

The Intellectual Property Regulation Board

Consultation

2021 Business Plan, Budget and Practising Fees

8 September 2020

This consultation closes at 5pm on 6 October 2020

Introduction

1. This consultation asks for your views on our proposals for:
 - a. no increase in practising fees for 2021;
 - b. guidance on the circumstances in which practising fees can be waived for attorneys who are facing hardship as a result of the Covid-19 pandemic;
 - c. increasing (for the first time since 2009), the late payment penalty that can be charged for re-instatement to the register after removal for non-payment of fees. The fee is currently 50% of the practising fee due up to a maximum of £125 and we are proposing to increase the maximum to £250; and
 - d. our revised Business Plan for 2021/22.
2. If you have any comments on the Business Plan, budget or practising fees, please send them to: info@ipreg.org.uk by **5pm on 6 October 2020**.

Context

3. We have completed two of the three priority projects that we set out in our previous business plan. In autumn 2019, our new Customer Relationship Management (CRM) system went live in time for the 2020 annual re-registration process. In December 2019, we moved to a new, serviced office in a building that has more suitable facilities and much better accessibility.
4. Our other priority project was to launch a review of our regulatory arrangements. This has been postponed due to the Covid-19 pandemic but will be launched in autumn this year. The uncertainty created by the pandemic, together with the potential impact of the end of the Brexit transitional period (on trade mark attorneys in particular) means that we are not proposing to undertake any other new areas of work over the next 2 years.
5. The new CRM system has enabled much more efficient working for the IPReg team and an overall reduction in risk for IPReg. Examples are: we now have one source (the CRM system) for all correspondence with registrants; we can send targeted bulk emails to defined categories of registrant; the application process for individuals to be admitted to the registers is now online with the process for bodies and approved role holders to be launched shortly (the previous system was paper-based); we no longer need to have a temporary member of staff for 2-3 months to help with the fee collection process; the online payment system is easier to use for registrants and their employers; we are able to produce bespoke management reports; the work flow processes for annual renewal prevent attorneys from renewing registration without compliant insurance or a compliant CPD declaration.
6. In addition, while we have all been working from home due to the pandemic, the new CRM system means that we can access information about our registrants online. This means that we are able to respond to queries and process applications on the same timescales as when we were in the office and we have avoided significant disruption. This would not have been possible on our previous system.

Proposed 2021 budget

7. [The draft 2021 budget](#) (and comparison with the 2020 budget) that we have published alongside this document is based on keeping the 2021 fees at the same level as 2020. This should be read alongside our [Reserves Policy](#) and our [2020 Reserves](#).
8. We considered carefully whether it would be possible to reduce fees. We are proposing this budget at a time of considerable uncertainty for the IP profession. Our registrants are facing both the impact of the Covid pandemic and the potential effects of Brexit; and as a result we believe the right thing to do is to hold fees level, and not to seek any increase. We did consider carefully whether it would be possible to reduce fees for 2021; but we have taken the view that it will be important to avoid any large increase in fees subsequently, for 2022, if registrant numbers were to fall significantly; and as a result we believe the prudent approach is to hold fees level in 2021.
9. A number of factors influenced our decision to propose holding fees at their current level (a decrease in real terms):
 - a. there is still a significant amount of work for a small organisation of seven part time staff and we need to ensure that we are properly financed;
 - b. there has been an increase in complaints about registered attorneys. In 2017 we received six complaints, in 2018 we received 14 complaints, 2019 we received 15 complaints and so far in 2020 we have received or instigated 11 (with 10 cases currently under investigation). Investigating these requires funding to an appropriate level so that the investigation is not unduly delayed (which could lead to an adverse impact on consumer protection);
 - c. as we said in our consultation on the 2020 practising fees, we plan to recruit another member of staff who could take over many of the more routine tasks that the regulatory officers currently undertake, freeing them up to focus on our priorities and especially the work to review and reform our regulations and procedures. Recruitment has been postponed due to the pandemic but we intend to start recruitment as soon as possible in 2021;
 - d. it is unclear what the impact of Brexit will be, particularly on trade mark attorneys – any significant reduction in the number of registrants would have a detrimental impact on our income in future;
 - e. the impact of Covid-19 on the profession is unclear – we do not know if there will be a significant decrease in attorney/firm numbers. We are proposing some measures to alleviate hardship for those worst affected financially (see paragraph 11) and this may impact our overall income depending on the number of attorneys who need this measure.
10. The proposed budget makes the following assumptions and cost-reduction measures:

