

CHANGING REGULATORS DECISION IN PRINCIPLE FORM

WHO SHOULD COMPLETE THIS FORM?

SRA regulated businesses seeking to hive off their conveyancing and/or probate services to be regulated by the CLC. Please read the Guidance Notes before completing this form.

The Hive-off model – a SRA business sets up a CLC business to deliver conveyancing and/or probate services, the SRA business continues to deliver other legal services such as family law, litigation and company commercial services. The SRA business may either (i) run down its conveyancing and/or probate services over a transition period; or (ii) continue to deliver some (or all) its current conveyancing and/or probate services. Businesses seek to hold both a SRA and CLC account with Lenders either for a ‘transitional’ period to manage the operational transfer.

DOCUMENTS YOU WILL BE ASKED TO UPLOAD DURING THE COURSE OF THIS FORM

Section ID	Document Type	Source
A5	Evidence to show how the SRA business is formed.	Applicant to source.
A6	Evidence to show how the CLC NewCo will be formed.	Applicant to source.
A8	Schedule of Insurance (PII) for the SRA business.	Applicant to source.
A11	PII Claims Record for the SRA business.	Applicant to source.
A12	Policy quote from a CLC Participating Insurer.	Applicant to source.
B3	An excel sheet to show a summary/breakdown of the typical level of transaction volumes (by type) carried out by the SRA business over the past 3 years.	Applicant to source.
C1	Copy of the most recent approved regulatory inspection.	Applicant to source.
C4	Completed SRA/CLC Regulatory Information Exchange.	Template available to download from the Guidance for CLC Practice applicants. Appendix 1.
C5	Last three years' management accounts and the most recent Balance Sheet.	Applicant to source.
C7	If applicable, evidence that the SRA business or its owners has been: <ul style="list-style-type: none"> 1. Refused Professional Indemnity Insurance 2. Is the subject of a relevant insolvency event 3. Is subject to any ongoing, pending or previous investigation by any statutory, regulatory or governing body 	Applicant to source.

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D1	Provide information on the Owners and Managers in the SRA business.	Template available to download from the Guidance for CLC Practice applicants. Appendix 2.
D2	Organisational chart for the existing SRA business and CLC NewCo, including non-operational individuals with a material interest specifying individual roles.	Applicant to source.
E1-E4	SRA business' client facing policy documents AML Business Wide Risk Assessment Business Continuity Plan Terms of Engagement	Applicant to source.
F1	2-3 page synopsis explaining the proposed a) investment; b) ownership; and c) governance models; and d) operating systems, including any changes <i>within the first year of CLC regulation</i> to key personnel (as listed in D1);and e) explain any anticipated changes to historic transaction volumes (as set out in B3) as a result of changing regulator.	Applicant to source.
G1	Responses to demonstrate how the proposed CLC business will meet each CLC Licensing Outcome.	CLC Licensing Outcomes available to download from the Guidance for CLC Practice Applicants. Appendix 3.

1. Tell us about the existing SRA regulated business? (Not Applicable is not an accepted response)

A1	Name, address and details of the SRA business.	<p>Business Name:</p> <p>Companies House Number :</p> <p>Main Office Address:</p> <p>Post code:</p> <p>Email:</p> <p>Phone:</p>
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		<p>Website URLs:</p> <p>The Business operates trading names. List all the business' trading names below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Trading Name</th> <th style="width: 15%;">Date from</th> <th style="width: 15%;">Date to</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	Trading Name	Date from	Date to												
Trading Name	Date from	Date to															
A2	Please nominate one individual as the main point of contact for ALL communication about this application.	<p>Name:</p> <p>Job title:</p> <p>Work Email:</p> <p>Phone:</p>															
A3	Please list the SRA business' registered address if different to A1	<p>Name:</p> <p>Address:</p> <p>Post code:</p> <p>This is the Business' accountants address Yes No</p>															
A4	<p>How many branch offices or satellite offices does the SRA business operate from?</p> <p>[Name/street] [Town] [County] [Postcode]</p>	<p>Branch offices (numbers) Satellite offices (numbers)</p> <p>Provide address details below:</p> <p>1.</p> <p>2.</p> <p>3.</p>															
A5	How is the SRA business formed?	<p>Partnership Limited Liability Partnership Private Limited Company Sole Trader /Self employed</p>															
A6	How will the CLC NewCo be formed?	<p>Partnership Limited Liability Partnership</p>															



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		Private Limited Company Sole Trader /Self employed
A7	Will any new corporate or individual investors be associated to CLC NewCo?	No Yes % Ownership Independent Corporate Investor Consolidation Investor Private Investor Private equity investor (fiduciary Capacity) Public Equity (Funds/Grant) Investor 1: Investor 2: Investor 3: Investor 4:
A8	Please upload a copy of the Schedule of Insurance (Professional Indemnity Insurance) for the SRA business.	
A9	Does the SRA business anticipate buying run-off on all or some of the legal services provided under SRA regulation?	No Yes, with the current insurer Yes, with the CLC insurer
A10	Has the SRA business ever been refused professional indemnity cover?	No Yes
A11	Please upload the PII Claims Record for the SRA business, together with details of any claims made against it within the last 3 years. Which should include: 1. date of event causing claim; 2. amount being claimed; 3. circumstances of the claim; 4. amount paid (or likely to be paid) by insurance company; and	



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	5. who made the claim.	
A12	Has a policy quote from a CLC Participating Insurer been obtained for CLC NewCo?	<p>No</p> <p>Yes</p>

