



Guidance for Switch and Hive Off Applicants

Changing Regulators - Decision in Principle

Council for Licensed Conveyancers

Document Purpose

This guidance document provides a comprehensive overview of the requirements, expectations, and key steps involved in the application process for practices currently regulated by the SRA or CILEx that are seeking to transition to CLC regulation.

Contents Include:

- Guidance for Practices Transitioning from SRA or CILEx to CLC Regulation
- Beneficial Owners, Officers and Managers (BOOM) and Key Personnel
- Adverse Information
- Preparing to Apply and Collating Evidence
- The Application Process

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Section 1: Guidance for Practices Transitioning from SRA or CILEx to CLC Regulation

1 TYPES OF TRANSITIONS

This guidance is intended for practices currently regulated by the SRA or CILEx that are seeking to transition to regulation by the CLC.

We have outlined the types of transitions below:

1. **The 'Switch' Model** – This involves an SRA or CILEx-regulated practice delivering conveyancing and/or probate services moving its entire business to CLC regulation. A 'switch day' is agreed upon with each regulator, and firms aim to switch their lender accounts on that date.
2. **The 'Hive-Off' Model** – In this model, an SRA or CILEx-regulated practice establishes a separate CLC-regulated entity to deliver conveyancing and/or probate services, while continuing to provide other legal services such as family law, litigation, and commercial law under its existing regulation.

The SRA or CILEx-regulated practice may:

- (i) gradually phase out its conveyancing services over a transition period; or
- (ii) continue to deliver some or all of its existing conveyancing services.

During this transitional period, firms typically seek to hold both SRA/CILEx and CLC lender accounts to manage the operational transfer.

3. **A New CLC Business** – This occurs when an existing SRA or CILEx-regulated business intends to cease trading and a new CLC-regulated business is established

2 REGULATORY OVERVIEW

The CLC is the regulator of choice for businesses seeking to provide conveyancing and probate services. Practices regulated by the CLC are authorised exclusively to deliver the legal services for which they have been expressly licensed.

Established under the Administration of Justice Act 1985, the Council for Licensed Conveyancers (CLC) regulates specialist conveyancing and probate lawyers in England and Wales. The 1985 Act introduced the concept of the Recognised Body (RB): a legal practice wholly owned, managed, and operated by regulated professionals—referred to as Authorised Persons under the Legal Services Act 2007—who provide legal services directly to the public.

The Legal Services Act 2007 further expanded the regulatory framework by permitting non-lawyer ownership of legal practices, subject to specific checks and conditions. This legislative change led to the emergence of Alternative Business Structures (ABS). The CLC now regulates a diverse community

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composed of both RBs and ABSs, ranging from sole practitioners to large firms with multi-million-pound turnovers.

The CLC's status as a Professional Body Anti-Money Laundering Supervisor (PBS) is confirmed by His Majesty's Treasury under Schedule 1 of the Money Laundering Regulations (MLRs)—the United Kingdom's primary legislation governing anti-money laundering (AML) compliance.

CLC-regulated entities operate within various business models, including sole principals, partnerships, LLPs, and limited companies. Many practices are part of wider corporate groups offering multidisciplinary services, such as combined legal, financial, and professional solutions.

Our regulatory approach is tailored to support a diverse and dynamic commercial legal market. We actively encourage prospective applicants to engage with us at an early stage to discuss their current or proposed business arrangements. Our primary concern is the capacity of practice owners and managers to deliver compliant legal services and to effectively manage the associated regulatory risks.

Each CLC-regulated practice is assigned a dedicated Regulatory Supervision Manager (RSM) or Regulatory Supervision Officer (RSO), who acts as the principal point of contact. This relationship facilitates open dialogue regarding compliance matters, including adherence to the Code of Conduct and self-reporting of issues. Practices are encouraged to seek guidance proactively, enabling early identification and mitigation of risks before they escalate into more serious concerns.

The CLC employs a robust supervisory framework incorporating both proactive and reactive oversight mechanisms. Our engagement begins at the point of application, with a comprehensive desktop review of the applicant's policies and procedures. Regulatory oversight continues throughout the lifecycle of the practice and extends through the process of de-regulation upon closure or wind-up. Newly authorised practices undergo an enhanced monitoring period, which includes a financial review and an introductory meeting with their designated RSM or RSO.

