

NOTE: this version shows the changes made following the 2026 annual review process.

SQE2 Annex 1 – Functioning Legal Knowledge for SQE2

Criminal Law and Practice (Criminal Litigation)

Advising clients, including vulnerable clients, about the procedure and processes at the police station

Rights of a suspect being detained by the police for questioning:

- right to legal advice
- right to have someone informed of arrest
- reviews and detention time limits under PACE 1984, Code C.

Identification procedures:

- when an identification procedure must be held
- different types of identification procedure
- procedure for carrying out an identification procedure PACE 1984, Code D.

Advising a client, including vulnerable clients, whether to answer police questions:

- right to silence
- adverse inferences.

Procedure for interviewing a suspect under PACE 1984:

- role and appropriate conduct by defence legal representative/ solicitor
~~including representation of vulnerable client~~

- role of appropriate adult and who can be an appropriate adult.
- requirements of a lawful interview under PACE 1984 Code C.

The procedures and processes involved in criminal litigation

Bail applications:

- the right to bail and exceptions
- conditional bail
- procedure for applying for and opposing bail
- further applications for bail
- appeals against decisions on bail
- absconding and breaches of bail.

First hearings before the magistrates' court:

- classification of offences
- applying for a representation order
- procedural overview – what will happen at the hearing
- the role of the defence solicitor at the hearing.

Plea before Venue:

- procedure on defendant entering plea
- advising the client on trial venue.

Allocation of business between magistrates' court and Crown Court:

- procedure ss. 19–20 and s. 22A Magistrates' Courts Act 1980
- sending without allocation s. 50A and s. 51 Crime and Disorder Act 1998.

Case management and pre-trial hearings:

- Magistrates' court case management directions
- Plea and Trial Preparation Hearing
- disclosure – prosecution, defence and unused material.

Principles and procedures to admit and exclude evidence:

- ~~burden and standard of proof~~
- visual identification evidence and Turnbull guidelines
- inferences from silence ss. 34, 35, 36, 37, 38 Criminal Justice and Public Order Act 1994
- hearsay evidence:
 - definition
 - grounds for admitting hearsay evidence
 - ~~challenging admissibility~~
- confession evidence:
 - definition
 - admissibility
 - ~~challenging admissibility ss. 76 and 78 PACE 1984~~
- ~~bad~~ character evidence:
 - definition of bad character
 - the 7 gateways s. 101(1) Criminal Justice Act 2003
 - the 3 gateways s. 100(1) Criminal Justice Act 2003
 - ~~procedure for admitting bad character evidence~~
 - court's powers to exclude bad character evidence

- exclusion of evidence:
 - scope and application of s. 78 PACE 1984 and the right to a fair trial.

Trial procedure in magistrates' court and Crown Court:

- burden and standards of proof
- stages of a criminal trial, including submission of no case to answer
- modes of address and Court room etiquette
- difference between leading and non-leading questions
- competence and compellability
- special measures
- relevance of defendant's good character
- solicitor's duty to the court.

Sentencing:

- role of sentencing guidelines
- determining seriousness including aggravating and mitigating factors
- concurrent and consecutive sentences
- mitigation
- types of sentence:
 - custodial sentences
 - suspended sentences
 - community orders
- Newton hearings: applicability and procedure.

Appeals procedure:

- appeals from the magistrates' court:
 - procedure for appeal against conviction and/or sentence
 - powers of the Crown Court
 - appeal to the High Court by way of case stated
- appeals from the Crown Court:
 - grounds of appeal
 - procedure for making the appeal
 - powers of the Court of Appeal.

Youth court procedure and hearings:

- jurisdiction and grave crimes
- allocation
 - youths jointly charged with adult
- sentencing:
 - role of the Sentencing Children and Young People – definitive guidelines
 - role of the Robbery - Sentencing Children and Young People guideline
 - ~~referral orders~~
 - detention and training orders
 - youth rehabilitation orders
 - referral orders.

Criminal liability

The core principles of criminal liability relating to the specified criminal offences listed below:

Specified criminal offences:

- offences against the person:
 - common assault: assault and battery
 - s. 47 Offences Against the Person Act 1861
 - s. 20 Offences Against the Person Act 1861
 - s. 18 Offences Against the Person Act 1861
- theft offences:
 - s. 1 Theft Act 1968
 - s. 8 Theft Act 1968
 - s. 9 Theft Act 1968
 - s. 10 Theft Act 1968
- criminal damage:
 - simple criminal damage
 - aggravated criminal damage
 - arson
- homicide:
 - murder
 - voluntary manslaughter

- involuntary manslaughter (unlawful act manslaughter, manslaughter by gross negligence)
- fraud:
 - by false representation
 - by abuse of position
 - by failing to disclose.