- a. there will be a 5% reduction in attorney numbers as a result of the Covid-19 pandemic and the end of the Brexit transitional period (the latter may impact particularly on trade mark attorneys);
- b. we will only have two face to face Board meetings and will hold the remainder online. This will reduce costs for travel and subsistence and room hire;
- c. there will be no increase in Directors' fees;
- d. we will delay recruitment of the new regulatory policy officer until mid-2021 (which is when we expect a significant increase in the volume of work on the regulatory arrangements review), thereby reducing associated employers' costs;
- e. Corporation Tax will fall to £150 (from £600);
- f. we will use significant levels (£53,850) of reserves:
 - Legal Choices website £4,850;
 - Conduct and Disciplinary - recruitment and training of disciplinary panel members and training of Board members £15,000;
 - Diversity Initiatives £7,000;
 - Communication Reserve - PR/ Communication £3,000;
 - Projects – external legal support for review of regulatory arrangements £24,000.

Question 1. What are your views on the proposal to keep practising fees at the 2020 level?

Financial hardship caused by the pandemic

11. We recognise that some attorneys may be experiencing financial hardship if they have been made redundant as a result of the pandemic. We understand that remaining on the registers may be a significant advantage to those attorneys in finding a new job. We are therefore proposing that for these attorneys, the IPReg Chief Executive will have the discretion to waive the practising fee whilst the attorney remains on the register in the “not in active practice” category.
12. In order for the Chief Executive to decide whether to waive the fee, we are proposing that the attorney must provide proof of:
 - a. hardship, for example a letter of redundancy from their former employer stating that the reason for redundancy was the pandemic; and
 - b. receipt of one or more means-tested benefits. This will show that the attorney has savings below the threshold for State benefits.

13. We recognise that it may be more difficult for attorneys who have been self-employed to get State benefits, Therefore if the registrant was a sole trader or a sole practitioner firm, we will need proof that:
- they have either suspended trading or closed their business as a result of the pandemic;
 - if they have suspended trading, they have maintained appropriate PII ;
 - if they have ceased trading, they have put run-off cover in place or transferred all their clients to another firm which has included them in its own PII; and
 - if not in receipt of any benefits, their savings are below the [threshold](#) for any State benefits (£16k).
14. The attorney would be on the register in the “not in active practice” category. If the attorney finds another job during 2021 (or before, if the fee is paid in 2020), they must notify IPReg within 14 days of starting their job and the full fee appropriate to their new category of work must be paid within 28 days of that notification. This is a change from our usual approach whereby there is no additional fee or refund of fee if an attorney’s category changes during the year. We consider that this change is necessary in order to ensure that the waiver system for Covid-19 hardship cases is not open to abuse by attorneys applying for a waiver and then quickly finding employment and changing category. For the avoidance of doubt, attorneys who are not in active practice and whose fee has **not** been waived will **not** have to pay an additional fee if their status changes during 2021.

Question 2. What are your views on the proposal to waive fees for individual attorneys who are facing hardship as a direct result of the pandemic?

Question 3. Do you have any comments on the approach to waiving fees? Have we identified the right requirements for proof of hardship? If not, please make suggestions as to what these should be?

Question 4. What are your views on the proposed requirement that full fees should be paid if an attorney who has had their fee waived is employed again?

Increasing the late payment fee

15. Registrants usually have at least 10 weeks to pay their fees - we usually open fee collection by mid-December and suspensions do not take place until 1 March. During this time, attorneys will receive a number of reminders to pay. Nevertheless, each year, IPReg staff spend a significant amount of time chasing attorneys who have not paid their fees. In 2020, we suspended 73 attorneys for non-payment. Most of these were in the ‘not in active practice’ category and nine were in the sole trader fee paying category. We received £4,216 in late payment fees from 42 registrants; 10 of these were at the full rate of £125
16. Since 2009, the late payment fee has been set at 50% of the corresponding fee to be entered into or remain on the registers up to a maximum of £125. We consider that it would

be appropriate to increase the late payment fee that we can charge to reinstate attorneys who have been removed from the register in order to incentivise more registrants to pay on time. If a late payment fee of £250 had been charged in 2020, IPReg would have received an additional £567.