2. Legal Service information					
B1	Which reserved legal activities are provided by the SRA business and what income % does each contribute to the business' annual turnover?	Legal Service	% of SRA t/o	Annual income value	Transferring to CLC NewCo (Y/N)
		Conveyancing Services			
		Probate Activities			
		Trust Services			
		Litigation Services			n/a
		Advocacy Services			n/a
		Notarial Activates			
		Administration of Oaths			
B2	Which non-reserved legal activities are provided by the SRA business and what income % does each contribute to the business' annual turnover?	Legal Service	% of SRA t/o	Annual income value	Transferring to CLC NewCo (Y/N)
		Will writing			
		Lasting power of attorney			
		Estate planning			



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		Administration of Estates			
		Court protection service			
		Other			
		Other			
B3	<p>Please upload a summary/breakdown of the typical annual transaction volumes (by type) carried out by the SRA business that will transfer to CLC NewCo.</p> <p>Please upload as an excel sheet.</p> <p>Exports from the Business' case/financial management systems are also acceptable.</p>				

3. Tell us about the regulatory and financial history of the existing SRA business.

C1	Please upload a copy of the most recent approved SRA regulatory inspection?	No inspection have taken place
C2	Is this business aware of any pending or ongoing regulatory investigations involving the business, its owners and/or managers, related to the legal services transferring to CLC NewCo?	No Yes
C3	Is this business aware of any pending or ongoing regulatory disciplinary procedures involving the business, its owners or managers, related to the legal services transferring to CLC NewCo?	No Yes
C4	Please upload your completed SRA/CLC Regulatory Information Exchange. The template is available to download from	



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	the Guidance for CLC Practice applicants. Appendix 1.	I understand by providing these details, the CLC will contact the SRA to validate the information provided.	
C5	Please upload copies of (i) the last 3 years' management accounts and (ii) the most recent Balance Sheet for the SRA Business	Last 3 years' management accounts Most recent balance sheet	
C6	List the dates in the last 3 years' the business has submitted Accountant's Reports to the SRA, and specify if any were qualified. Does the SRA agree this information?	Date	Qualified (Y/N)
		Yes	
		No	
C7	Has the SRA business, or have any of its Owners and Managers ever been: <ol style="list-style-type: none"> 1. refused Professional Indemnity Insurance cover? 2. the subject of a relevant insolvency event? 3. subject to any ongoing, pending or previous investigation by any statutory, regulatory or governing body? 	Yes	No
		Yes	No
		Yes	No



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C8	<p>Has the Business within the last 3 years had appointments to any lenders' panels:</p> <p>1. terminated; or</p> <p>2. temporarily suspended?</p> <p>3. or, proposed membership of any lenders' panels refused?</p>	<p>Yes No</p> <p>Yes No</p> <p>Yes No</p>

4. Tell us about the financial, professional, or legal status of the key personnel and/or investors involved in the business?

D1	<p>Provide information on the Owners and Managers in the SRA business by uploading a completed Owners and Manager's Information Template. The template is available to download from the Guidance for CLC Practice applicants. Appendix 2.</p>	<p>I understand by providing the contact details for these individuals, the CLC will contact them directly with instructions on how to complete and progress their individual applications.</p>
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E2	AML - Business Wide Risk Assessment and Procedure	
E3	Business Continuity Plan	
E4	Copy of Terms of Engagement	
E5	Which Case Management System does a. the SRA business use? b. will CLC NewCo use?	SRA Business: CLC NewCo:
E6	Does the SRA business use an outsourced or centralised bookkeeping/client account function?	Yes No
E7	Will CLC NewCo use an outsourced or centralised bookkeeping/client account function?	Yes No

6. Investment, ownership, governance and business structure of the proposed CLC regulated business

F1	Upload a 2-3 page synopsis explaining the rational for the Hive Off and how it will be executed, and explain for CLC NewCo, its <ol style="list-style-type: none"> a. investment; b. ownership; and c. governance models; and d. operating systems, including any changes <i>within the first year of CLC regulation</i> to key personnel (as listed in D1);and 	
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	e. explain any anticipated changes to historic transaction volumes (as set out in B3) as a result of the Hive Off.	
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7. Satisfying CLC's Licensing Outcomes		
G1	<p>Upload responses to demonstrate how the proposed CLC NewCo (governance, systems and controls) will meet each CLC Licensing Outcome.</p> <p>At your preliminary licensing meeting with the CLC licensing team you will have discussed how you intend to satisfy CLC licensing outcomes. You can find a copy of the CLC Licensing Outcomes in the Guidance for CLC Practice Applicants. Appendix 3.</p>	

Once your application has been confirmed as complete the CLC Licensing team will email the nominated contact [named in A2] with the next steps.

8. DECLARATION	
	<p><input type="checkbox"/> I confirm this information is true, accurate and complete, and that all material information has been included.</p> <p><input type="checkbox"/> I understand the CLC is entitled to seek verification from any party where necessary and appropriate, including but not limited to clients, staff, government departments, Approved Regulators, other regulatory bodies, and previous insurers. Unless considered to be inappropriate, the CLC will endeavour to notify the applicant in advance of any such verification approach being undertaken.</p> <p><input type="checkbox"/> I agree to notify the CLC, within 7 days, should any of the information in this application change.</p> <p><input type="checkbox"/> I understand that any misrepresentation or failure to reveal information or grant any authorisation requested may be deemed to be sufficient cause for the refusal, suspension, or revocation of a licence.</p> <p><input type="checkbox"/> I confirm that all Owners/Directors/Partners/Members of the Business have been notified of this application and are satisfied that all information provided is true, accurate and complete.</p>
Signed	Print Name
Position/Job Role/Interest	



Regulating
Property
And
Probate
Lawyers

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Date