

PROPOSED ONGOING COMPETENCY - Framework and Key Principles

The Framework

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<p data-bbox="248 284 654 316">PROFESSIONAL STANDARDS</p> <p data-bbox="132 437 770 469">CLC Day one Outcomes first qualified licence</p> <p data-bbox="259 539 642 571">CLC Professional Principles</p> <p data-bbox="443 719 463 751">2</p> <p data-bbox="264 767 638 799">COMPETENCY OUTCOMES</p> <ul data-bbox="154 874 734 1362" style="list-style-type: none"> • Act with independence and integrity (regulation, compliance and ethics). • Maintain high standards of work (up to date legal, technical and industry knowledge). • Act in the best interests of Clients (consumer access, protection and de-risking own practise) 	<p data-bbox="1149 284 1827 316">QUALIFYING ONGOING COMPETENCY ACTIVITY</p> <p data-bbox="1137 336 1176 368">(A)</p> <p data-bbox="916 384 1361 416">Ethics and consumer protection</p> <p data-bbox="853 491 1420 571">Externally evaluated activities covering the themes below</p> <ul data-bbox="869 644 1442 1235" style="list-style-type: none"> • Own Expertise (in specialist legal area(s)) – Legal knowledge and consumer perception and protection • Legal environment: – consumer best interests and risk focused agendas • Attitudes – Ethics, and Professional Behaviours • Interactions – leading, supervising and working with others 	<p data-bbox="1816 336 1854 368">(B)</p> <p data-bbox="1547 384 2092 469">Maintaining and improving your legal, technical and industry knowledge</p> <p data-bbox="1509 491 2130 571">Legal and technical knowledge and awareness raising activities from any of the topics below.</p> <ul data-bbox="1525 592 2152 1485" style="list-style-type: none"> • AML, Know Your Client • GDPR, Privacy and Client Confidentiality • Financial Fraud and risk awareness • Cyber threats, IT security and AI • Complaints/Customer Satisfaction • Innovation & Process improvement • Ethics and Professionalism • Regulation and compliance • Finance/accounting practice/Accounts Code • Equality, Diversity & Inclusion • Client care, assessing and vulnerability and access to services • Industry and key stakeholder developments • Green environment and Net Zero legislation • Other

ONGOING COMPETENCY MINIMUM REQUIREMENTS	ACTIVITY TYPE	ACTIVITY TYPE
<p style="text-align: center;">CLC Lawyers</p> <ol style="list-style-type: none"> 1. Single purpose licence. <ul style="list-style-type: none"> o A minimum of 4 ONGOING COMPETENCY activities (A) and o A minimum of 4 ONGOING COMPETENCY activities (B) 2. Dual purpose licences. <ul style="list-style-type: none"> o A minimum of 4 ONGOING COMPETENCY activities (A) and o A minimum of 6 ONGOING COMPETENCY activities (B) 	<p>Qualifying Activity</p> <p>(3) Employer Led Assessed Activities (4) External Assessed Activities</p> <p>Eligible assessment bodies include, employers, external training providers, professional bodies, regulators, government bodies</p>	<p>Qualifying Activity</p> <p>(1) Employer Led Non-Assessed Activities, and (2) External Non-Assessed</p> <p>Eligible assessment bodies include, employers, external training providers, professional bodies, regulators, government bodies</p>
<p style="text-align: center;">CLC Practices (Phase One)</p> <ol style="list-style-type: none"> 1. CLC Authorised HoLPs and HoFAs, Principals of Recognised Bodies. <ol style="list-style-type: none"> a. A minimum of 2 ONGOING COMPETENCY activities (A) Ethics and consumer protection 	<p>Qualifying Activity</p> <p>(4) External Assessed Activity</p> <p>Eligible assessment bodies include, external training providers, professional bodies, regulators, government and industry bodies</p>	<p style="text-align: center;">N/A</p>
<p style="text-align: center;">CLC Practices (Phase One)</p>	<p style="text-align: center;">N/A</p>	<p>Qualifying Activity</p> <p>(3) Employer Led Non-Assessed Activities, and (4) External Non-Assessed</p>