17. We consider that it would be appropriate to increase the maximum to £250. This fee will not be payable by anyone who pays the required practising fee before 1 March and the Chief Executive retains the discretion to waive the fee if she considers it is appropriate to do so.

Question 5. What are your views on the proposal to increase the maximum late payment fee to £250?

Question 6. 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?

Proposed 2021 practising fees

18. Changes to the drafting of the Practising Fee Regulations are set out in Annex A. The practising fees in 2021 would be:

Individual and entity fees

	Proposed fee - 2021 single register	Proposed fee - 2021 both registers
Attorney solely undertaking corporate work	£177	£283
Attorney in private practice	£215	£353
Attorney not in active practice	£161	£258
Sole trader attorney not employing other attorneys or professionals	£353	£504

Sole trader attorney employing other attorneys or professionals	£353 + £71 for each attorney employed by the sole trader attorney + £283 for each other professional employed by the sole trader attorney	£504 + £71 for each attorney employed by the sole trader attorney + £283 for each other professional employed by the sole trader attorney
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Registered bodies (this includes ABS and non-ABS firms)

	Proposed 2021 fees
Registered body through which only a single attorney and no other attorneys or other professionals provide services	£138
Any other registered body	£353 + £71 for each attorney practising via the registered body + £283 for each other professional practising via the registered body

Context – how the practising fees are spent

19. 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 [2019](#). Most of our income comes from the practising fees paid by registrants. We also receive some income from applications from alternative business structures. The chart below gives more detail about our sources of income in 2019:

Staff Costs

Staff costs include salaries, directors' remuneration, employer's National Insurance, staff benefits and pension costs.

IT Expenses

The development of the new CRM system in 2019 was supported by a reserve of £122,864. We have kept some of this reserve to fund additional development of the system during 2020/21 including the changes required to waive fees in the case of hardship caused by the pandemic. Additionally, costs shown include those to support and maintain our IT platform and software licences.

General Administration Costs incl. Rent and Services

This includes general office costs, rent, rates and service charges.

Legal Services Board and Legal Ombudsman Levy

In common with other legal regulators, IPReg pays a "levy" to cover the costs of the [Legal Services Board \(LSB\)](#) the body with statutory oversight of the legal regulators. The levy is based on IPReg's proportion of the total number of regulated lawyers, not just the number of patent and trade mark attorneys.

Additionally, the running costs of the [Legal Ombudsman](#) are met by regulated lawyers using a three-year reference period ending 31 March to calculate the average number of complaints made to the Ombudsman. Each regulator contributes a minimum of £5,000 unless there were 10 complaints or more in the rolling three-year period in which case the cost increases. IPReg's contribution is the £5000 minimum.

Conduct & Disciplinary incl. Assurance and Litigation

This relates to external legal costs and internal costs associated with assurance and disciplinary matters and includes Board member fees and expenses for committee hearings and associated costs such as photocopying and room hire.

Compensation Policy Insurance Premium

IPReg maintains an insurance policy under which grants may be made to compensate consumers for losses or hardship suffered due to a registered attorney or an employee/manager of a registered firm, either as a result of fraud or other dishonesty, or a fraudulent or dishonest failure to account for money. This policy is maintained as these type of losses are typically not covered by the professional indemnity insurance which the registered attorney and registered firms are required to have in place.

Legal and Professional Fees

This relates to costs for legal advice on areas such as audit and accountancy services and contracts, as well as costs such as insurance, Practical Law and Westlaw subscriptions. Practising fees for the professionally qualified members of staff are also included here.

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).

Diversity Initiatives

IPReg has a statutory objective to promote a diverse legal profession and accordingly supports initiatives aimed at promoting this objective.

Education Projects

Costs for this are largely Board Education Group member costs and costs relating to booking facilities for meetings.

PR/Communications

Costs associated with Board members' activities with the profession and students.

Draft Business Plan 2021/22

Introduction

1. IPReg is undergoing a significant project to review our regulatory arrangements. In addition, the impact of the pandemic on the IP sector is now known and this creates uncertainty for us in terms of the amount of practising fees that we will be able to collect. We therefore consider that it is appropriate to continue to focus on improving the way we conduct core activities (especially the time taken to investigate complaints) and to limit the number of new initiatives that we start.

