewing barriers to entry to the profession, while the review of the Trade Mark Attorney Competency Framework will be a standalone project. We have considered whether reviewing both frameworks was too ambitious given the other work to which we have committed, but we think it is important that both are reviewed at the same time, and at the earliest opportunity, to ensure consistency and to reflect the requirements of the new Core Regulatory Framework.
11. We anticipate that this work will need significant input from external advisers such as academics, qualified attorneys and analysts with expertise in education syllabi and the development of competency frameworks. We have therefore allocated £90,000 to this work in the budget.
12. This work supports in particular the regulatory objective in the Legal Services Act 2007 (LSA) of encouraging an independent, strong, diverse and effective legal profession.<sup>4</sup>

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<sup>4</sup> The LSA section 28(2) imposes an obligation on IPReg to, so far as is reasonably practicable, act in a way (a) which is compatible with the regulatory objectives, and (b) which [IPReg] considers most appropriate for the purpose of meeting those objectives. The regulatory objectives in the LSA section 1(1) are: (a) protecting and promoting the public interest; (b) supporting the constitutional principle of the rule of law; (c) improving access to justice; (d) protecting and promoting the interests of consumers; (e) promoting competition in the provision of [legal] services; (f) encouraging an independent, strong, diverse and effective legal profession; (g) increasing public understanding of the citizen's legal rights and duties; (h) promoting and maintaining adherence to the professional principles [in LSA section 1(3)].

## Thematic reviews

13. Our main project for the last three years has been the review of our regulatory arrangements. These were approved by the LSB in February 2023 and came into force on 1 July 2023. We are committed to reviewing the effectiveness of the new arrangements by conducting thematic reviews of:

- a. Continuing competence – attorneys are now required to: assess, bearing in mind their existing skills and the nature of their practice, how they will maintain their competence. This means that they regularly:
  - reflect on their professional knowledge and skills and identify any development needs;
  - plan how these needs can be addressed through appropriate activities, training and other learning; and
  - record the assessments and evaluate the activities they have undertaken in the light of those assessments.

Attorneys will have to confirm to IPReg annually that they have met these requirements and, if requested, provide to us their records or other material which demonstrates that they have met the requirements. We will have transitional arrangements on enforcement of these requirements in place for approximately 18 months in order to give attorneys and firms sufficient time to become familiar with the new arrangements.

We will conduct random sampling of attorneys' records or other material to assess how well the new requirements have been embedded and identify any barriers to compliance with them. We anticipate that this will be done in Q1 or Q2 of 2024 with a report on the findings and lessons learned to be considered by the IPReg Board in July (one year after the arrangements came into force). This will enable the IPReg Board to consider when the transitional arrangements should end.

It might be appropriate for this work to be supported/conducted by an independent external body to reassure registrants about its impartiality. We have therefore budgeted £15,000 for this work.

- b. Transparency requirements – these will provide better information to clients and prospective clients about costs. The new rules came into force on 1 July and require that attorneys give appropriate explanations to their clients about any financial benefits that they may receive as a result of the work that they do. This includes commissions, foreign exchange rate uplifts or discounts or rebates. Attorneys also need to inform their clients about any referral arrangements in place such as payment of a referral fee and fee sharing arrangements. Although it will be for attorneys/firms to decide how to provide this information, it must be clear, accurate and sufficient to enable clients and prospective clients to make informed decisions about how to instruct. During Q2 of 2024 we anticipate developing our approach to this thematic review with a view to conducting the review in Q3 and reporting on its findings, lessons learned in Q4 of 2024 or Q1 of 2025.

We have budgeted £30,000 for this work to enable us to obtain external advice on the best way to structure the review, to analyse the information we obtain and evaluate the effectiveness of the requirement. We may also use an independent party to undertake the review to provide reassurance to firms about its impartiality.

- c. Implementing the professional indemnity insurance (PII) sandbox. This will enable testing alternative PII arrangements by providing a way for firms or sole traders to obtain PII from insurers who are not on IPReg's list of participating insurers. This will then enable them to apply to be admitted to, or remain on, the IPReg registers and be regulated. It may also be of interest to firms who are able to obtain cover from a participating insurer but who want to make alternative arrangements (perhaps for commercial reasons).

We will monitor closely how the sandbox is working throughout 2024 and report on it in the Annual Report for 2024. A wider thematic review is likely to be conducted in 2025 once the sandbox has been operational for at least 18 months, depending on the nature and extent of applicants and entrants.

We have budgeted £10,000 for this work in case we need to take external advice (e.g. from an insurer or actuary).

14. This work supports all the regulatory objectives in the LSA.

### **Building our evidence base**

15. In addition to the data and evidence gathering work that we plan to undertake for the thematic reviews on continuing competence and transparency, we will continue to gather data and evidence about the nature of the IP legal sector.
16. We have appointed an external adviser who will review relevant research by the other regulators, the Legal Services Consumer Panel and other bodies to evaluate whether it should be incorporated into IPReg's evidence base.
17. This work supports all the regulatory objectives.

### **Website redevelopment**

18. When we implemented the new CRM system in November 2019, we took a "lift and shift" approach to our website – moving the content without making significant changes to it. The current website runs on a platform called Drupal 7. This will be unsupported from early 2025 and will be replaced by Drupal 10.
19. The IPReg Board has decided that it would be a significant risk to the organisation to have an unsupported website. We have therefore been exploring alternative approaches and the cost of them. IPReg will need external support in order to develop the new website. We have allowed £70,000 for the redevelopment and external support in the budget; this is also supported by a reserve.
20. This work supports in particular the regulatory objectives of protecting and promoting the interests of consumers; improving access to justice and increasing public understanding of the citizen's rights and duties.

### **Diversity**

21. For the avoidance of doubt, we remain committed to keeping a ring-fenced reserve to fund suitable diversity initiatives. The reserve is currently set at £20,000.
22. We will be developing our approach to data gathering/research with other stakeholders in the IP sector – for example IP Inclusive, CIPA, CITMA, the IP Practice Directors' Group and the IP Federation. This will include identifying ways to improve the diversity data we hold for individuals and firms to get

a clearer picture of the makeup of the profession. This will provide a platform that will inform our EDI workstreams and enable us to develop a longer-term EDI strategy.

We have allocated £10,000 for this work.

23. We will be using our work on diversity to inform our education workstreams. Understanding the barriers to entry and progression in the profession will be a key factor in exploring different routes to qualification for patent attorneys. Identifying barriers to entry and progression and ensuring that this information forms a key part of our education workstream will give us the ability to improve the opportunities at the earliest stages of education and training.
24. We will continue to work with, and contribute to, the cross-sector work on EDI. This will enable us to learn from other regulators as well as share our research and experiences to work towards a collective approach to gathering data, identifying barriers to entry to the legal profession and the sector's approach to designing, implementing and evaluating interventions.
25. This work supports in particular the regulatory objective of encouraging an independent, strong, diverse and effective legal profession.