Definition of the offence:

- actus reus
- mens rea.

General defences:

- intoxication
- self-defence/defence of another.

Partial defences:

- loss of control
- diminished responsibility.

Parties:

- principal offender
- accomplices.

Inchoate offences:

- Attempt to commit an offence.

Dispute Resolution

Different options for dispute resolution:

- The characteristics of arbitration, mediation and litigation which make them an appropriate mechanism to resolve a dispute.

Resolving a dispute through a civil claim:

- preliminary considerations: limitation, pre-action protocols:
- parties and causes of action
- calculating limitation periods for claims in contract and tort
- Practice Direction – Pre-action conduct
- principles and purpose of pre-action protocols governing particular claims and consequences for failure to follow their terms
- applicable law: mechanisms to determine which country's laws apply to a contractual or tortious claim issued in the courts of England and Wales.

Where to start proceedings:

- allocation of business between the High Court and the County Court
- jurisdiction of the specialist courts.

Issuing and serving proceedings:

- issuing a claim form
- adding, removing or substituting parties
- service of a claim form within the jurisdiction
- procedure for service of a claim form outside the jurisdiction (with or without the court's permission) and mechanisms for effecting valid service in another jurisdiction
- deemed dates of service and time limits for serving proceedings

- service by an alternative method.

Responding to a claim:

- admitting the claim
- acknowledging service and filing a defence and/or counterclaim
- disputing the court's jurisdiction
- entering and setting aside judgment in default
- discontinuance and settlement
- time limits for responding to a claim.

Statements of case:

- purpose, structure and content of a claim form, particulars of claim, or defence relating to a claim in contract or tort
- purpose, structure and content of a reply, Part 20 claim, or defence to Part 20 claim
- requests for further information about statements of case
- amendments.

Interim applications:

- procedure for making an application
- purpose, procedure and evidence required for particular applications:
 - summary judgment
 - interim payments
 - interim injunctions.

Case management:

- the overriding objective

- track allocation
- case management directions for cases proceeding on the fast, intermediate, or multi-tracks
- non-compliance with orders, sanctions and relief
- costs and case management conferences.

Evidence:

- relevance, hearsay and admissibility
- the burden and standard of proof
- expert evidence -
 - opinion evidence
 - duties of experts
 - single joint experts
 - discussion between experts
- witness evidence -
 - witness statements
 - affidavits.

Disclosure and inspection:

- standard disclosure
- orders for disclosure
- specific disclosure
- pre-action and non-party disclosure
- electronic disclosure
- privilege and without prejudice communications

- waiver of privilege.

Trial:

- summoning witnesses
- preparations for trial -
 - purpose of pre-trial checklists (listing questionnaires) and hearings
 - purpose of trial bundles.
- trial procedure
- the nature and effect of judgment.

Costs:

- costs management and budgeting
- inter-partes costs orders (interim and final)
- non-party costs
- Part 36 and other offers
- security for costs
- fixed and assessed costs.

Appeals:

- permission
- destination of appeals
- grounds for appeals.

Enforcement of money judgments:

- ~~oral examination~~ obtaining information from judgment debtor
- methods of enforcement.

Contract Law

Formation:

- offer and acceptance
- consideration
- intention to create legal relations
- certainty
- capacity.

Parties:

- privity of contract
- rights of third parties.

Contract terms:

- express terms
- incorporation of terms
- terms implied by common law and statute
- exemption clauses
- the interpretation of contract terms (~~conditions, warranties and innominate terms~~)
- classification of contract terms (conditions, warranties and innominate terms)
- variation.

Vitiating factors:

- misrepresentation
- mistake

- unfair contract terms
- duress and undue influence
- illegality.

Termination:

- expiry or other specified event
- breach
- frustration
- basic principles of restitution and unjust enrichment in the context of termination of contract.

Remedies:

- damages
- liquidated sums and penalties
- specific performance
- injunctions
- duty to mitigate
- indemnities
- guarantees.

Causation and remoteness

Tort

Negligence:

- duty of care (standard (general and professional)) and breach
- causation (single and multiple)
- remoteness and loss
- principles of remedies for personal injury and death claims
- claims for pure economic loss arising from either a negligent act or misstatement
- claims for psychiatric harm
- employers' primary liability (operation and effect of the common law principles).

Defences:

- volenti non fit injuria
- contributory negligence
- illegality.