IPReg's strategic priorities

2. In March 2019, the IPReg Board met to discuss its strategic priorities for the period from 2019 – 2021. The Board has achieved two of its priorities - to implement a new CRM system and move to offices that have more suitable facilities and better accessibility. In setting its strategic priorities (as part of that review and more widely) the Board wants to be more externally focused to ensure that its regulatory framework encourages and supports innovation:
 - a. In the provision of services that providers are able to offer consumers and the ways in which those services are provided, including the use of law tech. We will do this by ensuring that our review of regulatory arrangements focuses on setting reasonable standards but does not 'gold plate' them;
 - b. By encouraging the entry of new providers of education courses (at both the foundation and advanced levels). We want people who want to become trade mark attorneys and patent attorneys to have a variety of routes into the profession (including apprenticeships). We want these to be provided using different delivery methods and to introduce new subjects (e.g. law tech). We consider that, over time, this will help to increase diversity, improve quality and lower costs. We also want to review on a more regular basis the quality and performance of existing accredited education providers;
 - c. By ensuring that its requirements for continuing competence, in addition to protecting consumers, are relevant to the changing way in which legal services are provided and the commercial requirements of regulated individuals and entities.

Our day to day activities

3. The IPReg team carries out a wide range of "business as usual" activities. These include:
 - considering applications from individuals and entities for registration on, and removal from, the registers;
 - providing advice on our regulatory arrangements;
 - investigating complaints and taking disciplinary action where necessary;

- dealing with enquires to our CRM system and our “Info” email box;
- a rolling accreditation process of examination agencies and considering applications from new entrant agencies;
- responding to LSB consultations and requests for information (e.g. on the regulatory performance framework and diversity);
- developing policies following recommendations from external bodies (e.g. the CMA).

These activities occupy most of the team’s time over the course of a typical year.

Improving our regulatory arrangements

4. As we said when we consulted on the 2020 Business Plan, our regulatory arrangements (our rules and regulations) have built up over time and, inevitably, there are areas where they could be improved. We do not plan to change our overall approach to regulation – risk-based, keeping prescriptive rules to a minimum and providing guidance to help understand the outcomes we are seeking. However, we need to review our regulatory arrangements in their entirety. In doing so, we will make them more streamlined and consistent. We will also consider whether a “light” version of regulatory arrangements for in-house attorneys and overseas attorneys would be appropriate, taking into account the risk posed to consumers.
5. This is a significant piece of work, both for IPReg and those we regulate and we would like to maximise the input we get from the consultation process. We therefore delayed the start of the review once the restrictions associated with the pandemic started.
6. We have adjusted the timetable for conducting the review in order to allow sufficient time to consider all aspects of our regulatory arrangements. The adjusted timetable is:
 - Q3 2020 – launch wide-ranging call for evidence about the changes that are required to the regulatory arrangements with the aim of removing barriers to innovation, disruption and competition;
 - Q2 2021 – detailed proposals for new regulatory arrangements.

Our aim would be to apply to the LSB for approval of the new regulatory arrangements in Q4 of 2021 with a view to them being in force in Q1 2022.

7. At this stage, we anticipate that the review will include issues that we had previously planned to run as separate projects such as:
 - a. improving the application process for entities which could include a different approach to fees to ensure that they are consistent and proportionate, new guidance and new application forms; and
 - b. more appropriate categories of registrants to reflect better the changes in working practices that have taken place since the existing categories were put in place.

Education work

8. During 2020, we have continued work on important issues concerning education providers:
 - a. Working with providers to ensure that accreditation recommendations are taken forward and quality assurance mechanisms are fit for purpose, including responding to student and client 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 2021;
 - b. we have consulted on developing a process for withdrawing accreditation from providers who do not maintain the accreditation standards. We are currently considering the responses to the consultation and will be developing revised proposals later this year/early 2021;
 - c. developing a more appropriate structure for recharging the cost of accreditation to the examination/course provider. We want these costs to reflect the resources used by IPReg (for example, reflecting IPReg officer time and possibly that of Board members in their consideration of the accreditation report). This work will continue into 2021;
 - d. we will continue to encourage more pathway providers to offer new qualification pathway options.
9. We continue to consider that it is appropriate to review whether the current system of exemptions for attorney qualification pathways is targeted, proportionate and consistent. This work will be part of the regulatory arrangements review Call for Evidence.
10. In addition to the above work, we will commence a high-level review of the Accreditation Handbook; whilst the initial desktop exercise can be undertaken using the resources of the office and Board members, a comprehensive review may require independent specialist expertise.

