



Guidance for CLC Practices Notifying a Change of Material Interest and Individuals or Businesses Intending to Acquire a Material Interest

Council for Licensed Conveyancers

Document Purpose

This guidance outlines the notification and application process for individuals and businesses seeking to acquire a material interest in a CLC-regulated Practice. It sets out the steps, requirements, and assessment criteria to ensure that ownership changes meet the CLC's regulatory standards and support effective, compliant practice management.

Contents Include:

- Guidance on Material Interest Acquisitions in CLC Regulated Practices
- Outcomes-Focused Decisions
- Application Stages
- Fit and Proper Test
- Beneficial Owners, Officers and Managers (BOOMs)

Issued By: Council for Licensed Conveyancers

Contact: licensing@clc-uk.org

Website: <https://www.clc-uk.org/>

Contents Page

| Section | | Page Number |
|---|--|-------------|
| Section 1: Guidance on Material Interest Acquisitions in CLC Regulated Practices | | |
| 1 | Purpose of this guidance | 3 |
| 2 | Notification and requirements | 3 |
| 3 | Professional Indemnity Insurance (PII) | 3 |
| 4 | Required documentation and due diligence | 3 |
| 5 | Adverse information | 4 |
| Section 2: Outcomes-Focused Decisions | | 4 |
| Section 3: Application Stages | | |
| STEP 1 | Submission of notification form | 5 |
| STEP 2 | Meeting with CLC Licensing Team | 5 |
| STEP 3 | Application submission | 5 |
| STEP 4 | Decision Outcome | 6 |
| Section 4: Fit and Proper Test | | |
| 1 | Suitability and fitness assessments | 7 |
| 2 | Screening | 8 |
| Section 5: Beneficial Owners, Officers and Managers (BOOMs) | | |
| 1 | Key Personnel | 9 |
| 2 | Persons or officers intending to become a CLC Lawyer | 9 |

Section 1: Guidance on Material Interest Acquisitions in CLC Regulated Practices

1 PURPOSE OF THIS GUIDANCE

This guidance is intended for:

- **CLC-regulated Practices** proposing changes to their existing material interest structures; and
- **Individuals or businesses** seeking to acquire a material interest in a CLC-regulated Practice.

2 NOTIFICATION AND REQUIREMENTS

Under the [Notification Code](#), all CLC-regulated Practices must notify the CLC of any proposed direct or indirect changes relating to material interest, care, or control.

Any party intending to acquire a material interest must notify the CLC **prior to completion of any legal or financial settlement**. All such acquisitions are subject to **CLC approval**, and prospective acquirers must submit sufficient personal and financial information to enable the CLC to conduct a regulatory assessment of their fitness to own and manage a Practice.

The Practice must also demonstrate its ongoing ability to comply with regulatory requirements under the [Management & Supervision Arrangements Code](#) following the proposed change.

Please Note: The CLC may determine that a material interest has been indirectly acquired where arrangements exist through **beneficial ownership, family associations, or connections with related corporate entities**, such as spouses or affiliated businesses.

3 PROFESSIONAL INDEMNITY INSURANCE (PII)

Practices are advised to notify their current **Professional Indemnity Insurance (PII) provider** of any proposed changes, including anticipated timelines. Written confirmation must be obtained from the provider confirming continued coverage following proposed changes. (See: [Professional Indemnity Insurance Code](#))

4 REQUIRED DOCUMENTATION AND DUE DILIGENCE

All parties must submit clear evidence outlining how the material interest is to be acquired—both legally and financially. This may involve obtaining documentation or statements from third parties, such as legal or financial advisors or financial institutions.

As part of its regulatory due diligence, the CLC will conduct checks relating to:

- Anti-Money Laundering (AML)
- Source of funds
- Source of wealth

If the acquisition is conditional upon the completion of any other legal or financial matter, supporting documentation must be provided.

Applicants must submit, where applicable, the following documentation:

- a. Current Shareholders' Agreement
- b. Share Purchase Agreement
- c. Proposed Shareholders' Agreement(s)
- d. Confirmation Statements
- e. Share or Interest Transfer Deeds
- f. Investment Agreements or Documentation

5 ADVERSE INFORMATION

Applications will **not** be accepted if the proposed acquirer (individual or entity) or any of its managers is currently:

- a. Subject to ongoing criminal or financial investigations or proceedings initiated by an enforcement authority;
- b. Involved in ongoing regulatory or disciplinary actions brought by a regulatory or licensing body, including pending outcomes or non-compliance with sanctions or penalties; or
- c. Subject to a disqualification order issued by a regulatory or licensing body, unless the order has been successfully appealed or the licence/registration has been fully reinstated without conditions.