In support of its supervisory role, the CLC routinely publishes guidance and resources, including an AML Toolkit covering breach reporting and the submission of Suspicious Activity Reports (SARs). The quality of SARs is evaluated during inspections, and the CLC is preparing to conduct a thematic review to further support compliance and improve standards across the regulated community.

3	WHO CAN APPLY?
A	Recognised Body
<p>A Recognised Body must:</p> <ul style="list-style-type: none"> a. be registered in England or Wales under the Companies Acts; <i>and</i> b. have its registered office in England or Wales and at the place (or one of the places) of business of the Company. <p>A Limited Liability Partnership (LLP) that must:</p> <ul style="list-style-type: none"> a. be registered in England or Wales under the Limited Liability Partnerships Act 2000; <i>and</i> 	

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- b. have its registered office in England or Wales and at its place (or one of its places) of business; *and*
- c. have at least two LLP Members.

At least one manager must be a CLC lawyer. (See: [Manager Definition](#))

B Licensable Body (Alternative Business Structure – ABS)

A Licensable Body must:

- a. Have a practising address in England or Wales;
- b. Appoint a Head of Legal Practice (HoLP) who is an Authorised Person in relation to Reserved Legal Activities in England and Wales; and
- c. Appoint 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 the Solicitors Regulation Authority. Any non-reserved legal activities must be provided or supervised by appropriately experienced and/or qualified persons.

4 ABOUT THE LEGAL SERVICES

The Services Regulated by the CLC

The CLC is the regulator of choice for businesses intending to offer **Conveyancing Services** (also referred to as *Reserved Instrument Activities*) and **Probate Activities**. CLC-regulated practices may only deliver those legal services for which they have been expressly licensed by the CLC.

Many of the practices we regulate also offer additional legal services, including:

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** legal work. A service becomes *contentious* when it appears likely that an application will be made to a court. At that stage, the CLC-regulated practice must cease acting.

5 CHANGING REGULATOR

Before an application for CLC regulation and the granting of a CLC Practice Licence can proceed, the following conditions must be met:

- **Compliance with Licensing Outcomes**
Applicants must meet the **CLC Practice Licensing Outcomes**, as outlined in the [Practice Application Supporting Synopsis](#).

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- **Demonstration of Effective Management**

Owners of existing practices must demonstrate to the CLC that the practice is well managed, with motivated Registered Managers and dedicated staff.

- **Risk Identification and Mitigation**

Owners must provide evidence that they have identified the key risks to the business and have implemented appropriate policies and procedures to mitigate those risks.

The information submitted will assist the CLC in assessing how well the business is likely to operate under the CLC's Regulatory Arrangements.

6

CQS MEMBERSHIP

CLC-regulated conveyancing firms are able to access lender panel work based solely on their regulated status. As such, membership of the Conveyancing Quality Scheme (CQS) is not required and is considered an unnecessary burden for specialist conveyancing firms operating under CLC regulation.

The Conveyancing Quality Scheme (CQS) was established by the Law Society to enhance lender confidence in solicitor firms and to support their access to lender panels. It is a scheme administered by a professional representative body for solicitors. The CLC is not persuaded that the scheme offers additional value to lenders or to consumers of legal services.

Firms transitioning to CLC regulation are therefore **expected to terminate their CQS membership** as part of the regulatory change process.

7

IMPORTANT INFORMATION FOR PERSONS AND BODIES WITH A MATERIAL INTEREST

It is essential that any body providing legal services is capable of meeting its regulatory responsibilities. To ensure effective regulation, the CLC must have a clear understanding of the individuals and entities that control Licensed Bodies. Any person or body intending to hold a material interest must be declared to the CLC and is subject to prior approval.

The individual completing this form must notify any Registered Officers of the investing body that, as Beneficial Owners, Officers, or Managers (BOOMs) of an entity intending to hold a material interest, they will be subject to a suitability assessment. This assessment includes:

- Criminality and sanctions checks
- Disciplinary history with other regulatory bodies (where applicable)
- Verification of funding sources

All Managers will be listed on the CLC Public Register.