Board and disciplinary panel recruitment

11. During 2021, two lay and two professional Board members will each have completed the maximum two terms of office. We want to reduce the overall size of the Board, but we must have a lay majority in order to comply with the LSB's [Internal Governance Rules](#). We therefore plan to recruit the two new lay members and one professional member.
12. IPReg has established a pool of independent lay and professional people to sit on our disciplinary panels. There are currently 3 lay members and 6 professional members in this pool. From time to time we need to recruit more members of this pool to replace people who have stood down. We plan to conduct this recruitment exercise in 2021 to ensure that sufficient numbers of people are available to hear cases.
13. We have allocated £8,000 for the recruitment of the three Board members. We have also allocated £15,000 from our reserves for the recruitment of panel members and for the training

of Board members and panel members.

Diversity funding

14. 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 ~£23,780.

Question 7. Do you have any comments on the proposed Business Plan?

Question 8. Do you have any comments on the draft Practising Fee Regulations at Annex A?

Consultation questions

1. What are your views on the proposal to keep practising fees at the 2020 level?
2. What are your views on the proposal to waive fees for individual attorneys who are facing hardship as a direct result of the pandemic?
3. Do you have any comments on the approach to waiving fees? Have we identified the right requirements for proof of hardship? If not, please make suggestions as to what these should be?
4. What are your views on the proposed requirement that full fees should be paid if an attorney who has had their fee waived is employed again?
5. What are your views on the proposal to increase the maximum late payment fee to £250?
6. 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 on the potential impact on the diversity of the profession?
7. Do you have any comments on the proposed Business Plan?
8. Do you have any comments on the draft Practising Fee Regulations at Annex A?

Annex A – Proposed changes to the Practising Fee regulations

IPREG PRACTICE FEE REGULATIONS

~~2019~~2020

The Patent Regulation Board of the Chartered Institute of Patent Attorneys and the Trade Mark Regulation Board of the Chartered Institute of Trade Mark Attorneys working jointly together as the Intellectual Property Regulation Board (IPReg) now make the following provisions 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.

Regulation 1 - Interpretation

In these regulations, unless context otherwise requires:

“2007 Act” means the Legal Services Act 2007;

“ABS” means a licensable body as defined in section 72 of the 2007 Act;

“Patent Attorney Register” means (together) in respect of Registered persons other than ABS, the Register kept under section 275 of the Copyright Designs and Patents Act 1988 as amended and in respect of ABS, is part of IPReg’s Register of licensed bodies for the purpose of section 87 of the 2007 Act;

“Trade Mark Attorney Register” means (together) in respect of Registered persons other than ABS, means the register kept under section 83 of the Trade Marks Act 1994 as amended and in respect of ABS, is part of IPReg’s Register of licensed bodies for the purpose of section 87 of the 2007 Act;

“attorney” means registered patent attorney or registered trade mark attorney;

“practising via a body” means providing services to clients via the body or being employed by or being a manager of the body;

“manager”, in relation to a body, has the same meaning as in section 207 of the 2007 Act;

“patent and/or trade mark work” means work undertaken in the course of business as an attorney;

“corporate work” means patent and/or trade mark work undertaken by an employed attorney acting solely as an agent on behalf of —

- a) their employer;
- b) a company or organisation controlled by their employer or in which their employer has a substantial measure of control;
- c) a company in the same group as their employer;
- d) a company which controls their employer;
- e) an employee (including a director or a company secretary) of a company or organisation under (a) – (d) above, where the matter relates or arises out of the work of that company or organisation; or
- f) another person with whom a person under (a) to (e) above has a common interest;

“in private practice” means undertaking patent and/or trade mark work which is not solely corporate work;

“inactive attorney” means an attorney who is not available to conduct any patent and/or trade mark work for a client or employer

“registered body” means a body (corporate or unincorporated) entered (or where clear in the context, applying to be entered) in the Patent Attorney Register or the Trade Mark Attorney Register, and:

- (a) a body which is an ABS and is entered in the Register, becomes upon entry a licensed body under the 2007 Act;
- (b) “Registration” and “Registered” shall be construed accordingly and shall mean, in respect of ABS, “licensing” and “being licensed” for the purpose of the 2007 Act; and
- (c) for the avoidance of doubt references to “Registration” and “Register” in these regulations are to initial registration and any renewal of registration;

“sole trader attorney” means an attorney in private practice based in the UK who is practising other than via a registered body or a body regulated by another legal services regulator;

“other professional” means an individual who is:

- (a) not a registered patent attorney or a registered trademark attorney;
- (b) based in the UK; and
- (c) qualified as a:
 - i) European patent attorney;
 - ii) European trademark attorney;
 - iii) barrister;
 - iv) solicitor; or

- v) is qualified to be a registered patent attorney or a registered trademark attorney but is not registered as such.

