



**GUIDANCE FOR SWITCH AND HIVE OFF  
APPLICANTS  
CHANGING REGULATORS - DECISION IN PRINCIPLE**

# GUIDANCE FOR SWITCH AND HIVE OFF APPLICANTS CHANGING REGULATORS - DECISION IN PRINCIPLE

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## Section 1: General Guidance Notes

This guidance is for Practices currently regulated by the SRA or CILEx seeking to change to CLC regulation:

1. The ‘Switch’ Model (from SRA/CILEx to CLC regulation) - where an SRA firm delivering conveyancing and/or probate services moves its entire business to CLC regulation. The firm agrees a ‘switch day’ with each regulator. Firms seek to ‘switch’ their lender accounts on the date of switch.
  2. The ‘Hive-Off’ Model – an SRA practice sets up a CLC practice to deliver conveyancing and/or probate services, the SRA practice continues to deliver other legal services such as family law, litigation, and company commercial services. The SRA firm may either (i) run down its conveyancing services over a transition period; or (ii) continue to deliver some (or all) its current conveyancing services. Firms seek to hold both an SRA and CLC account with Lenders for a ‘transitional’ period to manage the operational transfer.
- or
3. A new CLC business when the current SRA business intends to cease trading

**Switch and Hive off applications take on average three months (90 days) to process.**

**Applications with adverse information (pertaining to the practice or its Beneficial, Owners, Officers and Managers (BOOMs)) will be considered complex and will take longer.**

### (A) BACKGROUND AND HIGH-LEVEL SUMMARY

The services we regulate: The CLC is the regulator of choice for businesses intending to offer conveyancing services (sometimes referred to as reserved instrument activities) and probate activities. Please let us know if you wish to provide these, or any other services, because CLC Practices may only deliver those legal services which the CLC has expressly licensed them to provide. Many of the practices we regulate also offer other types of legal services, such as:

Will Writing	Estate Planning
Court of Protection Services	Administration of Estates
Lasting Powers of Attorney	Administration of Oaths

CLC Practices may only provide non-contentious work. A service is treated as contentious when it becomes likely that an application will be made to court, and at that stage a CLC Practice must cease acting.

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## (B) CHANGING REGULATOR

To be granted a CLC Practice Licence applicants must satisfy the CLC Practice Licensing Outcomes BEFORE they are able to progress an application to become regulated by the CLC, owners of existing practices must satisfy the CLC the existing Practice is well managed with motivated Registered Managers and dedicated staff, has identified the risks to the business and has policies and processes which appropriately mitigate those risks. The information provided will help to indicate how well the business is likely to perform under CLC's regulatory arrangements.

## (C) WHO CAN APPLY?

The *licensable body (under its intended new ownership)* must have:

- A practising address in England and Wales (or Wales)
- A designated *Head of Legal Practice* who is an *Authorised Person* in relation to *Reserved Legal Activities*, or in a *Recognised Bod a CLC Lawyer*.
- A *Head of Finance and Administration (HoFA)*.

Legal services must be provided or supervised by *Authorised Persons* licensed by an *Approved Regulator*, such as the CLC or Solicitors Regulation Authority. Any *non-reserved legal activities* must be provided or supervised by appropriately experienced and/or qualified persons.

## (D) FURTHER INFORMATION

### APPLICATION FEES

[PUBLISHED FEES INFORMATION](#)

### ANNUAL REGULATORY FEES

[PUBLISHED FEES INFORMATION](#)

### PII

PUBLISHED [PII TERMS](#) AND [BROKER](#) INFORMATION

### FORMS AND GUIDANCE

[PUBLISHED INFORMATION](#)

### SWITCH AND HIVE OFF FAQs

[PUBLISHED INFORMATION](#)

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### (E) CQS MEMBERSHIP

Conveyancing firms regulated by the CLC can access lender panel work with no additional accreditation beyond their regulated status. CQS membership for a CLC-regulated firm would amount to an unnecessary burden on specialist conveyancing firms under tailored regulation.

CQS was established by the Law Society to improve lender confidence in firms represented by the Law Society and facilitate access to lender panel work for its members. It is a scheme operated by a representative body for solicitors. We are not clear about the value of the benefits it provides to lenders or firms' clients. Firms transferring into CLC regulation are expected to terminate their CQS membership.

### (F) IMPORTANT INFORMATION FOR PERSONS AND BODIES WITH A MATERIAL INTEREST

It is very important that a body providing legal services can meet its regulatory responsibilities. Having an accurate picture of those who control Licensed Bodies is an important part of the CLC recognising any risks to this. Therefore, all Persons' and Bodies intending to hold a material interest must be declared as they are subject to our approval.