### **Responding to LSB consultations and related work**

26. The LSB is IPReg's (and the other legal regulators') regulator. In order to ensure that we can respond effectively to the LSB's work programme and ensure that the regulated IP sector's specific characteristics are taken into account, we have restructured the Executive Team and the Director of Policy now undertake this work in addition to work on wider policy matters.
27. The LSB's [Quarterly Activity Schedule](#) for 2023/24 shows a significant number of issues where IPReg will need to engage with and respond to the LSB's work. In the first quarter (January to March) of 2024 these include:
  - a. Considering the impact of the LSB's new statement of policy on equality, diversity and inclusion;
  - b. Engagement on expectation on professional ethics;
  - c. Consideration of the LSB's thematic review of disciplinary and enforcement processes of the frontline regulators;
  - d. Consideration of the impact of the LSB's policy framework on PII and compensation funds;
  - e. Consideration of any proposed changes to the LSB's education and training guidance;
  - f. Engaging on scoping proposals for evaluating the Internal Governance Rules concerning the separation of regulatory and representative functions of Approved Regulators;
  - g. Responding to proposed changes to the LSB's enforcement policy.
28. In addition, the LSB's [Business Plan](#) for 2023/24 includes the following issues where IPReg will need to engage with and respond to the LSB's work:
  - a. Reviewing regulators' existing approaches to encouraging diversity and dismantling barriers to a fair and inclusive profession. Consulting on a statutory statement of policy on equality, diversity and inclusion;
  - b. Consultation on new statutory guidance promoting technology for access;



- c. Development of a toolkit for regulators to ensure their financial protection arrangements are fit for purpose and sustainable in the long term;
- d. Implications of any changes to the LSB's rules for first tier complaints handling;<sup>5</sup>
- e. Responding to LSB work on improving access to justice where relevant to the IP sector;
- f. Responding to requests for information about IPReg's compliance with the LSB's new [regulatory performance framework](#);
- g. Other requests for information during the course of the year.

### **Our day to day activities**

29. In addition to the specific areas of work set out above, the IPReg team carries out a wide range of "business as usual" activities. These include:
- a. Considering applications from individuals and entities for registration on, and removal from, the registers;
  - b. Providing advice on our regulatory arrangements;
  - c. Investigating complaints and taking disciplinary action where necessary;
  - d. Dealing with enquires to our CRM system and our "Info" email box.
30. These activities support all of regulatory objectives.

### **Impact of Covid-19: IPReg's office and Board meetings**

31. We are working on a hybrid basis: members of the IPReg Team work in the office for some of their working time and work from home for the remainder. We have considered whether it would be appropriate not to have a fixed base in London and to work permanently from home, booking regular meeting spaces as required. However, because IPReg is a small team, the IPReg Board considers that it is important to ensure that staff overlap as much as possible and our experience of returning to the office after the lockdowns is that it is highly beneficial to be in the office with colleagues when developing policy issues or generating ideas. Nevertheless, we recognise that our office licence fee and related services costs is a significant proportion of the budget and we will continue to look for ways to manage that more efficiently, including a smaller office if one becomes available with our current provider. The budget for 2024 has provided for a 5% increase in the licence fee and services.

We have budgeted £82,170 for our licence fees and services.

32. The Board will continue its practice of holding hybrid meetings for its 7 scheduled meetings in 2024.

During the course of 2024, two Board members (Sam Funnell and Emma Reeve) will complete their second terms of office and will step down from the Board. We will run an open recruitment campaign for their successors (one patent attorney and one trade mark attorney) and use an external recruitment consultant to help us with this process. We have budgeted £14,000 for this.

### **Question 1 - What are your views on the proposed Business Plan?**

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<sup>5</sup> First Tier Complaints are complaints which are made to firms and sole trader attorneys. These are reported to IPReg annually as part of the Annual Return process.

## **Equality Impact Assessment**

33. The LSB has introduced a requirement for an equality impact assessment (EIA) to be included with applications to it for approval of practising fees. A draft EIA is at **Annex B** which uses data from IPReg's 2021 diversity survey. We consider that this data is still relevant to support the EIA since there are unlikely to have been significant changes in the diversity of the profession since the survey was undertaken.

**Question 2 - Do you have any evidence of the impact that each of these proposals will have on different categories of individuals or firms? In particular, do you have any evidence of the potential impact on the diversity of the profession? Do you have any comments on the EIA at Annex B?**