Principles of vicarious liability

Occupiers' Liability:

- legal requirements for a claim under the Occupiers' Liability Act 1957 (in relation to visitors) and the Occupiers' Liability Act 1984 (in relation to non-visitors)
- defences
- exclusion of liability.

Product liability:

- principles in negligence
- principles of the Consumer Protection Act 1987.

Nuisance:

- public and private nuisance
- the rule in Rylands v Fletcher
- remedies (damages and injunctions) and defences.

Property Practice

Core knowledge areas of freehold real estate law and practice

Investigation of a registered and unregistered freehold title:

- key elements and structure of freehold property transactions
- process of analysing Land Registry official copy entries
- process of analysing an epitome of title and deducing ownership
- issues that could arise from an investigation of title and further action required
- purpose and process of reporting to the client.

Pre-contract searches and enquiries:

- range and purpose of making searches and raising enquiries (including who would make these).
- ~~who would make the searches and raise enquiries~~
- issues that could arise from the results of searches and enquiries.

Law Society Conveyancing Protocol

Finance:

- sources of finance for a property transaction
- types of mortgage.

Acting for a lender:

- lender's requirements
- purpose of a certificate of title.

Preparation for and exchange of contracts:

- drafting the sale contract including:
 - key conditions contained in the:
 - Standard Conditions of Sale
 - Standard Commercial Property Conditions.
 - purpose of, and matters covered by, special conditions
 - methods of holding a deposit:
 - stakeholder
 - agent.
 - insurance and risk
 - basics of VAT in a contract
- timing for issuing certificate of title to a lender
- the practice, method and authority to exchange (the Law Society's formulae for exchange)
- consequences of exchange.

Pre-completion:

- form of transfer deed and formalities for execution
- pre-completion searches
- pre-completion steps (including financial considerations and apportionments).

Completion and post-completion:

- methods and effect of completion
- post-completion steps.

Remedies for delayed completion:

- common law damages
- contractual compensation
- notice to complete
- rescission.

Core knowledge areas of leasehold real estate law and practice

Structure and content of a lease:

- repair
- insurance
- alterations
- user and planning
- rent and rent review
- alienation
- options for the term of a lease, including break clauses
- Code for Leasing Business Premises.

Procedural steps for the grant of a lease or underlease:

- drafting the lease
- purpose of an agreement for lease
- deduction and investigation of title
- pre-contract enquiries and searches
- pre-completion formalities
- completion and post-completion steps.

Procedural steps for the assignment of a lease:

- drafting the contract for the assignment of a lease
- deduction and investigation of title
- pre-contract enquiries and searches
- landlord's consent
- deed of assignment / transfer and covenants for title
- pre-completion formalities
- authorised guarantee agreement
- completion and post-completion steps.

Licence to assign and licence to underlet:

- purpose of and who prepares the draft
- privity of contract and how the licence deals with this
- key provisions in the licence.

Leasehold covenants:

- liability on covenants in leases –
 - leases granted before 1 January 1996
 - leases granted on or after 1 January 1996.

Remedies for breach of a leasehold covenant:

- action in debt
- forfeiture
- Commercial Rent Arrears Recovery
- pursue guarantors and/or rent deposit

- specific performance
- damages
- self-help/Jervis v Harris clause.

Termination of a lease:

- effluxion of time
- surrender
- merger.

Security of tenure under a business lease:

- Landlord and Tenant Act 1954 (Part II) –
 - application of 1954 Act (including contracting out)
 - renewal lease by the tenant
 - termination by the landlord
 - landlord's grounds of opposition
 - terms of new lease
 - availability of compensation.

Core principles of planning law in England and Wales

Statutory definition of "Development"

Matters that do and do not constitute "Development"

Matters that do not require express planning permission

Building regulations control

Enforcement: time limits and the range of local planning authority's enforcement powers.

Taxation – property

Stamp Duty Land Tax in England and Land Transaction Tax in Wales:

- basis of charge in both England and Wales for:
 - residential property
 - non-residential freehold property.

Value Added Tax:

- basis of charge:
 - what constitutes a taxable supply
 - differences between standard, exempt and zero-rated supplies
- reasons why a client would make an option to tax and the effect that has.

Capital Gains Tax:

- basis of charge
- Private Residence Relief.

Land Law

Nature of Land:

- distinction between real property and personal property
- how to acquire and transfer legal estates
- how to acquire and dispose of legal and equitable interests in land
- methods to protect and enforce third party interests
- different ways in which land can be held
- legal formalities required to create and transfer interests and estates in land.

Title to Land:

- registration of title to land:
 - estates that can be substantively registered
 - how to protect interests
 - interests that override registration and interests that need to be protected on the register.
- core principles of unregistered title to land:
 - role of title deeds
 - Land Charges
- continuing role of doctrine of notice.