The individual completing this form should notify any registered Officers of the (investing) body that as a BOOM (Beneficial Owner/Officers/Managers) of the body intending to hold a material interest the CLC requires them to be identified and that they will need to undergo a suitability test; including criminality and sanctions checks, and where appropriate disciplinary checks with other regulatory bodies and verification of funds. Managers are listed on the CLC's Public Register.

Confirmation from the CLC that a body and its Officers have passed the suitability test is required *before* completion of the investment/merger/acquisition can be executed. Also applies to new practice, switching and hive-off applications. The CLC [ABS Framework](#) requires the CLC to be satisfied that owners are fit to own.

Where the beneficial owner is a corporate body the suitability test will broadly reflect the approach taken in respect of Licensed Body applications. This may include governance arrangements, financial arrangements, and application of the fit and proper test to its Beneficial Owners, Officers and Managers. The CLC needs to be satisfied that the proposed owner and governance arrangements do not demonstrate there is a significant risk of undue or improper influence risk.

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### (G) SUITABILITY TESTS

The CLC must be satisfied that each manager (Individual and/or the body with a restricted interest) is suitable ([S72 and S90, Legal Services Act](#)) and the provisions of [LSA Schedule 13, s6\(1\)](#) set out what the CLC must approve. In summary the CLC is seeking to satisfy itself of the following:

- a. the person's (or body) holding of that interest does not compromise the regulatory objectives,
- b. the person's (or body) holding of that interest does not compromise compliance with the duties imposed by section 176 by the licensed body or persons to whom sub-paragraph (2) applies, and
- c. the person (or body) is otherwise a fit and proper person to hold that interest.

In making its determination the CLC will have particular regard to—

- a. the person's (or body) probity and financial position,
- b. whether the person (or body) is disqualified as mentioned in section 100(1), or included in the list kept by the Board under paragraph 51,
- c. the person's (or body) associates, and) any other matter which may be specified in licensing rules.

The CLC will raise an objection to any one of the individuals and/or bodies not unsuitable. *The CLC's object will set out its reasons in a warning notice* (applies to new applicants and notifications concerning existing incoming parties into CLC licensed bodies).

In reference to the [CLC's ABS Framework](#), Warning notices can be served in the scenarios outlined at 8.17 (objecting to the material interest or issuing subject to conditions) or 13.2 (enforcement for non-compliance with regulatory arrangements).

## Section 2: Beneficial Owners, Officers and Managers (BOOM) and Key Personnel

### [BOOM Definition](#)

### [Registered Manager Definition](#)

Applicants should familiarise themselves with the [CLC Licensing Framework](#). The universal guidance is for individuals intending to apply for CLC authorisations that are categorised as BOOMs. Comprising of the following types of application types:

1. Registered Manager (Board Appointee)
2. BOOM (individual holding a material interest)

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3. Head of Legal Practice (HoLP)
4. Head of Finance and Administration (HoFA)
5. MLRO

Prospective applicants that have not held a CLC Manager/BOOM Authorisation before, must satisfy the CLC that they are:

Fit and proper person. See item 8.14 and 8.22 of the Licensed Body (ABS) Licensing Framework for an overview of the type of factors taken into account when applying the fit and proper test); comprising identity, financial, sanctions and criminality screening checks. and regulatory and disciplinary checks. More information about the types of checks carried out is in the CLC Guidance for Applicants.

In accordance with [Recognised Body Recognition Framework](#) and the [CLC ABS Licensing Framework](#), we will be requesting information to assess that BOOMs are suitably skilled and qualified, to be:

- a. *fit to own;*
- b. *fit to manage; and*
- c. *the body is fit to provide legal services to the public.*

**All applications incur fees and DBS screening charges and switch and hive off applications take on average three months (90 days) to process.**

This includes up to eight weeks to complete Identification, DBS, PEP, sanctions, conduct, and financial history checks.

For clarity we refer to the following:-

- [The ABS Licensing Framework](#). CLC Enforcement Powers 13.22(9). *A licence may be suspended or revoked if: We have objected to the (notifiable or existing) holding of a Non-Authorised Person's material interest.*
- **CLC Regulation and Enforcement Policy**. 4.7.5 *Material interest conditions/objections/divestiture - where there are concerns that a material interest holder in Licensed Body may be demonstrating improper influence – i.e. an owner is influencing or attempting to influence the decisions of a Licensed Body or the conduct of Authorised Persons in a way which would constitute a breach of their regulatory duties - we will take action. Where there are mild concerns this is likely to take the form of conditions; where the concerns are more serious we are likely to object to the interest and this may ultimately result in divestiture.*

### Screening

The CLC uses the screening agent Giant to carry out some checks. Standard checks take up to 8 weeks for Giant to complete.

