



Guidance for Deregulation Surrendering the Practice Licence

Council for Licensed Conveyancers

Document Purpose

This guidance sets out the CLC's process and requirements for the formal surrender of a Practice Licence. It provides information for Registered Managers and key personnel on exit planning, regulatory obligations, and key steps to ensure a compliant and orderly withdrawal from CLC regulation.

Contents Include:

- Introduction
- Exit Procedures
- The Process

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Section 1: Introduction

CLC-registered Practices intending to surrender their Alternative Business Structure (ABS) or Recognised Body Licence and exit regulation by the Council for Licensed Conveyancers (CLC) must notify the CLC of their intention to do so **at least three months** prior to the proposed date of exit—**earlier where possible**. Additional notice may be necessary, depending on the volume and complexity of ongoing work.

By surrendering the entity licence, the CLC Registrant agrees to the **voluntary removal** of the entity and all its Registered Managers from the CLC's **Public Register**.

It is essential that, early in the process, the CLC provides **written confirmation** that either:

- A. The CLC Registrant is surrendering its registration voluntarily—for example, due to a transfer to another regulator; or
- B. The CLC Registrant's licence ceases to have effect as a result of a **material change** to its ownership, governance, or trading status, rendering the licence no longer legally valid (e.g., the business ceasing to provide Reserved Activities).

The CLC must also be advised of the future intention of the business, namely whether it:

- C. Intends to cease trading and will begin:
 - i. an orderly wind-up of the legal entity;
 - ii. a voluntary solvent administration or liquidation; or
 - iii. a voluntary insolvent administration or liquidation;
- D. Has become subject to foreclosure and is undergoing administration or liquidation;
- E. Intends to continue trading under the current legal entity, but as an unregulated business;
- F. Will continue trading under the current legal entity, having secured approval to transfer to another regulator; or
- G. Will continue to trade as a result of acquisition or merger with another regulated business.

1 PROFESSIONAL INDEMNITY INSURANCE (PII) REQUIREMENTS

All CLC Registrants must ensure compliance with the CLC's PII Policy Terms and the [CLC Professional Indemnity Insurance Code](#).

In **Scenarios A, B, and C** listed above, run-off cover is automatically triggered. The Registrant must supply the CLC with a copy of the run-off endorsement from their participating insurer, confirming that cover has been invoked in accordance with General Conditions 8.10 and 8.11 of the CLC PII Policy:

8.10 – Run-off Cover:

If the Insureds Practice ceases during the Period of Insurance, or at the expiry of the Period of insurance (known as 'cessation') this Insurance provides run-off cover. The Insureds Practice

shall (without limitation) be regarded as ceasing if (and with effect from the date upon which) the Insured firm becomes a non-CLC Regulated Practice.

8.11 – Scope of Run-off Cover:

This Insurance will provide run-off cover at no additional cost in the circumstances set out in General Conditions 8. 10 above and in accordance with the Insuring Clauses (but subject to the limits, exclusions and conditions of this Policy) on the basis that the Period of Insurance extends for an additional six years (ending on the sixth anniversary of the date upon which, but for this requirement it would have ended). In respect of this six-year extension to the Period of Insurance only the Sum Insured shall be limited to £2,000,000 any one claim and in all, inclusive of Defence Costs, for the six-year extension and shall not indemnify the Insured in respect of any Claim or Loss arising out of any dishonest or fraudulent act or omission of the Insured.

For **Scenario C**, a CLC Registrant intending to trade on an unregulated basis must additionally meet the requirements set out in Section 7 of the PII Code.

Section 7. Unregulated Services:

When providing services which are not regulated by the CLC, you advise your client of this and inform them in writing that the activity is not covered by CLC-approved professional indemnity insurance or the CLC-administered Compensation Fund (CoC P3q)

In **Scenarios D and E**, the Registrant must obtain written confirmation from both the receiving insurer and the current CLC insurer that appropriate succession arrangements are in place for past liabilities as of the licence cessation date.

1.25 – Successor Practice:

Successor Practice means a Recognised Body or Licensed Body which has acquired or merged with the whole or part of a Recognised Body or Licensed Body and the acquired or merged Body has not exercised its right to invoke the Run-off cover under the terms of General Conditions 8.11 of the CLC Policy (as above).