## **Proposed 2024 budget**

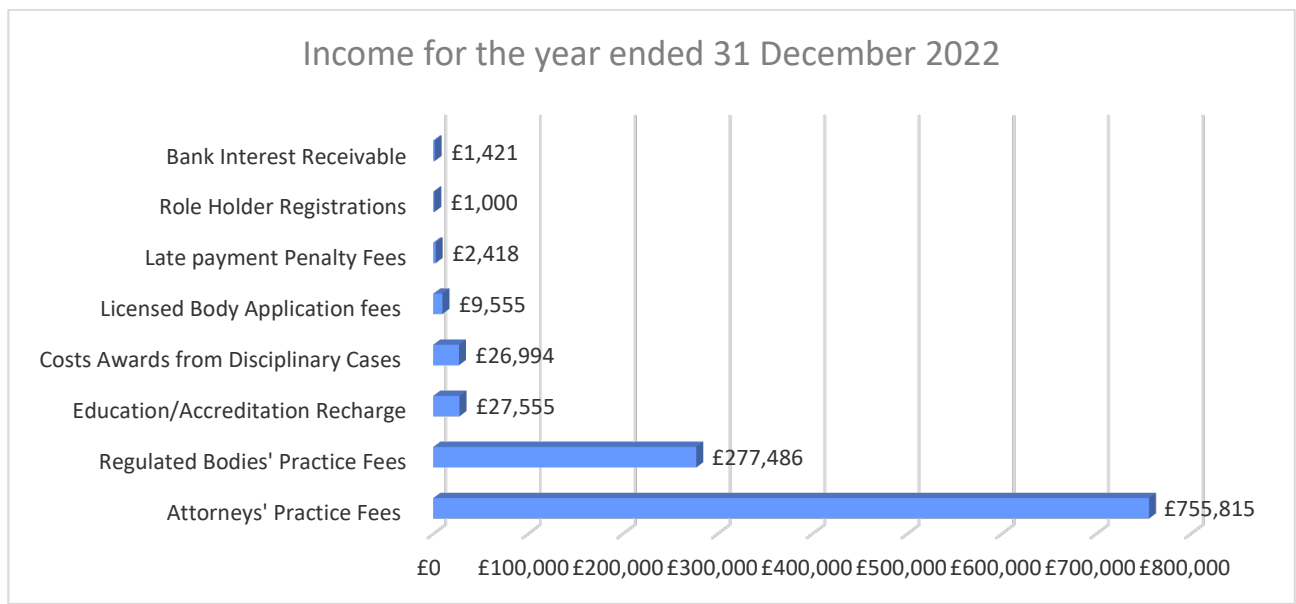
34. The draft 2024 budget (and comparison with the 2023 budget) (**Annex C**) is based on an increase in fees of 8% in order to take account of the impact of inflation and to finance our planned activities.
35. The proposed budgeted expenditure for 2024 is £100,890 more than the 2023 budget with a projected operating surplus of £25,611. The Board has committed to using reserves to offset against operating deficits if and when required. Our Reserves Policy is at **Annex D** and our Reserves as at 30 June 2023 are at **Annex E**. It is likely that as we progress through 2023 and 2024, some of these reserves will be utilised.
36. Our custom and practice has been to allocate reserves to specific projects that we plan to undertake. However, given the wide range of projects that we work on and the need to consult in the summer about our plans for next year (to allow time for the LSB approval process prior to starting the fee collection process) it is difficult to predict at this point in 2023 what we might need to draw on from our reserves for our day to day work in 2024. The IPReg Board has therefore decided to:<sup>6</sup>
- a. Maintain the General Contingency Reserve and allocate an additional £70,000 to it to achieve our policy of having 3 months' operating expenditure (£270,000) in the event that we are unable to collect practising fees. The increase of £70,000 will be funded by:
    - Closing the Regulatory Review Reserve since the work involved in implementing the new arrangements is largely complete and reallocating it to this Reserve; and
    - Reallocating brought forward Income & Expenditure by £20,000.
  - b. Maintain the Assurance, Disciplinary and Litigation Reserve at £210,000. This ensures that we have sufficient funds in the event that one of our decisions is challenged through the courts;
  - c. Maintain a Diversity Reserve of £20,000 to underpin our commitment to funding diversity initiatives;
  - d. Set the IT/website reserve at £60,000 given the work that the website upgrade will entail. If we underspend this budget in 2023, we will have the option to allocate any underspend to this reserve at future date.
  - e. Set up a new General Operational and Research Reserve of £76,000 funded by:
    - Closing the Governance Reserve of £16,000 since this work has largely been completed;
    - Closing the Disciplinary Panel Recruitment & Training Reserve of £15,000 since this exercise has been completed;
    - Adding to it the Research Reserve of £25,000 and the Board & Chairman's Appointments/Communications Reserve of £10,000;
    - Re-allocating brought forward Income & Expenditure by £10,000.

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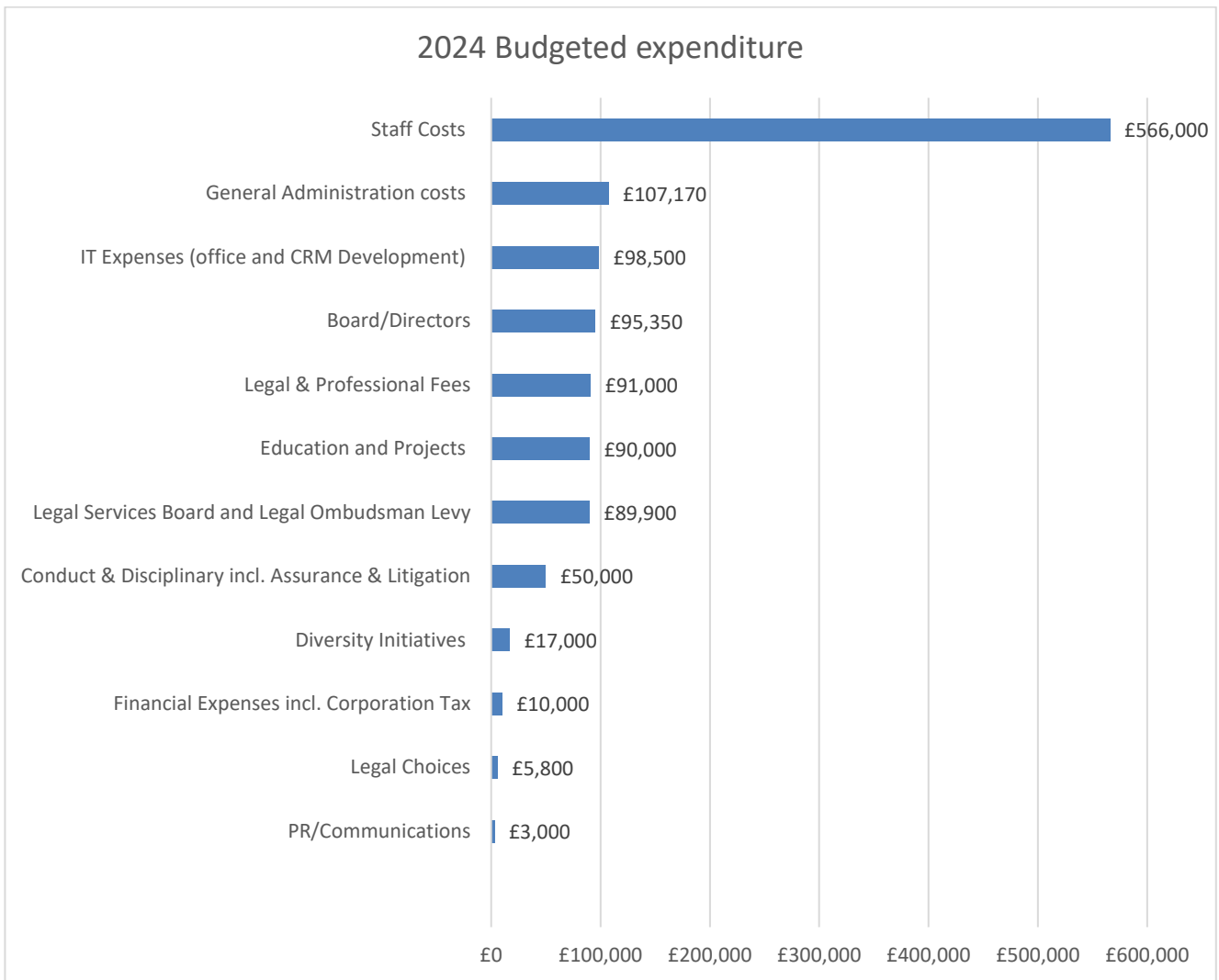
<sup>6</sup> For the avoidance of doubt, the committed Compensation Reserve remains at £100k but this may need to be increased if our review of the compensation scheme in the second half of 2023 indicates that the fund should be increased.