1. CLC Registered Managers, MLORs, GDPOs, Complaints Leads.

- o A minimum of 2 ONGOING COMPETENCY activities (B) Maintaining and improving your legal, technical and industry knowledge

Eligible assessment bodies include, employers, external training providers, professional bodies, regulators, government bodies

Definitions of Qualifying Activity

1. Employer Led Non-Assessed Activities

Structured learning and knowledge sharing events, such as, (i) attending and/or (ii) planning and delivering in-house group and one2one training sessions. *Note confirmation of attendance must be retained for the ONGOING COMPETENCY record.*

2. External Non-Assessed Activities

Topic related knowledge sharing events, such as conferences, seminars, workshops and webinars. *Note confirmation of attendance must be retained for the ONGOING COMPETENCY record.*

3. Employer Led Assessed Activities

Structured learning events that provide the attendee with one of the following:

- a. formal written feedback
- b. a pass or score mark
- c. certificate of completion issued by the employer

AND

- d. providing structured teaching, mentoring and coaching sessions outside of day to day legal supervision requirements

4. External Assessed Activities

Structured learning taking place in a formal environment or setting, that provide the attendee with one of the following:

- e. formal feedback
- f. a pass or score mark
- g. certificate of completion issued by an external body.

PRINCIPLES OF THE PROPOSED ONGOING COMPETENCY STRUCTURE

The CPC framework will be introduced from 01 November 202X and will be operated over a 10-month period.

CHANGES TO THE CURRENT REQUIREMENTS FOR CLC LAWYERS AND PRACTICES

1. CLC Lawyers will be required to meet the current ONGOING COMPETENCY requirements for Licence renewal up to 30 October 202X.
2. The new framework will operate over a 10-month period from 01 November to 30 August each year.

3. ONGOING COMPETENCY activity will be reported to the CLC when the annual declarations are completed to renew licences each year. Declarations are issued in early September should be completed and returned along with ONGOING COMPETENCY record or report by 30 September each year.
4. ONGOING COMPETENCY evidence will be collected using a new reporting template. Which will be available from 01 July 202X.
5. The CLC will be increasing its oversight of ONGOING COMPETENCY and will now be requesting copies of all ONGOING COMPETENCY reports and we will also be increasing our routine sample checks.

ONGOING COMPETENCY activity will be concentrated on maintaining and improving professional competency.

6. There will be new planning, recording and reporting requirements for CLC lawyers and Practices.
7. ONGOING COMPETENCY will continue to be an annual reporting requirement for the purpose of maintaining a CLC Licence.
8. CLC Lawyers will be the recording and reporting owners of their annual ONGOING COMPETENCY Report.
9. CLC Practices will be the recording and reporting owners of a Practice ONGOING COMPETENCY Report covering any requirements set for their owners and employees.

Universal requirement for CLC Lawyers

10. The minimum requirements for CLC Lawyers will depend on whether they hold a single purpose (Conveyancing OR Probate) or dual purpose (Conveyancing AND Probate) licence.

11. Dual purpose licence holders will continue to complete a slightly enhanced level of ONGOING COMPETENCY to support the wider provisions of their licence and scope of legal advice that they can provide.

Universal Practice requirements, will be introduced, that target activities aimed at de-risking Practice or reducing potential harm to consumers.

12. The new framework seeks to help Practices to synergise their organisational wide training and development and risk management processes into a coherent on-going compliance and competence strategy, in the form of an annual ONGOING COMPETENCY Report covering activities undertaken by key Compliance Leads and specific key personnel.

13. Practice requirements will focus on the key Regulatory Compliance Leads (RCL) and specific key personnel, and maintaining and improving the knowledge, skills and behaviours necessary to competently carry out the practice's legal, regulatory and professional responsibilities.