Giant Screening will ask applicants to complete a facial recognition as part of their screening check. They will have three attempts to provide an acceptable facial recognition. If the attempts fail to meet

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the facial recognition requirements Giant will ask for the applicant to provide countersigned ID&V documents. For more information, and a Candidate Guidance Video please click [here](#).

Giant contact applicants directly to give their consent to the Disclosure and Barring Service (DBS).

The below checks are carried out as part of the CLC DBS checks:

1. Spent and unspent convictions
2. Cautions, reprimands and warnings received in England and Wales that are held on the Police National Computer
3. Identity
4. Adverse Financial, CCJ and bankruptcy
5. Sanctions
6. Directors
7. FCA
8. Standard DBS

When adverse evidence is reported on the DBS report applicants will be asked to provide a full and complete copy of the DBS report to the CLC and Giant Screening.

Information should be provided to the CLC or Giant within 15 working days of request.

*Absence of satisfactory evidence within 15 working days of request is a material omission to an application and the CLC will treat the application as incomplete. This includes non-completion of the Giant screening process.*

1. convictions for offences involving dishonesty; or deceived or sought to deceive others, e.g. academic authorities, employers or members of the public; or
2. repeatedly failed in their Duty to the Court and have unsettled County Court Judgements (CCJs), or other Court Judgements against them,
3. failed to disclose to the CLC where they have been the subject of:
  - a. criminal, employment and regulatory investigations, allegations, and findings; or
  - b. financial sanctions such as CCJs, IVs, CVS and bankruptcy.
  - c. Deal with regulators and ombudsmen in an open and co-operative way; and
  - d. Promote equality of access and service.

**The wider practice application will be paused whilst the CLC concludes its adverse information enquiries.**



## Section 3: Adverse Information

In reference to Recognised Body Applications, where the principal Authorised Person must be a CLC lawyer. **Licence applicants**, unless there are **exceptional circumstances** the CLC will not be satisfied that an individual is a fit and proper person and will refuse the licence application if they have:

- a. convictions for offences involving dishonesty; or
- b. deceived or sought to deceive the CLC in the information provided in their application, or in respect of their dealings with others, e.g. academic authorities, employers or members of the public.

It is also unlikely that the CLC will consider Fit and Proper any individuals that are subject to an ongoing criminal investigation/action, regulatory investigations, allegations, proceedings, including unclouded appeal processes, by any enforcement or regulatory body are not able to pursue a licensing application until the outcome of the adverse event is known. This extends to:

1. Solicitors, FCILEx lawyers, Legal Professionals or FCA regulated Financial Controllers:
  - a. with unspent suspensions/disqualifications; or
  - b. that have been removed from the Solicitors roll/CILEx or FCA register as a result of disciplinary findings.
2. Owners, Directors, Members, Partners, HoLP and HoFA of CLC regulated practices that have been formally notified that the practice is in continued non-compliance and or subject to disciplinary allegations, investigations or proceedings.

In reference to ABS Applications. Candidates seeking to be authorised as BOOMs, HoLP, HoFA, MLRO, unless there are exceptional circumstances the CLC will not have full confidence and will refuse an applicant if they:

- have been convicted of a criminal offence; or
- have failed to disclose information to a regulatory body when required to do so or has provided false or misleading information; or
- have been formally disciplined, sanctioned, or barred by a regulatory body; or
- have failed to comply with the reasonable requests of a regulatory body.

Please also refer to CLC website for clarification on threshold level [HoLP, HoFA AND MLRO Experience](#)

## Section 4: Preparing the Practice Application Documentation and Supporting Evidence

Tell us about the existing business. Businesses should be prepared to provide:

- ✓ A short synopsis (no longer than 4 pages) explaining the investment (including any financing arrangements), ownership, governance models
- ✓ Regulatory inspection and monitoring reports about the existing business.
- ✓ Allegations, investigating, and disciplinary information relating to any of the investors, owners, or key personnel.
- ✓ Financial information including last
  - three years management accounts;
  - an up-to-date copy of the most recent balance sheet; and
  - loan and financing agreements or statements.
- ✓ Its current professional indemnity insurance (PII) certificate together with the last three years PII Claims history (provided by the insurer)
- ✓ An organisational chart, detailing investors (private and corporate), the key personnel listing lawyers (with regulatory id) and non-lawyers, and key functions, such as HOLF/HOFA/COMPLAINTS/MLRO/CFO/COO etc; and
- ✓ A detailed business continuity plan.