## Context – how the practising fees are spent

37. Each year, we publish an [Annual Report](#) that sets out what we have done and how we spend the practising fees and other income that we receive. The most recent information is for [2022](#). Most of our income comes from the practising fees paid by registrants. We also receive some income from applications for entry to the register(s) from alternative business structures. The chart below gives more detail about our sources of income in 2022:



The main expenditure from our budget in 2024 is expected to be:



These costs are explained below:

#### Staff Costs

Staff costs include salaries (projected increase of 5%), employer's National Insurance, staff benefits and pension costs.

#### General Administration Costs

This includes general office costs, licence and services. We have estimated a 5% increase in the licence fee and service charges for our office.

#### IT Expenses (office and CRM Development)

This is largely made up of costs relating to maintenance of Customer Relationship Management (CRM) system and the website redevelopment. Also included are costs to support and maintain the office IT platform and software licences.

## Board/Directors

Board members are also directors of The Intellectual Property Regulation Board Limited. Their remuneration has not increased since 2020. Also included is an estimate for travel and subsistence (grossed up and paid through payroll) to attend Board meetings in person and an estimate for the recruitment of two professional board members of £14,000.

## Legal and Professional Fees

This relates to costs for advice on areas such as audit and accountancy services and contracts, as well as costs such as insurance, Practical Law and Westlaw subscriptions and practising fees for the professionally qualified members of staff. Also included is the budgeted expenditure in relation to thematic reviews and the implementation of the PII Sandbox.

## Education & Projects

This includes Board Education Group member costs and expenses as well the costs associated with the development of different routes to patent attorney qualification, work on accreditations, updating the Accreditation Handbook and Competency Frameworks. We anticipate that this work will need significant input from external advisers, for example on the best approach to identify what should be included in the competency framework.

## Legal Services Board and Legal Ombudsman Levy

The LSB charges a levy on all legal regulators to cover its annual running costs. The levy is calculated with reference to the LSB's financial year which is 31 March. Each year, to assist the legal regulators with setting their budgets, the LSB provides an indicative levy for its current financial year. The levy is based on IPReg's proportion of the total number of regulated lawyers and the levy may change when the number of regulated lawyers is finalised in January 2024. At the point of writing this document, IPReg has not been given the indicative levy for 2023/2024. The LSB budget for 2023/2024 has increased by 9.1% and we have used this increase as the basis of our calculations. IPReg's budget covers the year to 31 December therefore the budgeted levy figure is made up of two levy years - the levy prorated to the end of March and an estimate of the next year's levy prorated to end of December. IPReg's 2024 Budget uses the 2022/2023 levy increased by 9.1% to estimate the levy to 31 March 2024 (2023/2024) and with a similar 9.1% increase to estimate the levy to 31 March 2025 (2024/2025). The levy paid to the Legal Ombudsman remains unchanged at the minimum £5,000.<sup>7</sup> No complaints have been received by the Ombudsman about IPReg-regulated attorneys since March 2020.

## Conduct & Disciplinary incl. Assurance and Litigation

This relates to external legal costs and internal costs associated with assurance and disciplinary matters and includes panellists' and Case Examiners' fees and expenses for attendance at hearings. While it is usually the case that hearings are conducted on the papers or remotely via videoconferencing, we have included a small amount of associated costs such as photocopying and room hire in the event a hearing needs to be conducted in person.

## Diversity Initiatives

IPReg has a statutory objective to encourage a diverse legal profession and accordingly supports initiatives aimed at promoting this objective. Also included is an estimated diversity research cost of £10,000. This work is supported by a reserve of £20,000.

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<sup>7</sup> The Legal Services Act 2007 (Levy) (No.2) (Amendment) Rules 2014

## Financial Expenses including Corporation Tax

This includes bank charges, card provider service charges and corporation tax on bank interest.

## Legal Choices

This is a funding instalment for the [Legal Choices website](#) (a joint project undertaken by all the legal regulators to provide consumers with information on legal services to help them make an informed decision).

The LSB's 2022 [Statement of Policy](#) on consumer empowerment states:<sup>8</sup>

*Regulators are expected to put in place an effective programme of activity to support the regulatory objective of increasing public understanding of the citizen's legal rights and duties. This should be with a particular focus on public legal education that supports people to understand where they have a legal problem and how to access the professional help they need to resolve it.*

*Regulators are expected to make meaningful contributions to cross-sector initiatives, such as Legal Choices, that are subject to appropriate mechanisms to ensure they are effective. Regulators should be able to demonstrate suitable investment, reach and impact of such initiatives following evaluation.*

## PR/Communications

This is in respect of any costs associated with increasing IPReg's public profile.

## **Raising additional income**

### Introducing an application fee for registered bodies

38. We do not currently charge an application fee to entities that are wholly owned and managed by lawyers (registered bodies). However, we do charge an application fee to entities that are not wholly owned and managed by lawyers (licensed bodies). Our experience is that the work involved in considering both types of application is similar and we are therefore proposing to make the application fees for registered and licensed bodies the same, with effect from 1 January 2024.<sup>9</sup> Using the proposed 2024 fee structure, this would be:
- a. Registered bodies through which only a single registered attorney provides services (employing no other registered attorneys or other professionals): £158;
  - b. Any other registered body: £404 + £81 for each attorney practising in the entity + £324 for each other professional practising in the entity).

If a charge had been levied in 2022, it would have generated almost £3,000 in additional fees. However, it is not possible to predict the level of fees that could be generated because IPReg does not know which entities will apply for admission to the registers.

## **Question 3 – what are your views on whether we should introduce an application fee for registered bodies?**

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<sup>8</sup> Paragraphs 14 and 15

<sup>9</sup> Our new Standard Operating Procedure (paragraph 33) enables us to make this change.

### Abolishing the fee waiver period for attorney and entity applications

39. Our custom and practice has been that applications for admission from attorneys and entities that are submitted between 1 November and 23 December<sup>10</sup> pay no fee, even though the process to admit them is the same as if they had applied earlier in the year. If applicants had been required to pay these fees in 2022, it would have generated £1,744 in additional fees, based on seven applications at 2023 rates. In 2021, there were 17 applications during that period, which would have meant over £4,000 in additional income. We acknowledge that this change may result in some applicants delaying their application until the start of the following year.

