



Licensed Body (ABS) Code

This Code must be read with the Code of Conduct. The Code of Conduct is the parent document of the CLC Handbook and Frameworks; it sits above all other Codes in our regulatory arrangements. The Code of Conduct prescribes six Ethical Principles of behaviour which are essential to delivering the specific Outcomes which sit beneath each of the Ethical Principles. All CLC regulated individuals and bodies are expected to comply with the Code of Conduct in the delivery of authorised reserved legal activities and permitted non-reserved legal activities.

The CLC also publishes several other topic specific Codes addressing important areas of practice, including this Licensed Body (ABS) Code. Topic specific Codes underpin the Code of Conduct and support regulated individuals and bodies in delivering the Ethical Principles and Outcomes of behaviour defined in the Code of Conduct. Topic specific Codes apply to all regulated activities carried out by the individuals or bodies specified in that Code.

Outcomes focused

Only those bodies able and willing to deliver the **Code of Conduct's Outcomes** are licensed as **CLC Licensed Bodies**.

Delivering these Outcomes requires all Licensed Bodies and their stakeholders to act in a principled way in accordance with the 6 Overriding Principles:

- 1. Act with independence and integrity;**
- 2. Maintain high standards of work;**
- 3. Act in the best interests of your Clients;**
- 4. Comply with your duty to the court;**
- 5. Deal with regulators and ombudsmen in an open and co-operative way;**
- 6. Promote equality of access and service.**

This Code is in place to help ensure Licensed Bodies meet these responsibilities.

Licensed Body Code

In this Code 'you' refers to Licensed Bodies regulated by the CLC, except where 'you' is provided under the heading of a designated role in which case the 'you' refers to that role. **You must ensure that you always comply with the Code of Conduct and topic specific Codes and must not permit**

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In force from: [insert date]

anyone else to act or fail to act in such a way as to amount to a breach of this Code, the Code of Conduct, or the Ethical Principles.

Should circumstances arise in which there is an apparent conflict between a topic specific Code, the Code of Conduct, or any other regulatory requirement, you must ensure that you comply with the Code of Conduct. If in doubt, contact the CLC for advice.

~~Any stakeholders in the **Licensed Body** must not act or fail to act, nor permit anyone else to act or fail to act in such a way as to amount to a breach of this Code.~~

Governance and operational arrangements

Principles

1. You ensure all persons with a **material interest**, **managers** and **employees** understand and comply with their regulatory responsibilities and do not compromise the body's duty to the Court or **Client**.

2. You enable the **Head of Legal Practice (HoLP)** and **Head of Finance and Administration (HoFA)** to discharge their regulatory responsibilities.
3. You enable **Authorised Persons** to comply with their own regulatory responsibilities.
4. You ensure persons with a **material interest** are unable to exert **improper influence** on the body.
5. You **systematically** prevent, identify and address **improper influence**, allowing independence to be maintained and the rule of law to be upheld.
6. You provide a mechanism by which staff can identify regulatory concerns to the **HoLP**, and any finance-related concerns to the **HoFA** also.
7. You operate **complaints**-handling procedures which consider **complaints** about both lawyers and non-lawyers.

Specific Requirements

8. You have a designated **HoLP** and **HoFA** and have applied for/obtained **CLC** approval of these individuals.
9. Your **HoLP** and **HoFA** have experience and qualifications appropriate to the body's profile.
10. Your **HoLP** and **HoFA** are members of the senior management team or Board, or report to the senior management team or Board.
11. You provide the **HoLP** and **HoFA** with access to the **Licensed Body's managers** and staff and the **CLC** whenever necessary and their views are taken into account and the recommendations taken forward wherever possible.
12. You specifically authorise the **HoLP** and **HoFA** to dissent from collective responsibility when reporting to the **CLC**.
13. You ensure **Non-Authorised Persons** who propose to hold a **material interest** of 10% or more, or a **material interest** holder proposes to acquire an additional kind of interest, notify both the body and the **CLC**.
14. You ensure the **HoLP** is notified of any 'fit and proper' issue concerning the **owner(s)**, the **HoLP**, **HoFA**, other **Managers** or **Authorised Persons**.

Specific Requirements – Non-Authorised Persons with Material interest

15. You are a 'fit and proper' person and declare to the **HoLP** any factors affecting this.
16. You do not attempt to exert **improper influence** over the body or individuals within it.

17. If you intend to acquire an additional kind of **material interest** you inform both the **Licensed Body** and the **CLC**.

Business arrangements

Specific requirements

18. You have at least one **Authorised Person**, authorised to provide each **reserved legal activity** the body delivers.
19. You do not employ any person disqualified from being employed by a **Licensed Body** or any person not fit and proper.
20. You do not share **Client** information with other parts of the business without the **Client's** permission.

Head of Legal Practice

Principles

21. You understand the regulatory responsibilities of the body.
22. You act upon regulatory responsibility concerns raised by staff.
23. You keep up- to-date with legislative and regulatory requirements through targeted Continuous Professional Development.
24. You ensure **Authorised Persons** employed by the body are fit and proper.
25. You report to the **CLC** any governance concerns including **improper influence**.

Specific Requirements - of the Individual

26. You are an **Authorised Person** in relation to one or more of the **reserved legal activities**.
27. You are a **'fit and proper' person** and declare to the **Licensed Body** and the **CLC** any factors affecting this.

Specific Requirements – of responsibility

28. You ensure the **Licensed Body** complies with **CLC regulatory arrangements** and any **licence authorisations, permissions** and **conditions, promptly** reporting any breach to the **CLC**.
29. You ensure **Authorised Persons** are able to comply with their regulatory responsibilities, **promptly** reporting to the **CLC** any breach of this.
30. You ensure all **Non-Authorised Person employees, managers** or **material interest** holders do not cause or substantially contribute to the **Licensed Body** or any of its **employees**,

managers or **Authorised Persons**, breaching its/their regulatory responsibilities, **promptly** reporting to the **CLC** any failures to comply.

31. You ensure persons proposing to acquire a **material interest** in the body, or who have already done so are aware of their duty to notify.
32. You ensure you are informed **promptly** of any circumstance identified under the **CLC** Notification Code.

Head of Finance & Administration

Principles

33. You protect **client money** and assets at all times.
34. You understand the regulatory responsibilities of the body.
35. You keep up- to-date with legislative and regulatory requirements through targeted Continuous Professional Development.

Specific Requirements – of the individual

36. You are a '**fit and proper**' person and declare to the **HoLP** any factors affecting this.

Specific Requirements – of responsibility

37. You ensure the body complies with the **CLC's** treatment of money requirements, **promptly** reporting any breach of these.
38. You **promptly** report to the **CLC** when the body is in financial distress or is at significant risk of becoming financially distressed.
39. You provide administrative **arrangements** to support the maintenance of high standards of work.
40. You ensure that proper records are maintained to evidence the body's management and supervision **arrangements** and how they are applied.