14. Practice requirements will be phase in over two years. Phase One will be implemented from 01 November 202X, and Phase Two from 01 November 202X.

15. Phase 1 will be limited to key Regulatory Compliance Leads (RCL) in:

a. CLC ABS Practices authorised as a CLC HoLP and/or HoFA. Minimum ONGOING COMPETENCY activity requirements will be universal to all role holders including, non-lawyers, finance and legal professionals, Solicitors, and CLC lawyers, (*for whom these requirements will be additional to the ONGOING COMPETENCY requirements set for CLC Lawyers*).

b. CLC Recognised Bodies with two or more Principals will be required to designate amongst themselves the compliance responsibilities of the HoLP and HoFA, to complete the Practice-wide ONGOING COMPETENCY requirements.

c. CLC Sole Practitioners, i.e. the sole Authorised Person providing legal advice in the practice, ultimately assumes the compliance responsibilities of the HoLP and HoFA, and will be required to complete the Practice-wide ONGOING COMPETENCY requirements.

16. Phase 2 will expand to include Key Personnel (KP), including individuals authorised as a CLC Registered Managers, and those individuals employed at the Practice with responsibility for, AML (MLROs), Complaints Handling, GDPR (GDPOs) and EDI.

17. Any individual that holds any one or more KP responsibilities must complete the ONGOING COMPETENCY requirement on behalf of the practice. Practice must ensure they plan and supervise the complete of the ONGOING COMPETENCY

18. CLC Sole Practitioners, when they are the sole Authorised Person providing legal advice in the practice, will be able to count this activity towards the minimum requirements of their individual licence.

**Minimum levels of Qualifying
ONGOING COMPETENCY Activity**

19. ONGOING COMPETENCY will no longer be calculated using hours.

20. CLC lawyers and Practices will be required to reflect on their legal competency and technical knowledge upstreaming needs, to plan targeted ONGOING COMPETENCY activities.

21. The duration of each activity should depend on the subject area, and the level of knowledge upstreaming necessary to be confident and competent to carry out any legal, ethical or professional obligations.

**Qualifying ONGOING COMPETENCY
Activity will be comprised of a**

22. **Qualifying ONGOING COMPETENCY Activity** will comprise of non-assessed and assessed activities structured under two pillars of professional accountability.

a. Ethics and Consumer Protection

structured fixed-mixed economy of non-assessed and assessed activity.

Emphasis on (A) Ethics and Consumer Protection

b. Maintaining and improving your legal, technical and industry knowledge

23. CLC lawyers and Practices will be required to plan **Qualifying ONGOING COMPETENCY Activity** under four Principles of Ethics and Consumer Protection: -

- **Own Expertise** (in specialist legal area(s)) – Legal knowledge and consumer perception and protection
- **Legal environment:** – consumer best interests and risk focused agendas
- **Attitudes** – Ethics, and Professional Behaviours
- **Interactions** – leading, supervising and working with others

24. The Ethics and Consumer Protection Pillar activities will form the substantive component of the annual mandatory requirement.

Emphasis on (B) Maintaining and Improving Legal, Technical and Industry knowledge

25. CLC lawyers and Practices will be required to plan **Qualifying ONGOING COMPETENCY Activity** identifying a clear purpose for activity because it is focused on:

- a. maintaining and improving legal, technical and industry knowledge
- b. keeping pace with rapidly changing areas of technical expertise that are fundamental to operating within the legal services industry
- c. improving or upstreaming the quality of legal advice
- d. consumer protection obligations.

26. To help CLC Lawyers and Practices identify and plan activity the ONGOING COMPETENCY framework includes a number of suggested topic headings for planning and recording purposes.