Co-ownership and Trusts:

- differences between joint tenants and tenants in common in law and in equity
- rule of survivorship
- severance of joint tenancies

- solving disagreements between co-owners by reference to sections 14 and 15 of Trusts of Land & Appointment of Trustees Act 1996.

Proprietary Rights:

- essential characteristics of easements
- methods for creation of easements
- rules for the passing of the benefit and burden of freehold covenants
- mortgages, including enforceability of terms, priority of mortgages, lender's powers and duties, and protection of mortgagors and other third parties with an interest in the land.

Leases:

- relationship between landlord and tenant in a lease
- essential characteristics of a lease including the difference between a lease and a licence
- privity of contract and privity of estate
- rules for the passing of the benefit and burden of leasehold covenants and enforceability
- purpose and effect of an alienation covenant
- remedies for breach of leasehold covenants (including forfeiture)
- different ways a lease can be terminated.

Wills and the Administration of Estates

Wills and Intestacy

Validity of wills and codicils:

- testamentary capacity
- knowledge and approval
- duress and undue influence
- formal requirements
- who has the burden of proof when challenging validity.

Personal Representatives:

- the appointment of executors:
 - eligibility
 - suitability
- renunciation ~~and~~
- reservation of power.

Alterations and amendments to wills:

- effect of alterations made to wills both before and after execution
- use ~~and~~ effect of codicils.

Revocation of wills:

- methods of revocation:
 - later will
 - codicil
 - destruction
 - ~~effect of~~ marriage and ~~civil partnership~~ divorce ~~of a testator.~~

- effect of divorce or dissolution on existing will.

The interpretation of wills:

- effect of different types of gift
- failure of gifts.

The intestacy rules:

- Section 46 of The Administration of Estates Act 1925
- the statutory trusts.

Property passing outside the estate:

- joint property
- life policies
- pension scheme benefits
- trust property.

Probate and Administration Practice

Grants of representation:

- need for grant
- the relevant provisions of the Non-Contentious Probate Rules:
 - order of priority where deceased left a will
 - order of priority in case of intestacy
- application procedure: application (and evidence required) for the grant of representation - grant of probate, grant of letters of administration with will annexed, grant of letters of administration
- valuation of assets and liabilities
- excepted estates

- methods of funding the initial payment of Inheritance Tax
- burden, liability and incidence of Inheritance Tax:
 - personal representatives
 - beneficiaries
 - trustees
 - co-owners

Administration of estates:

- duties of personal representatives prior to distribution:
 - take all reasonable steps to collect in and secure estate
 - preserve the value of the estate
 - collect money due to estate
 - issue proceedings where necessary
 - pay funeral and testamentary expenses
 - follow the terms of the will or intestacy provisions
 - account to the beneficiaries
- liabilities of personal representatives and their protection:
 - unknown beneficiaries
 - missing beneficiaries
 - insolvent beneficiaries
 - creditors
- the sale of assets to raise funds to pay funeral expenses, tax, debts and legacies
- distribution of the estate.

Claims against estates under the Inheritance (Provision for Family and Dependents) Act 1975:

- time limit

- applicants
- ground and factors the court will take into account when considering a claim.

Taxation - wills and the administration of estates

Inheritance Tax:

- lifetime transfers that are immediately chargeable and those that are potentially exempt and gifts with a reservation of benefit
- transfers on death
- exemptions and reliefs
- the scope of anti-avoidance provisions.

Income and Capital Gains Tax in respect of the period of the administration of an estate:

- the personal representatives' liability to Income Tax and Capital Gains Tax
- the beneficiaries' liability to Capital Gains Tax on inherited assets.

Trusts Law

Creation and requirements of express trusts:

- the three certainties of intention, subject matter and objects:
 - fixed interest trusts
 - discretionary trusts
- formalities to create express inter vivos trusts
- constitution of express inter vivos trusts ~~and~~
- exceptions to the rule that equity will not assist a volunteer:
 - the rule in *Re Rose*
 - the rule in *Strong v Bird*
 - *Choithram v Pagarani*.

Beneficial entitlement:

- fixed, discretionary, vested, contingent interests
- the rule in *Saunders v Vautier*.

The distinction between charitable trusts and non-charitable purpose trusts

Resulting trusts:

- automatic resulting trusts
- presumed resulting trusts
- ~~how they arise and when they are (or are not) presumed.~~

Trusts of the family home:

- establishment of a common intention constructive trust:
 - legal title in the name of both parties/sole party
 - express declaration or agreement as to equitable ownership
 - direct and indirect contributions
- requirements to establish proprietary estoppel.