Section 2: Outcomes-Focused Decisions

The **Licensing Framework** seeks to ensure that individuals licensed by the Council for Licensed Conveyancers (CLC) possess both the competence and the commitment required to uphold the [CLC Code of Conduct](#).

Licences and Authorisations are granted **only to those individuals who clearly demonstrate both the capability and willingness to act in accordance with the Code**, through consistent adherence to its **core Ethical Principles**.

These principles are:

1. Act with integrity, honesty, and independence.
2. Know each client and understand their specific needs; treat them fairly, safeguard their money, and act in their best interests.
3. Uphold the rule of law and maintain public trust in the profession and in legal services.
4. Maintain high standards of professional and personal conduct.
5. Collaborate openly and truthfully with regulators, ombudsmen, and other legal professionals.
6. Promote and support equality, diversity, and inclusion in both practice and service delivery.

Section 3: Application Stages

Individuals and businesses seeking to acquire a material interest in a CLC-regulated Practice must make themselves available for direct engagement with the CLC. This includes responding to enquiries, providing necessary assurances, and, where required, attending meetings.

STEP 1 SUBMISSION OF NOTIFICATION FORM

Practices must notify the CLC by completing the [online notification form](#).

The form will request details regarding the proposed change, including:

- A high-level overview of the material interest being acquired
- The intended legal and financial structure of the acquisition
- Proposed timescales for completion

Following the submission and initial review, the CLC will request contact details for all incoming or beneficial parties. These individuals or entities must be informed that they will be required to confirm their identity and may be asked to provide commercially sensitive or confidential information to support the application.

STEP 2 MEETING WITH CLC LICENSING TEAM

Practice owners and managers may request an online meeting with the CLC Licensing Team. The CLC encourages early engagement, as preliminary discussions often help clarify expectations and streamline the process.

The CLC is likely to schedule a meeting with relevant parties where the proposed acquisition involves **complex arrangements** or results in significant changes to:

- Licensing
- Business structure
- Governance or decision-making
- Delegation of responsibilities
- Risk exposure

In cases where the proposed changes appear **moderate**, the CLC may initially request additional information in writing before deciding whether a meeting is necessary.

STEP 3 APPLICATION SUBMISSION

1. Application Requirements

Incoming individuals or entities must submit at least one application form. The number and type of applications required will depend on the nature of the proposed changes, the identity of the incoming party, and any modifications to the Practice's management or structure. Some changes

may trigger a conversion to an Alternative Business Structure (ABS) or Recognised Body, which could require further applications for key personnel.

2. Supporting Information

Applicants must be prepared to provide comprehensive corporate, personal, legal, financial, and professional documentation.

3. Mandatory Application Types

Individuals acquiring a material interest—or officers of an incoming body—must complete a BOOM (Beneficial Owner, Officer, or Manager) and/or Registered Manager application. These include standard fitness and screening checks (*see Section 4.2*), such as a Disclosure and Barring Service (DBS) check.

- A new screening check is required for **each** acquisition of material interest if more than 12 months have passed since the last screening check with the CLC.
- The CLC retains DBS records for 12 months, after which they are securely destroyed.
- DBS checks can take up to 8 weeks to complete.

4. Fees

All applicable application and screening fees must be paid in advance. All fees are non-refundable. Full details can be found on our [Licensing Application Fees](#) page.

5. Processing Timeframes

The CLC aims to process applications within 42 to 90 days, depending on the complexity of the case and the responsiveness of applicants and third parties. Delays may occur due to:

- Slow responses from applicants or third parties
 - Additional verification required for applicants based outside the UK
 - Extended checks by screening agents
- Where delays are expected, the CLC will notify applicants accordingly.

| STEP 4 | DECISION OUTCOME |
|--|------------------|
| <h3>1. Decision in Principle</h3> <p>Upon assessment, the CLC will issue a decision in principle. Once received, the Practice may proceed with Professional Indemnity Insurance (PII) arrangements and legal and financial transactions.</p> <ul style="list-style-type: none"> • The decision in principle is valid for three months to allow sufficient time for finalising all arrangements. <h3>2. Modification of Licence</h3> <p>The CLC may determine that it is appropriate to amend the Practice's licence, including adding or amending permissions or conditions. This will be communicated as part of the decision in principle, along with an explanation of the reasons for such measures.</p> | |

Right to Appeal

1. If dissatisfied with the decision, applicants may submit an appeal within one month of the decision being issued. Appeals will be heard by the Discipline and Appeals Committee, known as the [Adjudication Panel](#), an independent body.
2. The Adjudication Panel will consist of a minimum of three members, none of whom are members of the CLC Council or employees of the CLC. A decision will normally be issued within 42 days of receipt of the appeal request. This may be extended to 90 days in complex cases.
3. Applicants may appoint a representative (legal or otherwise) to act on their behalf. If so, written notice of the representative's name and address must be provided to both the Panel and all other parties.