Notified Claims

The CLC will also require the Registrant to confirm that the business has made adequate financial arrangements to cover any future excess costs related to notified open claims.

2	RESPONSIBILITIES OF OWNERS AND MANAGERS
	<p>Throughout the exit process, the CLC Registrant and all Registered Managers must continue to comply with:</p> <ul style="list-style-type: none"> • The CLC Code of Conduct; • The Management and Supervision Arrangements Code; and • The Professional Indemnity Insurance Code. <p>CLC Registrants are expected to act at all times in a manner that protects the CLC Compensation Fund, as required by:</p> <p>Section 21(2) of the Administration of Justice Act 1985</p> <p><i>The Council shall also make rules for the making of grants or other payments for the purpose of relieving or mitigating losses suffered by persons in consequence of—</i></p> <p><i>(a) negligence or fraud or other dishonesty on the part of licensed conveyancers, or of employees or associates of theirs, in connection with their practices (or purported practices) as licensed conveyancers; or</i></p> <p><i>(b) failure on the part of licensed conveyancers to account for money received by them in connection with their practices (or purported practices) as licensed conveyancers.</i></p>
3	PRACTICE LICENCE FEES
	<p>Annual entity and individual licence fees are payable upon issue or renewal and remain payable in full, regardless of whether the entity remains active under CLC regulation for the entire year.</p> <p>Where the entity has opted into a monthly instalment plan, the full annual fee remains due even if the entity ceases trading or voluntarily surrenders its licence prior to the next licence renewal date (01 November).</p> <p>Unpaid fees are treated as a debt to the CLC, and failure to pay in full constitutes a breach of the CLC Code of Conduct. This may lead to disciplinary action against the entity's owners and key personnel.</p> <p>Licence fees are based on:</p> <ul style="list-style-type: none"> • The previous year's declared turnover; or • For new start-ups, the forecasted turnover for the first 12 months (subject to verification by the CLC's PII broker prior to licence issue). <p>All fees are non-negotiable, fixed by the CLC Council, and approved by the Legal Services Board.</p> <p>Please Note: The entity—and ultimately its owners and Registered Managers—remains responsible for the full annual licence fee, even if the entity is no longer in practice or chooses to cease trading</p>

or exit CLC regulation (by voluntarily surrendering its licence) before the next standard renewal date, i.e 01 November.

Section 2: Exit Procedures

To protect clients and uphold the integrity of the regulatory framework, the CLC requires that all Registered Managers and key personnel of a CLC-registered Practice engage in a formal and structured exit process. This process includes agreeing a surrender timeline that allows for the proper fulfilment of regulatory, operational, and client care obligations prior to the formal surrender of the Practice Licence.

The CLC Registrant's (Practice) Regulatory Supervision Manager (RSM) will act as the primary point of contact for the CLC. The RSM will collaborate closely with the Practice to develop, agree, and oversee an appropriate exit plan and schedule.

1 EXIT PLAN REQUIREMENTS

As part of the exit procedure, CLC Registrants are expected to comply fully with all requests for information from the CLC's Monitoring and Inspection team. A comprehensive exit plan must be submitted and should include:

1. Cessation of New Instructions

- Agreement of the date to cease accepting new instructions.
- Draft client and key stakeholder notification letters.
- Timeline for the transfer of all live files, including confirmation of arrangements with the receiving firm.
- Provisions for file storage and retention, including access arrangements.
- Full reconciliation of the client account.

2. Professional Indemnity Insurance (PII)

- An up-to-date record of notified claims to insurers.
- Provisions for the payment of future policy excesses related to notified claims.
- Confirmation and evidence of the Run-Off Endorsement.

In addition, the Licensing Team will request the completion of a digital Practice Licence Surrender Form.