Regulation 2 – Individual fees

The fees provided for under regulation 12.2 of the Patent Attorney and Trade Mark Attorney Qualification and Registration Regulations 2009, for individuals to be entered onto or to remain on the patent attorney register and/or the trade mark attorney register from 1st January ~~2020~~2021, shall be as follows:

	For entry on or to remain on a single register	For entry on or to remain on both registers
i) Attorney solely undertaking corporate work	£177	£283
ii) Attorney in private practice	£215	£353
iii) Attorney not in active practice	£161	£258
v) Sole trader attorney not employing other attorneys or other professionals	£353	£504
v) Sole trader attorney employing other attorneys or other professionals	£353 + £71 for each attorney employed by the sole trader attorney + £283 for each other professional employed by the sole trader attorney	£504 + £71 for each attorney employed by the sole trader attorney + £283 for each other professional employed by the sole trader attorney

Regulation 3 – Late payment fees

The late payment fees provided for under regulation 7.5 of the Patent Attorney and Trade Mark Attorney Qualification and Registration Regulations 2009 shall be equal to 50% of the corresponding fee to be entered into or to remain on the patent attorney register or the trade mark attorney register which is being paid late up to a maximum late payment fee of ~~£125~~250.

Regulation 4 – Registered body fees

The fees provided for under regulations 2 and 7 of the IPReg Registered Bodies Regulations 2015 for corporate or unincorporated bodies to be registered* or to remain on the Patent Attorney Register or the Trade Mark Attorney Register shall be as follows:

	For entry on or to remain on a single register or both registers
i) Registered body through which only a single attorney and no other attorneys or other professionals provide services	£138
ii) Any other registered body	£353 + £71 for each attorney practising via the registered body + £283 for each other professional practising via the registered body

* Please note that this excludes the fee for the first approval of licensed bodies which shall be equal to the practice fee payable upon approval for licensing.

Regulation 5 – Commencement

The fees set out in these regulations shall apply from 1st January ~~2020~~ 2021 until further amended or substituted by further regulation.

Regulation 6 – waivers – Covid-19

This Regulation 6 shall apply from the date these regulations come in to force until 31 December 2021.

The IPReg Chief Executive may, at her discretion and subject to appropriate evidence being provided, waive all or part of the individual fees set out in Regulation 2. Such waiver will only apply to cases of individual hardship resulting directly from the Covid-19 pandemic.

A registrant whose fee is waived under this regulation will remain on the register(s) and will be subject to the regulatory requirements that apply to attorneys who are not in active practice. In addition, sole trader individuals or firms who have suspended their practice must maintain PII in accordance with Rule 17 of the Rules of Conduct.

Attorneys who have had their fee waived under this Regulation 6 must notify IPReg within 14 days of becoming employed or resuming trading.

If an attorney whose fee is waived under this regulation is subsequently employed or resumes trading during 2020 or 2021, the full fee(s) for their new category will become payable within 28 days of notification to IPReg of becoming employed or resuming trading. No late payment fee will be payable

in these circumstances.

~~* Please note that this excludes the fee for the first approval of licensed bodies which shall be equal to the practice fee payable upon approval for licensing.~~

Guidance to Regulation 6 – waivers – Covid-19

Attorneys will need to provide evidence of hardship. Acceptable documents include:

- a letter of redundancy from their former employer; and
- proof of payment to them of Universal Credit or other means-tested benefits;
- in the case of a sole trader or a sole practitioner firm:
 - evidence that they have either suspended trading or closed their business as a result of the pandemic;
 - if they have suspended trading, they have maintained appropriate PII ;
 - if they have ceased trading, they have put run-off cover in place or transferred all their clients to another firm which has included them in its own PII; and
 - if not in receipt of any benefits, their savings are below the threshold for any State benefits.

The Chief Executive may require additional information from the attorney or their former employer.

Fee waivers are not appropriate for attorneys who are working/employed. They must continue to comply with all the relevant regulatory arrangements including having compliant PII.