The BCP should be explicit about the arrangements necessary to manage all aspects of any transaction in any event that triggers the following:

- ✓ The absence of the Authorised Person/HoLP/HoFA
- ✓ Short unplanned absences
- ✓ Medium and long-term planned absences
- ✓ Rapid closure (triggered by death, external events and foreclosure)
- ✓ Orderly managed closure (triggered by retirement, company wind up, planned closure)

Eventualities should include:

- ✓ Incapacity, dealing with family emergencies, bereavements, death of key personnel or owners.
- ✓ External events that could trigger a rapid wind-up that means the proper conclusion of legal services is not possible, such as failure to secure PII cover

In all instances Registered Managers should plan a course of action and nominate responsible individuals from the trigger event through to the conclusion of any post closure responsibilities. Including specific arrangements for, but not limited to, access to banking facilities/funds to pay for cover and other professional services/ access to and licences for digital systems/files and storage/insurance etc.

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*We will also ask for copies of the businesses current policies and procedures, including a completed practice wide AML risk assessment and detailed business continuity plan. (Including arrangements for planned and unplanned cover and closure processes)*

## Section 5: The Application Process

### THE SWITCH/HIVE OFF PROCESS

Tell us about your practice. We will ask you to provide some standard information about the business for us to review. Most applications follow the steps below. We will discuss this with you when we meet.

#### Step 1: An Expression of Interest

Applicants should email the Licensing Team on [licensing@clc-uk.org](mailto:licensing@clc-uk.org) outlining key information about the current business and the legal services intended to switch or hive off to CLC regulation.

#### Step 2: Meet with us

Applicants are invited to attend a virtual Microsoft Teams meeting with the CLC Licensing Team. It's important that owners and Registered Managers attend this meeting because we will be discussing the investment and governance elements of your application, and the associated authorisations and licences required for any key personnel.

We will discuss the financial and regulatory viability and sustainability of the proposed business. In addition, we will explain the following documents and their importance in the application process together with what we expect from you.

#### A. Sources of and Evidence of Investment and Financing:

Corporate or Personal. Including details of the repayment terms or any conditions that would apply because of financial non-performance. You must also explain any relationship the proposed CLC business may have with other existing businesses through common ownership or financing. We will be seeking to establish the appropriate AML checks and whether any due diligence is required on any related business or its owners/officers.

We may request to see copies of the following types of legal agreements:

- Corporate investment, loan, intercompany financing agreements
- Share Purchase/Share Holders agreements
- Exit/retirement packages
- Agree Payment Plans, such as those relating to HMRC arrangements.

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- The contracts of employment for the key personnel
- Current employment contracts including restrictive covenants relating to key personnel, in particular the HoLP/HoFA.

*This is an entirely confidential discussion but for the meeting to be useful you must come prepared to share information.*

### **B. Application Synopsis:**

You will be asked to upload a synopsis (no longer than 4 pages) explaining the investment, ownership, governance and operating models for the business including financial, technological and operational provisions to execute the start-up and those that manage the regulatory requirements in the event of a planned or unplanned closure/wind up. The synopsis should be a comprehensive summary about the investment model, the operating parameters of the business and its accountable qualified and unqualified key personnel. (Whist trading and in the event of the business having to ceasing trading – including planned for and unplanned for closure events)

The CLC expects that business owners can identify particular risks associated to the following areas of the business, its:

- Investment, governance and operating model and any limitation or risk to the business/clients because of its resources
- Any operational aspects
- Sources of work and ability to manage volumes of work through the transition
- The nature of the legal services the business intends to provide, transactions types, especially higher risk areas of practice
- The client base, nature and characteristics of clients
- Post closure regulatory requirements – applicants are advised to prepare a risk analysis for un-planned closure identifying typical scenarios for *rapid response events* such as, failure to secure PII, death, terminal ill health, hospitalisation, dissolving business relationships, early foreclosure of investment.

### **C. Replies to the CLC's Licensing Outcomes:**

Your replies should form the narrative to explain the context and logic behind the businesses policies and procedures. You will need to clearly demonstrate in your replies, the owners and Registered Managers of business complete understanding of the risks associated to the business and how to operate a compliant legal services business.

Please find the CLC's Licensing Outcomes Document [here](#).