Liability of strangers to the trust:

- ~~knowing receipt establishing recipient liability~~
- ~~dishonest assistance establishing accessory liability.~~

The fiduciary relationship and its obligations:

- duty not to profit from fiduciary position
- trustees not to purchase trust property
- fiduciary not to put ~~themselves~~ ~~himself~~ in a position where ~~their~~ ~~his~~ interest and duty conflict.

Trustees:

- who can be a trustee; appointment, removal and retirement of trustees
- trustees' duty of care
- trustees' duty to invest (and powers in relation to investment)
- trustees' statutory powers of maintenance and advancement.

Trustees' liability:

- breach of trust
- measure of liability
- protection of trustees
- limitation period.

The nature of equitable remedies and the availability of tracing in equity.

Business Law and Practice (organisations, rules and procedures)

(Excluding the Listing, Prospectus, Disclosure Guidance and Transparency Rules and any other FCA, London Stock Exchange, market rules or codes)

Business and organisational characteristics (sole trader/partnership/LLP/private and unlisted public companies).

Legal personality and limited liability (sole trader/partnership/LLP/private and unlisted public companies).

Procedures and documentation required to incorporate a company/form a partnership/LLP and other steps required under companies and partnerships legislation to enable the entity to commence operating:

- constitutional documents
- Companies House filing requirements.

Finance:

- funding options: debt and equity (including the redemption and buyback of shares, but excluding other reductions of share capital and excluding financial assistance pursuant to the Companies Act 2006)
- types of security
- distribution of profits and gains
- financial records, information and accounting requirements.

Corporate governance and compliance:

- rights, duties and powers of directors and shareholders of companies

- company decision-making and meetings: procedural, disclosure and approval requirements
- documentary, record-keeping, statutory filing and disclosure requirements
- appointment and removal of directors
- minority shareholder protection.

Partnership decision-making and authority of partners:

- procedures and authority under the Partnership Act 1890
- common provisions in partnership agreements.

Insolvency (corporate and personal):

- options and procedures - CVA/IVA, bankruptcy, administration, fixed asset receivership, voluntary and compulsory liquidation
- claw-back of assets for creditors – preferences, transactions at an undervalue, fraudulent and wrongful trading, setting aside a floating charge
- order of priority for distribution to creditors.

Taxation - business

Income Tax:

- chargeable persons/entities (employees, sole traders, partners, shareholders, lenders and debenture holders)
- basis of charge (types of income/main reliefs and exemptions)
- the charge to tax: calculation of income tax in each of England and Wales and collection
- the scope of anti-avoidance provisions.

Capital Gains Tax:

- chargeable persons/entities (sole traders, partners, and shareholders)

- basis of charge (calculation of gains/allowable deductions/main reliefs and exemptions)
- the charge to tax: calculation and collection
- the scope of anti-avoidance provisions.

Corporation Tax:

- basis of charge (calculation of income profits and chargeable gains/allowable deductions/main reliefs and exemptions)
- the charge to tax: calculation, payment and collection of tax
- tax treatment of company distributions to shareholders
- outline of anti-avoidance legislation.

Value Added Tax:

- key principles relating to scope, supply, input and output tax
- registration requirements and issue of VAT invoices
- returns/payment of VAT and record keeping.

Inheritance Tax:

- business property relief.

Money laundering and Financial Services

Money laundering

- purpose and scope of anti-money laundering legislation including the international context
- circumstances encountered in the course of practice where suspicion of money laundering should be reported in accordance with the legislation
- the appropriate person or body to whom suspicions should be reported, the appropriate time for such reports to be made and the appropriate procedure to be followed
- direct involvement and non-direct involvement offences, and defences to those offences under Proceeds of Crime Act 2002
- due diligence requirements.

Financial services

- the financial services regulatory framework including authorisation, and how it applies to solicitors' firms
- recognition of relevant financial services issues, including the identification of specified investments, specified activities and relevant exemptions
- application of the Financial Services and Markets Act 2000 and related secondary legislation to the work of a solicitor.

Ethics and professional conduct

Candidates are required to demonstrate their ability to act honestly and with integrity, and in accordance with the SRA Standards and Regulations as follows:

- The purpose, scope and content of the SRA Principles
- The purpose, scope and content of the:
 - SRA Code of Conduct for Solicitors, RELs and RFLs
 - SRA Code of Conduct for Firms in relation to:
 - Managers in authorised firms
 - Compliance Officers
 - Together referred to as the Code of Conduct.

See SoSC (A1) at Annex 3.

[Annex 2 – Threshold Standard](#)