### **Question 4 – what are your views on whether we should abolish the waiver period?**

#### **Proposed 2024 fees**

40. IPReg is proposing to increase fees by 8% from their 2023 level. The IPReg Board considered carefully whether it would be possible to hold fees level, propose a smaller increase or reduce fees in 2024. However, the current level of inflation means that many of our costs have increased and will continue to do so. In addition, the Board considers that all the work outlined in the draft Business Plan is essential to ensure targeted and proportionate regulation of the IP sector. This means that overall, in the Board’s judgement, it would not be financially prudent to reduce fees, increase them by a smaller amount or keep them at 2023 levels.
41. The proposed budget makes the following assumptions:
- a. All Board meetings will be hybrid with most Board members attending in person;
  - b. There will be no increase in Board members’ fees for the fourth year running;
  - c. Consistent with our usual practice, the budget makes no estimate for other income from role-holder/licensed body/registered body applications and costs awards/fines from disciplinary cases because these are outside our control.
42. The Board has allocated £100,000 to its Compensation Fund Reserve (this is a committed reserve and should not be used for any other purpose). Full details of the reserves are at **Annex E** and the changes are set out at paragraph 36 of this document.

### **Question 5 - What are your views on the proposal to increase practising fees by 8%?**

### **Question 6 - What are your views on the proposed 2024 budget (Annex C)?**

### **Question 7 - Do you have any comments on the draft Practising Fee Regulations at Annex F?**

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<sup>10</sup> The IPReg office shuts between Christmas and New Year and so there are no admissions during that period.



## **All consultation questions**

Question 1 - What are your views on the proposed Business Plan?

Question 2 - Do you have any evidence of the impact that each of these proposals will have on different categories of individuals or firms? In particular, do you have any evidence of the potential impact on the diversity of the profession? Do you have any comments on the Equality Impact Assessment at Annex B?

Question 3 - what are your views on whether we should introduce an application fee for registered bodies?

Question 4 - what are your views on whether we should abolish the waiver period (1 November – 23 December)?

Question 5 -What are your views on the proposal to increase practising fees by 8%?

Question 6 - What are your views on the proposed 2024 budget at Annex C?

Question 7 - Do you have any comments on the draft Practising Fee Regulations at Annex F? These have been redrafted so that they are consistent with the new regulatory arrangements.

**Proposed 2024 Fees**

Proposed % increase

8%

Attorneys/Individuals	2023 Fees		Proposed 2024 Fees	
	Single register	Both registers	Single register	Both registers
Registered attorney solely undertaking corporate work	£188	£300	£203	£324
Registered attorney in private practice	£228	£374	£246	£404
Registered attorney not in active practice	£171	£273	£185	£295
Registered attorney practising as a sole trader attorney not employing other registered attorneys or other professionals	£374	£534	£404	£577
Registered attorney practising as a sole trader and employing other registered attorneys or other professionals :	£374	£534	£404	£577
employing other registered attorneys - add fee per attorney	£75	£75	£81	£81
employing other professionals - add fee per professional	£300	£300	£324	£324

Registered Bodies and Licensed Bodies	2023 Fees	Proposed 2024 Fees
	Single or both registers	Single or both registers
Registered bodies through which only a single registered attorney provides services (employing no other registered attorneys or other professionals)	£146	£158
Any other registered body or licensed body		
Base Fee	£374	£404
add fee per registered attorney	£75	£81
add fee per other professional	£300	£324
practising via the registered or licensed body		

ANNEX B

**Draft equality impact assessment**

Results from the IPReg 2021 diversity survey are on our website [here](#).

The LSB’s diversity dashboard which compares data from all the regulators is on its website [here](#).

Protected Characteristic Group	Is there a potential for positive or negative impact	Please explain and give examples of any evidence/consultation/data used	Action to address negative impact (e.g. adjustment to the policy)
Disability	Unknown	Our diversity survey indicates that there are very few attorneys who consider that they have a disability. In the survey, 4.43% of attorneys considered that they had a disability and 2.26% were not sure.	The level of reporting of disability was below the benchmark that the LSB has identified (15%) so there may be under-reporting (in common with other sectors of the legal services market). We recognise that the number (or proportion) of disabled people is not relevant to the question of whether, and to what extent, those people could be disadvantaged. The fee waiver provisions may help to alleviate hardship.
Gender reassignment	Unknown	Data for this characteristic is very limited and so we are unable to draw any conclusions from it.	N/A
Marriage or civil partnership	Unknown	IPReg has taken a targeted and proportionate approach to its initial diversity data gathering and does not yet collect data on this characteristic.	N/A
Pregnancy and maternity	No	Anyone on maternity leave can apply to IPReg to be put in the “not in active practice” category with an associated reduction on practising fees (although the fees are not reimbursed if the change occurs mid-year)	This policy will remain in place. We also accept applications for moving to the “not in active practice” category from attorneys who are on adoption or parental leave.

## ANNEX B

Protected Characteristic Group	Is there a potential for positive or negative impact	Please explain and give examples of any evidence/consultation/data used	Action to address negative impact (e.g. adjustment to the policy)
Race	No	<p>Supplementary analysis of our diversity survey shows that there are proportionately more (8%) Asian attorneys compared to the LSB benchmark (5%). Black attorneys appear to be under-represented (1%) compared to the LSB benchmark (3%).</p> <p>However, for Black registrants, there is significant divergence between the patent (0%) and trade mark (5%) professions.</p>	N/A
Religion or belief	No	<p>Our diversity survey showed that 42% of attorneys said that they did not have a religion; this is higher than the LSB benchmark (38%). In addition, 14% said that they are an atheist (no LSB benchmark data available). Attorneys who are Christians make up a smaller percentage (34%) than the benchmark (52%). Other religions are under-represented compared to the LSB benchmarks.</p>	N/A

## ANNEX B

Protected Characteristic Group	Is there a potential for positive or negative impact	Please explain and give examples of any evidence/consultation/data used	Action to address negative impact (e.g. adjustment to the policy)
Sexual orientation	Unknown	Data for this characteristic is very limited and so we are unable to draw any conclusions from it.	N/A
Sex (gender)	No	There is a significant difference between the number of women trade mark attorneys (68%) compared to patent attorneys (38%); LSB benchmark: 47%. The professions' senior ranks reflect a higher (59%/40%) male/female ratio than the average for the professions as a whole (48%/42%).	Middle and junior level attorneys show proportionately higher numbers of women than men. No targeted action is required but it is important to note that all attorneys can apply to IPReg to be moved to the "not in active practice" category.
Age	No	The age profile of attorneys who are aged 55-64 and 65+ and are on both registers is slightly higher (34% and 22%) than those who are only on one register (patent attorneys:10% and 2%; trade mark attorneys: 12% and 4%). However the sample size for both registers is small (~8.5%)	The number of attorneys on both registers is low: 7.8% and mainly represents an historic grandfathering policy. Numbers are decreasing over time as it is no longer common practice to be dual-qualified.