CLC confirmation that both the body and its Officers have passed the suitability assessment is required before the completion of any investment, merger, or acquisition. This requirement also

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applies to new practice applications. Under the CLC ABS Framework, the CLC must be satisfied that all proposed owners are fit to own and manage a CLC-regulated practice.

If a Beneficial Owner is a corporate entity, the assessment will be broadly aligned with the requirements for Licensed Body applications. It may include a review of:

- Governance and financial arrangements
- The application of the fit and proper test to the corporate entity's BOOMs

The CLC must be satisfied that the proposed ownership and governance arrangements do not present a significant risk of undue or improper influence over the regulated body.

8 FIT AND PROPER TEST

Under the CLC's **Alternative Business Structure (ABS) Framework**, the CLC must be satisfied that all proposed owners are **fit and proper persons** to hold an interest in a CLC-regulated body. (See paragraphs [8.14](#) and [8.22](#) of the *Licensed Body (ABS) Licensing Framework*.)

The ownership structure must not give rise to a significant risk of undue or improper influence over the Licensed Body.

Applicants must demonstrate that they are both able and willing to act in a principled manner, and that they will uphold the Outcomes of the CLC Code of Conduct 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
- Promote equality of access and service

9 SUITABILITY TESTS

The CLC is required to ensure that each Manager—whether an individual or a body holding a restricted interest—is suitable, in accordance with Sections [72](#) and [90](#) of the Legal Services Act 2007. In addition, [Schedule 13, paragraph 6\(1\)](#) of the Act outlines specific criteria that must be met for approval.

The CLC must be satisfied that:

1. The holding of the interest by the person or body does not compromise the regulatory objectives;
2. The holding of the interest does not undermine compliance with the duties imposed by Section 176 of the Act, either by the licensed body or by any person to whom those duties apply;
3. The person or body is otherwise a fit and proper person to hold that interest.

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In reaching its determination, the CLC may consider, but is not limited to, the following factors:

- The probity and financial standing of the person or body
- Whether the person or body is disqualified under Section 100(1) of the Legal Services Act or listed on the CLC's Disqualification Register (see paragraph 51)
- The conduct and suitability of any associates of the person or body
- Any additional matters specified in the CLC's Licensing Rules

If the CLC determines that a person or body is unsuitable, it will issue a formal objection, accompanied by a warning notice setting out the reasons. This process applies to:

- New applicants, and
- Notifications concerning individuals or entities acquiring a material interest in an existing CLC-licensed body.

Under the CLC ABS Framework, warning notices may be issued in the following circumstances:

- Paragraph 8.17 – Objection to a material interest or approval subject to conditions
- Paragraph 13.2 – Enforcement action for non-compliance with regulatory requirements

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

1	DEFINITIONS
	<ul style="list-style-type: none"> • BOOM: Beneficial Owners, Officers, and Managers—individuals or bodies with a material interest or controlling function within a regulated practice. (See: BOOM Definition) • Registered Manager: A person appointed to a managerial role within the business and named on the CLC Register. (See: Registered Manager Definition)
2	KEY PERSONNEL APPLICATIONS
A	Types of Applications
	<p>Applicants should familiarise themselves with the CLC Licensing Framework, which contains universal guidance for individuals seeking CLC authorisation.</p> <p>The following types of applications are included:</p> <ol style="list-style-type: none"> 1. Registered Manager (Board Appointee) 2. BOOM (individual holding a material interest) 3. Head of Legal Practice (HoLP) 4. Head of Finance and Administration (HoFA) 5. Money Laundering Reporting Officer (MLRO) <p>For clarification on threshold levels of experience for the roles of HoLP, HoFA, and MLRO, please refer to the CLC website.</p>

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B	Fit and Proper Person Requirement
	<p>Applicants must satisfy the CLC that they are a fit and proper person to practise as a CLC lawyer. Factors considered in applying the Fit and Proper Test are outlined in item 8.22 of the Licensed Body (ABS) Licensing Framework.</p> <p>In accordance with both the Recognised Body Recognition Framework and the CLC ABS Licensing Framework, the CLC will request information to assess whether BOOMs are suitably skilled and qualified. The assessment ensures that:</p> <ul style="list-style-type: none"> • The individual is fit to own; • The individual is fit to manage; and • The body is fit to provide legal services to the public.
C	Regulatory Reference Points
	<p>Relevant regulatory authorities and frameworks include:</p> <ul style="list-style-type: none"> • CLC ABS Licensing Framework – <i>CLC Enforcement Powers 13.22(9):</i> <i>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.</i> • CLC Regulation and Enforcement Policy – Section 4.7.5: <i>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.</i>
D	Application Processing Timeframes and Costs
	<p>Application Fees All applications are subject to application and DBS screening charges.</p> <p>Licensing Application Fees</p> <p>Processing Time Switch and Hive-Off applications typically take up to three months (90 days) to process.</p> <p>This includes up to eight weeks for identity verification, DBS, PEP, sanctions, conduct, and financial history checks.</p>

