

Principles of Professional Legal Practice

Law and Legal Practice

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Element 1

Email Writing

Subject: Advice on Startup Company Investment

Dear sir,

I hope you are doing well. I'm glad you stopped by our office and expressed interest in getting legal counsel about possible investments in early-stage businesses. It is my duty as your solicitor to make sure that you are aware of the ethical as well as professional impacts of making such an investment, especially in light of the Financial Services and Markets Act of 2000 (FSMA) along with other pertinent laws.

First and first, I must inform you that, in my capacity as a solicitor, I am subject to the rules set forth by the Solicitors Regulation Authority (SRA) Code of Conduct, which mandates that I behave in your best interest and respect the values of honesty and discretion. I must so evaluate the matter impartially and provide you reasonable counsel.

A startup investment that entails the issuance of shares, debentures, or other instruments is considered a "regulated activity" under the terms of the FSMA 2000. Strict laws and regulations that are intended to safeguard investors and preserve market integrity apply to these kinds of activity. If no exception applies, the business selling these securities has to be approved and subject to FCA regulation.

On your behalf, your investment may be seriously jeopardised if the new business you are thinking about funding is not approved by the FCA. They could be breaking the law. To confirm the company's authenticity and financial stability, extensive due diligence must be carried out. You can incur financial damages and possibly face legal repercussions if you don't comply.

Furthermore, before entering into any financial transactions, professionals including solicitors are required by the Money Laundering Regulations to do customer due diligence (also known as CDD). I would be required to notify any concerns regarding the startup company's financial activity or source of funding if I had any, since this may alter your investment intentions.

You could already be aware of the significance of compliance and the dangers connected to investing in unregulated firms as a recent law graduate and local businessman. The necessity of using care and caution while making decisions must be emphasised again, though.

In order to act ethically and with integrity, I advise you doing the following:

- Consult with a professional financial consultant.
- Check for regulatory approval.
- Exercise careful due diligence.
- Adhere to CDD regulations.

In case you need any further help or have any other queries, don't hesitate to contact me. I am available to offer you the direction and encouragement you require in order to make wise choices.

I appreciate that you have trusted me with this, and I eagerly await your response.

Yours sincerely,

(Name)

Element 2

Name:

Position:

Firm Name:

Date:

Dear sir/madam,

Greetings and congratulations on your earned qualification! I'm writing to you now to go through the fundamental ideas of the SRA Code of Conduct. These guidelines are meant to make sure you maintain the standing of the legal profession and offer your customers a high calibre of professional service.

Principle 1: Uphold the rule of law.

In order to follow this concept, you must behave in a manner that respects the core legal values of equality, justice, and fairness. Aside from acting impartially and fairly, you also need to make sure that the legal system is upheld for its appropriate administration of justice.

Principle 2: Uphold to the public trust.

It is your responsibility to preserve the public's trust in the field of law in accordance with this principle. This entails conducting oneself with justice, decency, and honesty.

Principle 3: Acting independently.

Acting independently and in your client's best interest is required under this principle. Thus, you have to make sure that your professional judgement is unaffected by your personal beliefs or values. For instance, you cannot let your personal beliefs about the client's innocence or guilt to affect how you represent them if you are a criminal defence attorney.

Principle 4: Act with honesty and integrity

Acting honourably and morally in all of your business operations is required under this principle. This implies that you have to act with integrity and honesty, and you can't do anything that might

be interpreted as dishonest or immoral. For instance, you can't lie to your consumers about how much your services will cost or take part in any conflicts of interest.

Rules 6.1 to 6.5: Conflicts of interest and confidentiality

These regulations outline the SRA's standards for confidentiality and conflicts of interest. It is crucial that you comprehend and abide by these two of the Code of Conduct's most significant tenets. (Solicitors Regulation Authority, 2019)

Conflicts of interest

If your obligations to one client clash with those to another, or if your personal interests collide with your work responsibilities, you have a conflict of interest. You need to act to address any conflicts of interest that you may have. This might include giving up the advocacy of one or both of the concerned clients.

Confidentiality

It is your responsibility to maintain the confidentiality of any sensitive information you learn while doing professional job. This contains details on the companies and financial matters of your clients. It is only necessary to divulge private information if mandated by law or with the client's explicit approval. (Solicitors Regulation Authority, 2019)

Example

Assume you are trying to resolve a property issue on behalf of a client. Your company represents the client's neighbour as well, and the two are presently embroiled in a different property dispute. Given that your obligations to defend your client in the first dispute and your neighbour in the second issue could clash, there is a possible conflict of interest in this case. You would have to take action to make sure that your obligation to each the client is upheld in order to address this conflict of interest. This can include ending the legal representation of both or one of the clients, or it might entail adopting alternative measures to resolve the dispute.

I urge you to thoroughly study the Code of Conduct and become acquainted with its obligations. Please don't hesitate to consult me or another staff member of the company if you have any queries concerning the Code of Conduct.

Your Sincerely,

Name:

Reference

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