2	EXCEPTIONS TO THE STANDARD EXIT PROCEDURE
	<p>Cessation of Recognition:</p> <p>If a CLC Registrant fails to adhere to the terms or the spirit of the agreed exit plan or does not inform the CLC of adverse events or material changes in its circumstances, the CLC reserves the right to initiate an early Cessation of Recognition.</p> <p>In accordance with the Recognised Body Recognition Framework Section 35:</p> <p><i>If the CLC determines that the issue or continuation of a Certificate is likely to have or will have a serious adverse effect on the delivery of positive Outcomes for Clients, the CLC will determine that the Certificate ceases to have effect notify the Recognised Body and require immediate delivery to it of the Certificate.</i></p> <p>Appeals (Recognised Body Recognition Framework Section 36 and 37):</p> <p><i>36. An applicant dissatisfied with a determination made under requirement 7, 8 or 27 may within one month of publication of the CLCs determination appeal to the Adjudication Panel.</i></p> <p><i>37. If the application is deemed to have been refused as provided under item 25, the applicant may within one month of the deemed refusal appeal to the Adjudication Panel under section 29 of the 1985 Act.</i></p> <p>For more information, refer to the Recognised Body Recognition Framework. (See 'Annex 1: Useful Links' at the end of this document.)</p>
3	RETAINING A CLC REGISTRANT
	<p>Where compliance or conduct matters remain unresolved as the agreed surrender date approaches, the CLC will continue to list the Registrant and its Registered Managers on the public register. In such cases, licences will remain active and in full effect until the CLC determines that it is appropriate to remove the entity and individuals from the register.</p> <p>Unresolved matters may include, but are not limited to:</p> <ul style="list-style-type: none"> • Incomplete provision for payment of insurance excesses • Insufficient file storage or access arrangements • Failure to complete the transfer of live client files • Pending allegations, investigations, disciplinary actions, or disqualification proceedings

Section 3: The Process

Most applications for the surrender of a CLC Practice Licence follow the process outlined below. Where appropriate, the CLC may arrange a virtual meeting with the Practice to provide guidance and support throughout the process.

STEP 1 INITIAL NOTIFICATION

The nominated Registered Manager must notify the CLC of the intention to surrender the Practice's registration. This can be done by completing the [online notification form](#) available on the CLC website or by sending an email to licensing@clc-uk.org. The notification should include key details about the reasons for the proposed surrender and the circumstances leading to the decision.

STEP 2 VIRTUAL MEETING (IF REQUIRED)

Where necessary, Registered Managers will be invited to attend a virtual meeting via Microsoft Teams with the CLC Licensing Team and the Practice's designated Regulatory Supervision Manager (RSM).

It is essential that all owners and senior managers attend this meeting. Attendees should be prepared to provide clarity on whether the Practice will be ceasing operations or continuing to trade in another form. The meeting will cover:

- The nature and triggers of the surrender request.
- Associated financial and regulatory obligations.
- Monitoring and licensing steps to be followed.
- Expectations of Registered Managers, including Owners, Directors, Partners, Members, and Key Personnel such as the Head of Legal Practice (HoLP) and Head of Finance and Administration (HoFA).

STEP 3 REGULATORY SUPERVISION REQUIREMENTS

The Practice must agree and implement an exit plan in collaboration with its RSM. The exit plan will detail key regulatory actions and set a clear timeline for their completion. This step is essential to ensure all obligations are fulfilled before the licence is surrendered.

STEP 4 INSURANCE ARRANGEMENTS

The Practice must notify its Professional Indemnity Insurance (PII) provider to trigger Run-Off cover and obtain the Run-Off Endorsement. A copy of the Endorsement must be submitted to the CLC as part of the surrender process.

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STEP 5	CONFIRMATION OF SURRENDER DATE
<p>Once all regulatory and operational requirements have been met, a formal surrender date will be agreed. This date marks the official end of the Practice's registration with the CLC.</p>	

<i>Annex 1 – Useful Links</i>		
1	ABS Licensing Frameworks	https://www.clc-uk.org/handbook/frameworks/#Purpose_of_Framework
2	Recognised Body Recognition Framework	https://www.clc-uk.org/handbook/frameworks/#Outcomes_Focused_recognised
3	Professional Indemnity Insurance	https://www.clc-uk.org/professional-indemnity-insurance/
4	Handbook	https://www.clc-uk.org/handbook/the-handbook-2025/
5	CLC Code of Conduct	https://www.clc-uk.org/handbook/the-handbook-2025/#Code-of-Conduct
6	Management and Supervision Arrangements	https://www.clc-uk.org/handbook/the-handbook-2025/#Management-and-Supervision-Arrangements-Code
7	Compensation Fund Operating Framework	https://www.clc-uk.org/handbook/frameworks/#Contributions
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