ANNEX B

Question	Explanation / justification	
<p>Is it possible that the proposed level of PCF could discriminate or unfairly disadvantage members of the regulated community?</p>	<p>Prior to consultation, we have not identified any evidence that the level of the fee or the proposal to increase it could discriminate against or unfairly disadvantage attorneys with protected characteristics.</p> <p>As part of the consultation on the level of 2024 practising fees we are asking respondents if they have any comments on this equality impact assessment.</p>	
Final Decision	Tick the relevant box	Include any explanation / justification required
<p>No barriers identified.</p>		
<p>Bias towards one or more groups</p>		
<p>Adapted practising fee to eliminate bias</p>		
<p>Barriers or impact identified but having considered all options carefully, there appear to be no other proportionate ways to achieve the policy aims in the programme of activity but by charging this level of practising fee.</p>		

**2024 BUDGET - DRAFT**

	Note	<u>2024 Budget - Draft</u>		<u>2023 Budget comparative</u>	
		£	£	£	£
<b>PROJECTED INCOME</b>	<i>a.</i>		<b>1,249,331</b>		<b>1,106,462</b>
<b>PROJECTED EXPENDITURE</b>					
<b>LEGAL SERVICES BOARD AND LEGAL OMBUDSMAN</b>	<i>b.</i>		89,900		82,100
<b>PROJECTED OPERATIONAL EXPENDITURE</b>					
Board/Directors	<i>c.</i>		95,350		89,700
Conduct & Disciplinary incl. Assurance & Litigation	<i>d.</i>		50,000		42,500
Corporation Tax			3,000		150
Diversity Initiatives	<i>e.</i>		17,000		17,000
Education & Projects	<i>f.</i>		90,000		5,000
Financial Expenses			7,000		7,000
General Administration Expenses	<i>g.</i>		107,170		105,170
IT Support (office and website)	<i>h.</i>		98,500		87,500
Legal & Professional	<i>i.</i>		91,000		100,000
Legal Choices	<i>j.</i>		5,800		5,800
PR/Communications			3,000		3,000
Staff Costs	<i>k.</i>		566,000		577,910
<b>TOTAL PROJECTED EXPENDITURE</b>			<b>1,223,720</b>		<b>1,122,830</b>
<b>PROJECTED OPERATING BALANCE</b>			<b>£25,611</b>		<b>-£16,368</b>

See notes overleaf

**2024 BUDGET - DRAFT**

Notes:

**a. Projected Income**

	<b>2024 Budget - Draft</b>		<b>2023 Budget comparative</b>	
	£	£	£	£
Budgeted Practice Fees - Attorneys & Entities		1,249,331		1,106,462
Other Income		0		0
		<u>1,249,331</u>		<u>1,106,462</u>

Budgeted Practice Fee Income for 2024 - based on a fee increase of 8% applied to the estimate of the final practice fee income for 2023 and also a provision for attorney admissions reduced by an estimate for voluntary removals/removals in 2024.

Other Income - no estimate has been made for other income from bank interest and as per our usual practice, from role holder/licensed body applications and costs awards/fines from disciplinary cases as these are outside our control.

**b. Legal Services Board and Legal Ombudsman**

	<b>2024 Budget - Draft</b>		<b>2023 Budget comparative</b>	
	£	£	£	£
LSB Levy		84,900		77,100
LeO/OLC Levy		5,000		5,000
		<u>89,900</u>		<u>82,100</u>

The LSB year end is 31 March, therefore the budget is made up of 2 levy years. The 2024 budget figure has been calculated by prorating the estimated levy for 2023/2024 (based 2022/2023 levy with an increase of 9.1% to reflect the LSB Budget increase of the same amount) and taking a prorated proportion of an estimated levy for 2024/2025 with a similar increase.

**c. Board/Directors**

	<b>2024 Budget - Draft</b>		<b>2023 Budget comparative</b>	
	£	£	£	£
Replacement of Board Members		14,000		5,000
Remuneration		67,100		67,100
Travel & Subsistence		10,500		13,400
Employer's National Insurance		3,750		4,200
		<u>95,350</u>		<u>89,700</u>

Board members are also directors of The Intellectual Property Regulation Board Limited.

Board Fees - remain at the same level as 2020.

Travel & subsistence - an estimate for travel and subsistence (grossed up and paid through payroll) to attend all board meetings in person is shown separately and not part of Directors Remuneration for transparency.

**d. Conduct & Disciplinary incl. Assurance & Litigation**

	<b>2024 Budget - Draft</b>		<b>2023 Budget comparative</b>	
	£	£	£	£
External Legal Costs and Hearing Costs		50,000		35,000
Recruitment/training of panel members		0		7,500
		<u>50,000</u>		<u>42,500</u>

Recruitment & Training of additional Professional Disciplinary Panel members.



**2024 BUDGET - DRAFT**

Notes (continued):

**e. Diversity Initiatives**

	<b>2024 Budget - Draft</b>		<b>2023 Budget comparative</b>	
	£	£	£	£
Donations		7,000		7,000
Diversity research		10,000		10,000
		<u>17,000</u>		<u>17,000</u>

**f. Education**

The budget also includes an estimate of £85,000 in respect of the work to consider the regulatory policy issues regarding the development of different routes to qualification particularly for the patent attorney qualification, accreditations, review of the Accreditation Handbook and review of the Competency Frameworks.

**g. General Administration Expenses**

	<b>2024 Budget - Draft</b>		<b>2023 Budget comparative</b>	
	£	£	£	£
Licence & Services		82,170		82,170
Other Office Costs		25,000		23,000
		<u>107,170</u>		<u>105,170</u>

Licence & Services - this is based on the same office space with a provision for a 5% increase when the licence and services agreement expires at end of March 2024.

**h. IT Support (office and website)**

	<b>2024 Budget - Draft</b>		<b>2023 Budget comparative</b>	
	£	£	£	£
Support		13,500		13,500
CRM - operational		15,000		14,000
CRM - website redevelopment & enhancements		70,000		60,000
		<u>98,500</u>		<u>87,500</u>

CRM - website redevelopment & enhancements - estimated expenditure in respect of the website redevelopment & enhancements arising from the regulatory arrangements review.

**i. Legal & Professional**

	<b>2024 Budget - Draft</b>		<b>2023 Budget comparative</b>	
	£	£	£	£
Legal & Professional Costs		26,000		20,000
Actuarial and Legal Costs in respect of Compensation Fund		10,000		30,000
Statistical Sampling in relation to Thematic Reviews		15,000		0
Costs associated with the implementation of PII Sandbox		10,000		0
Transparency Thematic Reviews		30,000		0
Recruitment for case examiners and other associated fees		0		20,000
Review of Regulatory Arrangements		0		30,000
		<u>91,000</u>		<u>100,000</u>

**2024 BUDGET - DRAFT**

Notes (continued):

*j.* **Legal Choices** - budgeted at the same level as 2022.