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*Your replies should explain how the Practice's organisational structure and operating procedures will effectively identify and manage risk associated to the legal services provided, with reference to properly maintaining consumer protection and regulatory compliance. Typically, we would expect the HoLP/HoFA/MLRO and Registered Managers to contribute to the drafting this document.*

### Useful Information:

[https://www.clc-uk.org/risk\\_agenda](https://www.clc-uk.org/risk_agenda)

<https://www.clc-uk.org/cybercrime-fraud-toolkit/>

<https://www.clc-uk.org/lawyers/anti-money-laundering-toolkit/>

<https://www.clc-uk.org/aml-client-and-matter-risk-assessments/>

<https://www.clc-uk.org/lawyers/accounts-code-from-30-september-2020/>

<https://www.clc-uk.org/handbook/the-handbook/#Code-of-Conduct>

<https://www.clc-uk.org/lawyers/keeping-the-clc-informed/>

### D. An Organisational Chart:

You will be asked to upload an organisational chart which should include, non-operational individuals with a material interest and specify individual roles, such as HoLP, HoFA, GDPO, MLRO, together with other key responsibilities such as, complaints handling or specific areas of practice. You must also specify which individuals are licensed or regulated professionals, including the name of the regulator and the individuals regulatory ID, for example SRA: 1234, ICAEW: 1234 and the date that their first licence was granted.

### E. Transaction and Financial Forecast:

A break down by month for the first 12 months of trading. This must be submitted in Microsoft Excel format including the following tabs. Each tab must include the assumption used for to make any average calculations.

- **Tab 1:** Fee Structure
- **Tab 2:** Transaction volumes by types, including referral and conversion rates
- **Tab 3:** income/fee by type for 12-month forecasts, including any referral costs
- **Tab 4:** full 12-month profit and loss/or balance sheet

### F. Policies and Procedures:

The CLC is only seeking to verify that your client facing policies and procedures are compliant. We do not need you to submit any employer related documentation. The application form will ask for specific polices such as a Business Continuity Plan, AML policy and a separate completed practice wide AML risk assessment.

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Applicants that are not able to provide sufficient detail in the above documents, when explaining 'how to implement appropriate systems, controls and management processes to ensure the business can operate in a complaint way' risk being rejected on the basis that there is insufficient evidence.

### Step 3: PII

You should ensure you have begun discussions to obtain a quotation for professional indemnity insurance cover (PII) from an Insurer which is a signatory to the CLC Participating Insurance. The CLC encourages firms to seek quotes from more than one insurer. Click on the names to find out more about each scheme.

All practices regulated by the CLC must, as a condition of being licensed, have in place professional indemnity insurance (PII) to indemnify them for any civil liability incurred arising out of regulated services provided. The CLC runs a Participating Insurers Agreement and CLC regulated practices can seek cover from any insurer that is part of this scheme. This arrangement was put in place in June 2016. Among other things, it sets out a minimum level of cover of £2 million for each and every claim. It also ensures six years run-off cover at no additional cost when a practice closes with cover of £2 million in aggregate.

The minimum terms and conditions were revised in 2022 following extensive consultation. The current minimum Terms and Conditions, Participating Insurers Agreement, CLC Framework, Code and Guidance are linked below.

#### Background Documents

Below you can read and download the relevant policies and documents. These were amended in June 2022 following extended consultation.

- a. [CLC Professional Indemnity Insurance Minimum Terms and Conditions](#)
- b. [Participating Insurers Agreement](#)
- c. [CLC Professional Indemnity Insurance Framework](#)
- d. [CLC Professional Indemnity Insurance Code and Guidance](#)

#### Contact Details of Brokers and Insurers

The CLC encourages practices to see quotes from more than one insurer. Below is a list of brokers and approved insurers. Further details about each scheme can be found by clicking on the links below.

- a. [Howden CLC Scheme](#)
- b. [Marsh JLT CLC Scheme](#)
- c. [Miller CLC Scheme](#)
- d. [HERA CLC Scheme](#)

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### Step 4: Complete and Submit all Digital Applications

Complete and Submit all Digital Applications through the online platform, DocuSign, attaching all relevant supporting information. DocuSign will email applicants from [dse@eumail.docusign.net](mailto:dse@eumail.docusign.net) with a unique link to access the digital application form and helpful instructions about how to complete it.

