

## “Big bang” boom

### Interest in ABS conversion is “higher than expected”

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Nearly 400 firms have formally expressed interest in converting to alternative business structure (ABS) status in the first year.

The Solicitors Regulation Authority (SRA) began accepting applications last January—an event likened to the “big bang” in the financial industry in the 1980s.

Since then, 387 have launched stage 1 applications, which are expressions of interest, while 117 firms have submitted all the required information, and 74 licences have been granted. A further 19 potential licences are close to completion.

Richard Tromans, consultant at Jomati Consultants, says: “It’s higher than expected, with some very impressive developments and big players involved.

“All the signs are that it will grow, and it will move upmarket with greater investment in handling the commoditised aspects of high-value work.”

Firms must complete a bespoke application process before ABS status can be granted. The licensing process has accelerated recently, with 40 applications completed in the last couple of months.

Samantha Barrass, SRA executive director, says: “The acceleration of approvals reflects both improvements we are making to our processes, and applicants responding to our requests for information. Our advice to prospective applicants is to engage with the SRA before making an application.

“You should study the guidance on our website carefully, as well as the application form and related guidance, and respond to any follow-up queries that we have promptly, to ensure the approval timescale forms part of your commercial considerations.”

The Council for Licensed Conveyancers has granted 18 ABS licences since being authorised to accept applications.