***k.* Staff Costs**

	<u>2024 Budget - Draft</u>		<u>2023 Budget comparative</u>	
	£	£	£	£
CEO		96,600		88,410
Regulatory Officers		300,600		321,700
Administrative Staff		84,350		77,250
Employer's National Insurance		56,450		62,400
Pension Costs		12,000		13,150
Staff Benefits		11,000		10,000
Staff development and training		5,000		5,000
		<u>566,000</u>		<u>577,910</u>

Staff costs - the 2024 budget has a projected increase of 5% for current IPReg staff salaries. The 2023 Budget anticipated a 5% increase for staff. The IPReg Board decided in January 2023 that, given the then rate of inflation, staff salaries should increase by 9.3%.

The Board has committed to utilising Reserves to offset against an operating deficit if required.

## Reserves Policy

1. There is no statutory requirement to hold reserves or to ring-fence reserves for specific purposes. We consider that it is financially prudent to hold reserves for the following purposes:
  - a. to cushion against unexpected or exceptional increases in costs;
  - b. financing specific project commitments including capital and systems expenditure to promote the regulatory objectives and fulfil our regulatory functions;
  - c. alleviating any short-term pressure on the level of practising fee or fluctuations in the level of fees year on year;
  - d. ensuring sufficient funds to support regulatory and disciplinary actions;
  - e. covering costs of up to 3 months if we were unable to collect practising fees, for example as a result of an IT system failure.
2. Reserves are considered by the Board annually when the operating balance for the preceding financial year is identified. Decisions about the transfer of part or all of specific reserve(s) to or from the income and expenditure account will be considered and made by the Board at this meeting.
3. Additionally, the Board will review the level of financial risk that IPReg faces, using information available on its risk register and the results of the audit of its accounts for the preceding year. As a result of this review, project-related or allocated costs reserves may be adjusted or reallocated to other or new reserves.

### Compensation Fund Reserve

4. In 2021, IPReg had to establish a Compensation Fund Reserve to comply with its statutory requirement to have appropriate compensation arrangements in place. This was previously met through a bespoke insurance policy which was withdrawn by the provider and no replacement policy can be found.
5. The Legal Services Board requires all regulators to identify “committed reserves” and IPReg considers that the Compensation Fund Reserve falls into this category. As such, points 2 and 3 do not apply to the Compensation Fund Reserve.
6. Basis of Claims: The compensation fund is a ‘claims made’ fund (replicating the terms of the previous insurance policy), i.e. it covers claims notified in the ‘contribution year’, irrespective of when the dishonesty occurred (because dishonesty may not be discovered until several years after the dishonest event occurred).
7. Funding Basis: The actuarial assessment is a (prudent) expected claims cost of £30k pa. Thus each year’s P&L (opex budget) will be charged £30k. In addition, for additional prudence, the fund will be fully funded on Day 1 for a maximum pay-out in Year 1 (£100k). This means an additional transfer from Reserves of c£70k in Year 1. If no claims are notified in Year 1, and the maximum pay-out in Year 2 remains £100k. This £30k opex cost in Year 2 will enable £30k of the additional transfer to be returned to Reserves. An actuarial review is planned by the end of Year 2 to determine if the claims experience warrants continuing to hold the maximum annual pay-out of £100k.

## ANNEX D

8. Funding Principles/third party oversight: Initial funding principles for the first 2 years for the new fund will be to ring-fence funds no less than the actuary's assessment of the risk of claims emerging from incidents at each future actuarial review assessment date, bearing in mind, as above, that dishonesty may not be discovered until several years later.
9. Fund Management/third party oversight: the Compensation Fund Reserve will be held in a separate bank account. No withdrawals will be made without actuarial and legal approval (e.g. to pay claims).
10. Fund Investment/third party oversight: IPReg's Compensation Arrangements Rules 2021 give it the power to invest and borrow against the Compensation Fund. However, initially (i.e. for Year 1 and Year 2) the Fund will be invested in cash until next actuarial review and no borrowing/investing will take place without actuarial and legal advice on the impact on claimant security.

September 2021

**RESERVES AS AT 30 JUNE 2023**

Please note: the Operating surplus for the 6 months ended 30 June 2023 is a draft figure and is unaudited

	Note	£	£	Adjustments *	Adjusted Reserves
<b>COMMITTED RESERVES</b>					
Compensation Fund Reserve			<b>100,000</b>		<b>100,000</b>
<b>UNCOMMITTED RESERVES</b>					
Board & Chairman Appointments/Communications Reserve	1		<b>10,000</b>	-10,000	<b>0</b>
General Contingency Reserve	2,3		<b>200,000</b>	70,000	<b>270,000</b>
Assurance Disciplinary & Litigation Reserve			<b>210,000</b>		<b>210,000</b>
Funding Diversity Initiatives Reserve			<b>20,000</b>		<b>20,000</b>
Regulatory Review Reserve	2		<b>50,000</b>	-50,000	<b>0</b>
Disciplinary Panel Recruitment & Training Reserve	1		<b>15,000</b>	-15,000	<b>0</b>
Research Reserve	1		<b>25,000</b>	-25,000	<b>0</b>
IT/Website Reserve			<b>60,000</b>		<b>60,000</b>
Governance Reserve	1		<b>16,000</b>	-16,000	<b>0</b>
General Operational & Research Reserve	1,3		<b>0</b>	76,000	<b>76,000</b>
Income & Expenditure Account					
Brought forward at 1-1-2023		<b>35,947</b>			
Operating surplus for the 6 months ended 30 June 2023		<b>650,793</b>			
	2,3		<b>686,740</b>	-30,000	<b>656,740</b>
			<b>£1,392,740</b>		<b>£1,392,740</b>

The Board approved the following adjustments to the Reserves at the 13 July 2023 meeting:

- <sup>1</sup> To close the Board & Appointments/Communications Reserve, Disciplinary Panel Recruitment & Training Reserve, Research Reserve and Governance Reserve and to amalgamate the balances into a new Reserve called the General Operational and Research Reserve.
- <sup>2</sup> To transfer £50,000 from the Regulatory Review Reserve to the General Contingency Reserve.
- <sup>3</sup> To transfer £30,000 from the Income & Expenditure Account to the General Contingency Reserve (£20,000) and General Operational and Research Reserve (£10,000).

[See our Reserves Policy](#)

### IPReg Practice Fee Regulations 2023

These regulations set out *IPReg's* requirements in relation to practice fees payable by *registered persons* on entry to the *register(s)* and on annual renewal of registration to the *register(s)*. They also set out the penalty fees that *IPReg* will apply in the event that a *registered attorney* fails to renew their registration by the *prescribed* date, and the penalty fee that *IPReg* may direct to be payable by an individual applicant seeking restoration to the *register(s)* following removal for failure to renew registration.