**After 28 days the link to the digital application will expire and the CLC will treat the application as withdrawn.**

### Step 5: Completing the final preparations before the Practice Licence can be issued

If approved, applicants will be required to complete the final steps before the licence can be generated and issued:

1. Ask the PII broker to confirm to the CLC in writing:
  - a. the annual turnover figure provided for the purpose of calculating the annual premium;
  - b. that the premium has been paid or that a third-party financier agreement is in place for the payment of the premium; and
  - c. obtain the certificate of insurance from the PII broker (expiry date of 30 June) **\*the PII must incept before the practice licence can be issued.**
2. Pay the upfront portion of the annual Practice licence and contribution to the compensation fund together with any fees associated to individual licences.
3. Complete and return a Direct Debit Mandate for the remaining amount owed for the annual Practice Licence Fee.
4. Provide copies of all branding and marketing materials, including letter heads and email footers.
5. Complete and sign a **Cooperation Inspection Agreement** and any final declarations associated to the key personnel.
6. Sign up to and have approved the CLC's Secure Badge. Which must appear in a prominent place on the Practice's website. *We will email you with instructions.*

## Section 6: Fees and Processing

### (A) APPLICATION FEES

All licence applications are subject to a non-refundable screening fee.

### (B) ADDITIONAL FEES WHEN THERE ARE ADVERSE FINDINGS

The CLC reserves the right to charge additional fees, up to 14 hours' charges at £80.00 per hour on applications containing adverse findings.

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### (C) PROCESSING TIME

The CLC endeavours to process most individual applications within 42-days and Practice application in 90-days. **Individual applications submitted as part of a practice application (to be licensed as a CLC Recognised Body or as an ABS) will be considered and processed with the practice application timescale.**

### (D) YOUR PERSONAL DATA

Your details will be held by the CLC in accordance with the General Data Protection Regulations (GDPR). For the purposes of GDPR, if you provide any information to us, we will be the data controller. For further information about how your information is used, how we maintain the security of your information, and your rights to access information we hold about you, please see our privacy policy which is kept under regular review. You can contact our Data Protection Officer via email at [privacy@clc-uk.org](mailto:privacy@clc-uk.org) or in writing to: **Council for Licensed Conveyancers, We Work, 120 Moorgate , London EC2M 6UR, Main Line: 020 3859 0904**

[READ OUR PRIVACY POLICY HERE](#)

## Section 7: Licensing Decisions

### (A) FIT AND PROPER TEST

Applicants must satisfy the CLC that they are a fit and proper person to practise as a CLC lawyer (see item 8.22 of the Licensed Body (ABS) Licensing Framework for an overview of the type of factors considered when applying the fit and proper test). Licensed individuals must be able and willing to act in a principled manner and deliver the CLC Code of Conduct's Outcomes by complying with its Overriding Principles: -

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

### (B) LICENSING DECISIONS

Include (i) **refusal to grant** (ii) **minded to refuse** (iii) **minded to approve**, and (iv) **approved**, i.e. granted. For more information view the [CLC Lawyer Licensing Framework](#)



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- a. When minded to refuse the granting of a licence, the CLC will notify the applicant of the grounds of its concerns and invite the applicant to make representations to address the concerns or to resubmit improved documentation within one month of the date of the notification.

*Applicants may be required to take specific steps the CLC deems conducive to safeguarding the interests of consumers or other regulatory objectives. This may include completing specific educational requirements, or arranging for independent verification of their work, such as an external audit and file reviews. Requirement must be met at the applicant's own time and cost. Refusal to undertake any specified activity will lead to the CLC's refusal to Grant the licence.*

- b. When refusing to grant a licence, the CLC will notify the applicant of the grounds on which the rejection was made and the applicants right for the determination to be reviewed.

### (C) POST APPROVAL PROCESS

When a CLC licence is approved, i.e. granted, it will not be issued to the licensee until the Finance Team confirm to the Licensing Team receipt of payment for the appropriate annual licence fees.

#### [Annual Fees Table](#)

#### **Important Information:**

If you are applying to become a CLC Lawyer (Licensed Conveyancer, Licensed Probate Practitioner) or making any changes to an existing CLC licence, the new licence will be issued in your legal name as it appears in your Passport. This applies to any newly issued licences.

- a. Any request to defer the issue of an approved (new and reapplying) licence must be made when the licence application is submitted, as this will change the way we calculate the cost of the annual licence fee.
- b. The CLC calculates the annual licence fee from the 1st day of the calendar month in which an application is approved. This fee will be the pro-rata annual licence fee payment and will be automatically invoiced. Once invoiced, this fee is not changeable and is non-refundable.
- c. The annual licence fee must be paid by 31 October in the current licensing year.
- d. The licence will incept from the date that the licence is generated and issued.