See also: [Adjudication panel rules and guidance](#), [How to appeal](#), [Publication policy](#)

Your Right to Complain

The CLC is committed to the responsible and lawful processing of personal data. If you have concerns regarding how your data is handled, you can contact us at: privacy@clc-uk.org.

If your concern is not resolved, you may raise a complaint with the Information Commissioner's Office (ICO).

Section 4: Fit and Proper Test

1 SUITABILITY AND FITNESS ASSESSMENTS

1. Fit to Own Assessment ([ABS Framework](#))

The CLC must be satisfied that proposed ownership arrangements do not introduce any risk of undue or improper influence over the regulated Practice. This includes consideration of familial or legal relationships that may create indirect control, even where business affairs appear formally separate.

In such cases, the CLC will likely request formal assurance from the Practice's Board that proper governance and safeguards are in place.

2. Legal Basis and Criteria

Under [Sections 72 and 90 of the Legal Services Act 2007 \(LSA\)](#) and [Schedule 13, Paragraph 6\(1\)](#), the CLC must be satisfied that:

- 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 subparagraph (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
- d. any other matter which may be specified in licensing rules.

3. Objections

Where a person or entity is found unsuitable, the CLC will issue a Warning Notice, setting out the reasons. This applies to both new applicants and those joining existing CLC Practices.

Relevant powers under the [ABS Framework](#) include:

- a. Rule 8.17 – objection to the acquisition or conditional approval
- b. Rule 13.2 – enforcement action for non-compliance

2 SCREENING

The CLC uses Giant Screening, a third-party screening agent, to carry out all mandatory checks.

1. Fee Payment and Responsiveness

Applicants will be invoiced by the CLC for Giant Screening fees, which must be paid within 10 working days. Applicants should be alert to communications from Giant and respond promptly.

- Failure to respond within 10 working days may result in ineligibility.

2. Handling of Adverse Information

Where adverse findings are reported, the CLC will require supporting evidence, such as:

- DBS Certificates
- IVA/CVA/Bankruptcy Supervisor reports
- Court or tribunal findings

The CLC reserves the right to make enquiries to any bodies and agencies that it considers appropriate to validate that a prospective applicant is Fit and Proper.

3. Material Omissions

Failure to declare adverse findings will be treated as a material omission and will render the application incomplete.

4. Grounds for Refusal

Unless exceptional circumstances apply, the CLC will refuse applications where the individual or body:

- a. Has acted dishonestly or deceived others (e.g. employers, clients, or institutions)
- b. Has repeatedly failed in duties to the court or holds unresolved County Court Judgments (CCJs) or similar
- c. Has failed to disclose being the subject of:
 - i. Criminal, employment, or regulatory proceedings or sanctions
 - ii. Financial penalties such as CCJs, IVAs, CVAs, or bankruptcy

Section 5: Beneficial Owners, Officers and Managers (BOOMs)

1 KEY PERSONNEL

1. Individuals and entities that fall within the definition of a *Beneficial Owner, Officer or Manager (BOOM)* or *Registered Manager* are required to satisfy the Council for Licensed Conveyancers' (CLC) fit and proper person criteria. These individuals must also complete the standard application process.

[BOOM Definition](#)
[Registered Manager Definition](#)
2. Persons or nominated officers may also be proposed as being the practice's appointed Head of Legal Practice (HoLP), Head of Finance and Administration (HoFA) or Money Laundering Reporting Officer (MLRO), collectively referred to as *Key Personnel*. Proposed applicants must, in addition to meeting the CLC's fit and proper requirements, also satisfy the CLC's professional and occupational eligibility criteria for such appointments.

[Key Personnel Criteria](#)

2 PERSONS OR OFFICERS INTENDING TO BECOME A CLC LAWYER

1. Persons or officers seeking to become a CLC Lawyer must follow the CLC's standard first licence application procedures and meet all relevant requirements.

[CLC Lawyer Licensing Framework](#)
[Universal Guidance](#)
2. Any acquisition of a material interest in a Recognised Body is contingent on the individual(s) first being granted a CLC Licence in accordance with the CLC Lawyer Licensing Framework.

[Recognised Body Framework](#)

END OF DOCUMENT