- AML, Know Your Client
 - GDPR, Privacy and Client Confidentiality
 - Financial Fraud and risk awareness
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- Cyber threats, IT security and AI
 - Complaints/Customer Satisfaction
 - Innovation & Process improvement
 - Ethics and Professionalism
 - Regulation and compliance
 - Finance/accounting practice/Accounts Code
 - Equality, Diversity & Inclusion
 - Client care, assessing and vulnerability and access to services
 - Industry and key stakeholder developments
 - Green environment and Net Zero legislation
 - other

More routine use of ONGOING COMPETENCY as a way for first time role holders to prepare to become key Regulatory Compliance Leads (RCL)

27. The CLC already requires first time HoLP and HoFA applicants to provide evidence of targeted training and development in preparedness to hold the role.
28. It is likely something that we will also set requirements for when CLC Layers are seeking to come first time Sole Practitioners.

More routine use of ONGOING COMPETENCY as an enforcement remediation tool

29. Following enforcement action and disciplinary findings, CLC lawyers and Practices may be asked to prepare a remediation program of ONGOING COMPETENCY and development activities. Activities should seek to address where standards of competence, and ethical behaviours are those expressed in the CLC Professional Principles.
30. Where possible we will seek to agree a mutual program of activity for any training and development needs. However, in the most serious cases training and development may be explicit as part of a sanction or applied as a condition on a licence.
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Annex 1

CLC Professional Principles

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1. *Act with integrity, honesty and independence*
 2. *Know each customer, treat them fairly keep their money safe, and act in their best interests*
 3. *Uphold the rule of law and public trust in the profession and legal services*
 4. *Maintain high standards of professional and personal conduct*
 5. *Collaborate openly and truthfully comply with regulators, ombudsman and other legal professional*
 6. *Promote and support equality, diversity and inclusion in Practice and service delivery*

Annex 2

CLC Day One Outcomes

Behaviors	Competency Statements
Provision of the Legal Service	1. Undertake “Know Your Client” activity comprehensively and with due diligence to ensure that the appropriate legal services are provided.
	2. Undertakes “Know Your Client” activities to ensure a clear picture of a client’s needs and risks throughout legal transactions.
Client Care	3. Manage client and organisation data securely and confidentially in compliance with legislation
	4. Manage clients and their expectations using the most effective channels to ensure clarity of understanding and facilitate clients making informed choices.
	5. Protect client's interests to ensure they receive an honest and lawful service.
Professionalism	6. Engage in identifying the limits of their personal professional experience and competence and escalate instructions that are beyond their scope of expertise.
	7. Work closely with third party stakeholders and other professionals to understand their legal and technical requirements and provide excellent customer service, <i>for example, property managing agents, probate lawyers, mortgage brokers, land registry, financial institutions, insurers and Government departments.</i>
	8. Manage relationships with other lawyers and professional third parties using most effective channels to progress caseloads.
	9. Uphold the reputation and standing of the profession in business and private conduct.
	10. Understands, valuing and effectively managing diversity can result in greater participation with benefits at an individual, organisational and wider societal level. Acts in ways that significantly contributes to the aspiration of inclusion that makes people feel welcome and accepted thereby fostering a sense of belonging.

Communication	11. Work closely with clients and third parties providing excellent customer service.
	12. Handle points of contact with clients and key milestones in an organised and controlled way to lead the client customer experience
	13. Use the principles of Law and translate using plain English to provide clarification and explanation of the legal process and standard Legal terms.
Efficiency and effectiveness	14. Manage legal processes adhering to professional, supervisory and regulatory Codes of Conduct
	15. Deliver a cost-effective service by analysing the financial costs and fees generated by activities to inform good business decision making through price transparency.
	16. Lead case progression activity to ensure caseloads move with timeliness and with a view to commerciality.
Risk Management	17. Handle points of contact with clients and key milestones in an organised and controlled way.
	18. Undertake professional case review of self and others to identify risks and recommend areas for improvement, remedial actions paths to progression and escalation
	19. Apply fraud protection measures and cyber security procedures in relation to transactions.
	20. Manage risk in relation to legal and regulatory liabilities with regards to the client and business by understanding of where risks arise so that you can take mitigating actions, to satisfactorily discharge all professional obligations and limit exposure to complaints and reputational harm to the business and the professional as a whole.