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### (D) STATUTORY RIGHT TO APPEAL

Under Section 29(1)(a) of the Adjudication Act 1985 when the CLC refuses an application for a licence an individual may appeal that decision to the Adjudication Panel within one month of being notified of that refusal. That time runs from the date of receiving the CLC licensing refusal letter.

The **respondent** must submit an appeal to the CLC within 28 days of being notified of the determination by email.

The **Adjudication Panel** (with a quorum of 3) will determine when it is appropriate to impose sanctions – such as disqualification of the Body or a **Manager**, licence revocation or imposition of a penalty.

No member of the **Adjudication Panel** is a member of the **CLC** Council or an **employee** of the **CLC**.

Wherever possible the **applicant** making the appeal will be provided with the decision of the **Adjudication Panel** within 42 days of receipt of the request for the appeal. The CLC reserves the right to extend this to 90 days where needed.

View the [Adjudication Panel Procedure Rules 2015](#) and the [Adjudication Panel Rules 2015](#). The Adjudication Panel decision is final. There is no further stage of appeal open to applicants.

### (E) APPOINTING REPRESENTATION

Rule 10(1) and (2) of the [Adjudication Panel Procedure Rules 2013](#) provide:

*(1) A party may appoint a representative (whether legally qualified or not) to represent that party in the proceedings. (2) If a party appoints a representative, that party must send or deliver to the Adjudication Panel and to each other party written notice of the representative's name and address.*

### (F) HOW TO SUBMIT AN APPEAL

Appellants should complete and submit a Notice of Appeal to [licensing@clc-uk.org](mailto:licensing@clc-uk.org). Please ensure that the Appellants name and licence application type is clearly stated in the subject heading of the email.

Download the [Notice of Appeal](#).

### (G) REVOCATION OF LICENSES ISSUED BY FRAUD OR ERROR

Should the CLC consider that it has issued a licence that was obtained by Fraud or Error. Under [Administration of Justice Act 1985 S28](#) and by [APR 2015](#), Revocation of licences and recognitions obtained through fraud or error

18.—(1) Where—

(a) it is considered that a licence was issued to any person as a result of error or of fraud on his part, and

(b) the CLC decide that there is any question of the Adjudication Panel exercising their powers under section 28(1) of the 1985 Act, the CLC must refer the matter to the Adjudication Panel.

## GUIDANCE FOR SWITCH AND HIVE OFF APPLICANTS CHANGING REGULATORS - DECISION IN PRINCIPLE

18 (2) Where—

- (a) it is considered that recognition was granted to any Recognised Body as a result of error or of fraud on its part, and
- (b) the CLC decide that there is any question of the *Adjudication Panel exercising their powers under paragraph 7(1) of Schedule 6 to the 1985 Act*, **the CLC must refer the matter to the Adjudication Panel.**

18 (3) A reference under this rule must—

- (a) be made in writing,
- (b) state that it is made under this rule, and
- (c) set out the allegation and a summary of the facts relied on to support it.

18 (4) A copy of such a reference must be served on the respondent, together with a copy of these Rules.

18 (5) On such a reference, the Adjudication Panel must hold a hearing to determine the allegation. *In the case of a Panel's decision to revoke a licence on the basis of fraud or error under section 28, the AJA does not provide for a right of appeal to the First-Tier Tribunal.*

### (H) OUR PUBLICATION POLICY

Read the [CLC's Publication Policy](#)

### (I) YOUR RIGHT TO COMPLAIN

We work to high standards when it comes to processing your personal information. If you have any queries or concerns, you can contact us at [privacy@clc-uk.org](mailto:privacy@clc-uk.org) . If you remain dissatisfied, you can make a complaint about the way we process your personal information to the [Information Commissioner's Office](#).

# GUIDANCE FOR SWITCH AND HIVE OFF APPLICANTS CHANGING REGULATORS - DECISION IN PRINCIPLE

## Annex 1 - Index of Documents

Documents you will be asked to upload while completing this Application Form.