These regulations relate to provisions set out at Chapter 3 of *IPReg's* Core Regulatory Framework, and associated requirements set out in *IPReg's* Standard Operating Procedure in respect of admission and authorisation, and Chapter 6 of the Core Regulatory Framework, and associated requirements set out in the Standard Operating Procedure in respect of applications to waive the practice fees set out in these regulations.

#### **Registered attorneys: entry onto the register and annual renewal of registration**

1. The *prescribed* practice fee for:
  - a. Applicants seeking entry onto the *register(s)* in accordance with 1.3 of Chapter 3 of the Core Regulatory Framework and paragraph 2 of the part of the *IPReg* Standard Operating Procedure relating to admission and authorisation requirements; and
  - b. *Registered attorneys* seeking renewal of their annual registration in accordance with 4.1 of Chapter 3 of the Core Regulatory Framework and paragraph 73 of the part of the *IPReg* Standard Operating Procedure relating to admission and authorisation requirements,

shall be in accordance with Table 1 below.

Table 1: *Registered attorneys*: practice fees for entry onto the relevant *register(s)* or annual renewal of registration

	For entry onto a single <i>register</i> , or renewal of registration for, a single <i>register</i>	For entry onto both <i>registers</i> , or renewal of registration for, both <i>registers</i>
<i>Registered attorney</i> solely undertaking corporate work	£203	£324
<i>Registered attorney</i> in private practice	£246	£404

<i>Registered attorney</i> not in active practice	£185	£295
<i>Registered attorney</i> practising as a sole trader and not employing other <i>registered attorneys</i> or other professionals *	£404	£577
<i>Registered attorney</i> practising as a sole trader and employing other <i>registered attorneys</i> or other professionals *	£404 + £81 for each registered attorney employed by the sole trader + £324 for each other professional employed by the sole trader	£577 + £81 for each registered attorney employed by the sole trader + £324 for each other professional employed by the sole trader

\* For the purposes of these Regulations, “other professional” shall mean a *manager* or *employee* based in the UK who is: (i) not a *registered attorney* but holds the qualifications necessary for registration; (ii) a qualified European patent and/or trade mark attorney; (iii) a barrister of England and Wales; or (iv) a solicitor of England and Wales.

#### **Registered attorneys: penalty fee for failure to renew registration by the prescribed date**

2. In accordance with 4.1 and 4.2 of Chapter 3 of the Core Regulatory Framework, and paragraphs 73 to 80, inclusive, of the part of the *IPReg* Standard Operating Procedure relating to admission and authorisation requirements, the penalty fee that will apply to *registered attorneys* who have not renewed their registration before the *prescribed* date in each year, shall be equal to 50% of the corresponding practising fee for entry on to or renewal for the *register(s)* in accordance with Table 1, up to a maximum penalty fee of £250.
3. In accordance with 5.3.7 of Chapter 3 of the Core Regulatory Framework and paragraph 98 of the part of the *IPReg* Standard Operating Procedure relating to admission and authorisation requirements, the penalty fee that *IPReg* may direct an individual applicant who is seeking restoration to the *register* following removal for failure to renew registration to pay, shall be equal to 50% of the corresponding practising fee for entry on to or renewal for the *register(s)* in accordance with Table 1, up to a maximum penalty fee of £250.

#### **Registered attorneys: waivers in respect of practising fees**

4. In accordance with 2 of Chapter 6 of the Core Regulatory Framework and associated requirements set out in the part of the *IPReg* Standard Operating Procedure relating to

waivers, a *registered attorney* may apply to *IPReg* for all or part of their relevant practice fees as set out in Table 1 to be waived.

5. Waivers in respect of practice fees will only be granted where the *registered attorney* provides evidence of hardship.
6. A *registered attorney* whose practice fee is waived under this regulation will remain on the *register(s)* and must continue to comply with *IPReg's regulatory arrangements*, including, but not limited to, the requirement set out in 3.10 and 3.11 of the Code of Conduct in Chapter 2 of the Core Regulatory Framework, to take out and maintain a policy of Professional Indemnity Insurance and, where necessary, run-off cover insurance.
7. A *registered attorney* who has had their practice fee waived under this regulation must notify *IPReg* within 14 days of a change in their circumstances, such as an increase in income, becoming employed or resuming trading. In such event, their full practising fee will become payable to *IPReg* within 28 days of their notification to *IPReg* of their change in circumstances.

***Registered and licensed bodies: entry onto the register(s) and annual renewal of registration***

8. Subject to Regulation 5, the *prescribed* practice fee for:
  - a. Applicants seeking entry onto the *register(s)* in accordance with 2.1 of Chapter 3 of the Core Regulatory Framework and paragraph 33 of the part of the *IPReg* Standard Operating Procedure relating to admission and authorisation requirements; and
  - b. *Registered and licensed bodies* seeking to renew their annual registration in accordance with 4.1 of Chapter 3 of the Core Regulatory Framework and paragraph 73 of the part of the *IPReg* Standard Operating Procedure relating to admission and authorisation requirements,

shall be in accordance with Table 2 below.

Table 2: *Registered and licensed bodies* practice fees for entry onto the *register(s)* or annual renewal of registration

	For entry onto either or both <i>register(s)</i> , or renewal of registration
<i>Registered bodies</i> through which only a single <i>registered attorney</i> provides services (employing no other <i>registered attorneys</i> or other professionals) *	£158



Any other <i>registered and licensed bodies</i>	£404 + £81 for each <i>registered attorney</i> practising via the <i>registered or licensed body</i> + £324 for each other professional practising via the <i>registered or licensed body</i> *
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\* For the purposes of these Regulations, “other professional” shall mean a *manager or employee* based in the *UK* who is: (i) not a *registered attorney* but holds the qualifications necessary for registration; (ii) a qualified European patent and/or trade mark attorney; (iii) a barrister of England and Wales; or (iv) a solicitor of England and Wales.

9. *Registered bodies and licensed bodies* will be subject to an application fee for entry onto a single or both *register(s)*, which shall be equal and in addition to the relevant practice fee payable.

#### **Commencement provisions**

10. The fees set out in these regulations shall apply from 1<sup>st</sup> January 2024 until further amended or substituted by further regulation.

#### **Supplemental notes**

These Regulations are made under section 275A of the Copyright Designs and Patents Act 1988 and section 83A of the Trade Marks Act 1994, respectively (pursuant to sections 185 and 184 of the Legal Services Act 2007) and section 21 of the Legal Services Act 2007.