Section ID	Document Type	Source
1A2	Evidence to show how the SRA Business is formed	
1C1	Schedule of Insurance (PII) for the SRA Business	
1C3	Evidence that the SRA Business or its Owners/Managers have been subject to any ongoing, pending or previous investigation by any Statutory, Regulatory or Governing Body	
1C4	PII Claims Record for the SRA Business	
2A1	Evidence to show how the Business under CLC Regulation will be formed	
2C2	Policy Quote from a CLC Participating Insurer	
3B1	Excel Document of Transaction Volumes	
4A1	Copy of the most recent Approved Regulatory Inspection	
4A2	Explanation of any pending or ongoing Regulatory Investigations	
4A3	Explanation of any pending or ongoing Regulatory Disciplinary Procedures	
4B2	<ul style="list-style-type: none"> <li>• Last 3 year's Management Accounts</li> <li>• Most recent Balance Sheet (covering a minimum of 12 months)</li> </ul>	
5A1	Completed Owners and Managers Information Template	<a href="#">Template</a>
5B1	Organisational Charts: (i) For the existing SRA Business (ii) The Business under CLC regulation	
5C2	Corporate Structure Chart	
6A1-A9	Policies and Procedures (Copies of all Client Facing Policies and Procedures)	<a href="#">AML Risk Assessment Template</a>
7A1	Synopsis	
8A1	A completed copy of the CLC's Licensing Outcomes	<a href="#">Document</a>
8B1	Evidence of Cover Arrangements	

## Annex 2 - Definitions

**1.1 'Reserved legal activities'** are as defined in s.12 and Schedule 2 of the Legal Services 2007 Act. Currently, there are six reserved legal activities: the exercise of a right of audience (advocacy), the conduct of litigation, reserved instrument activities, probate activities, notarial activities, and the administration of oaths. The CLC currently licenses and regulates Conveyancing Services which are included reserved instrument activities and probate activities and in the administration of oaths.

**1.2 An 'approved regulator'** is a body which is authorised to regulate providers of legal services and includes the Law Society, Bar Council, The Chartered Institute of Legal Executives, The Council for Licensed Conveyancers, The Chartered Institute of Patent Attorneys, The Institute of Trademark Attorneys, The Association of Law Costs Draftsman, The Master of Faculties, The Institute of Chartered Accountants in England and Wales.

**1.3 An 'authorised person'** is a person who has been authorised by an approved regulator to carry out reserved legal activities, for example: -

- a) Licensed Conveyancer
- b) Licensed Probate Practitioner
- c) Solicitor
- d) A Fellow of the Chartered Institute of Legal Executives with CILEx Practitioner rights

**1.4 A 'non-authorised person'** is a person who has not been authorised by an approved regulator to carry out reserved legal activities

**1.5 A 'beneficial owner'** is an individual or company which has all the benefits and entitlements of a legal owner, even if not named or registered as the legal owner.

**1.6** person or legal Practice holds a '**material interest**' in a Licensed Body if the person, legal Practice (or any of the person's associates or the person and any of the person's associates together):

- a) holds at least 10% or more shares in the body (or in a parent undertaking);
- b) is someone able to exercise significant influence over the management of the body (or a parent undertaking) due to their entitlement to exercise, or control the exercise of voting rights;
- c) is entitled to exercise, or control the exercise of, voting powers in the body (or a parent undertaking), which, if it consists of voting rights, constitutes at least 10% or more of the voting rights;
- d) is a partner having at least 10% interest in the capital or profits of the partnership; and includes any ultimate beneficial owner of more than 10%.

## GUIDANCE FOR SWITCH AND HIVE OFF APPLICANTS CHANGING REGULATORS - DECISION IN PRINCIPLE

**1.7 Registered Manager**, is an individual notified to the CLC because they are

- i** held out as a Partner (equity or salaried),
- ii** an appointed Member, LLP
- iii** an appointed Director (shareholding and non-shareholding), LTD, or
- iv** nominated officer of a corporate investor; or
- v** individual investor.

These individuals are listed on the CLC Public Register. Some investors or nominate officers of Corporate investors will be treated as Registered Managers and subject to standard due diligence (financial, disciplinary, sanctions and criminality checks) but will not be listed on the CLC's Public Register.

**1.8 An 'insolvency event'** is defined as:-

- a) resolution for a voluntary winding up of the body is passed without a solvency declaration (under s.89 of the Insolvency Act 1986);
- b) the body enters administration under the meaning of Schedule B1, para 1(2)(6) of that Act;
- c) an administrative receiver within s.251 of that Act is appointed;
- d) a meeting of creditors – which has the effect of converting a members' voluntary winding up into a creditor's voluntary winding up – is held in relation to the body under s.95 of that Act;
- e) an order winding up the body is made.

**1.9 An 'individual voluntary arrangement' (IVA)** is an agreement between a debtor and their creditors.

The agreement sets out how creditors will be repaid and normally entails setting up monthly payments over a certain period of time, such as five or six years. Alternatively, if an asset such as property can be sold, the agreement may specify that a lump sum is raised and distributed to creditors of the debtor.

**1.10 'Lenders panel'** comprises of lawyers who have been approved by lenders to carry out legal work on their behalf in relation to property purchases and re-mortgages.

**END OF DOCUMENT**