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Applications involving adverse information—relating to the practice or its Beneficial Owners, Officers, and Managers (BOOMs)—will be treated as complex and may require a longer processing time.

E Screening Process

All applicants are required to undergo Fit and Proper Person screening conducted by the CLC's third-party screening agent, Giant Screening.

This includes:

- DBS check
- Identity and Verification (ID&V) documentation
- Facial recognition verification

Giant Screening will contact applicants directly to obtain their consent for Disclosure and Barring Service (DBS) checks. Facial recognition verification must be completed within three attempts. If all attempts fail, applicants will be required to submit countersigned ID&V documents.

A Candidate Guidance Video is available [here](#).

DBS Screening Checks

As part of the DBS screening, the following checks will be undertaken:

1. Spent and unspent convictions
2. Cautions, reprimands, and warnings (England and Wales)
3. Identity verification
4. Adverse financial history, CCJs, and bankruptcies
5. Sanctions
6. Directorships
7. FCA registration status
8. Standard DBS disclosure

Adverse Information Procedure

If adverse information is revealed on the DBS record, applicants must provide a full and complete copy of the DBS report to both the CLC and Giant Screening within 15 working days of the request. Failure to submit the required documentation within the 15-working-day timeframe will be treated as a material omission. The application will be marked as incomplete, including cases where the Giant screening process is not fully completed.

In such cases, the wider practice application will be paused while the CLC investigates and concludes its enquiries into the adverse information.

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Section 3: Adverse Information

1 DECLARATION OF ADVERSE INFORMATION

Applicants are required to disclose all adverse information, including matters that are *satisfied* or *spent*, and must provide supporting documentation for each disclosure. Failure to provide substantiating evidence—regardless of whether the adverse matter is satisfied or spent—will be regarded as a material omission. Applicants should ensure that all necessary documentation, including those that may need to be obtained from third parties, is secured prior to submitting their application.

2 RECOGNISED BODY APPLICATIONS

In Recognised Body applications, the principal Authorised Person must be a CLC Lawyer. Unless there are **exceptional circumstances**, the CLC will not consider an individual to be fit and proper and will refuse the licence application if the applicant has:

- a. Been convicted of an offence involving dishonesty; or
- b. Deceived or attempted to deceive the CLC through false or misleading information in the application or in dealings with third parties (e.g. academic institutions, employers, or members of the public).

In addition, the CLC is unlikely to consider an applicant to be fit and proper if they are subject to:

- Ongoing criminal investigations or actions;
- Regulatory investigations, allegations, or proceedings (including appeals not yet concluded);
- Other enforcement actions brought by any regulatory body.

Prospective applicants may be ineligible to proceed with their application until the outcome of such matters is known.

This consideration also applies to:

1. Solicitors, FCILEx Lawyers, Legal Professionals, or FCA-Regulated Financial Controllers who:
 - a. Are subject to unspent suspensions or disqualifications; or
 - b. Have been removed from the Solicitors Roll, CILEx Register, or FCA Register as a result of disciplinary findings.
2. Owners, Directors, Members, Partners, HoLPs, or HoFAs of CLC-regulated practices that:
 - a. Have been formally notified of ongoing non-compliance, or
 - b. Are the subject of disciplinary allegations, investigations, or proceedings.

3 ALTERNATIVE BUSINESS STRUCTURE APPLICATIONS

For Alternative Business Structure (ABS) applications, candidates seeking authorisation as BOOMs, HoLPs, HoFAs, or MLROs are likely to be refused authorisation—unless exceptional circumstances apply—if the CLC lacks full confidence in their suitability due to:

- A criminal conviction;

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- Failure to disclose information when required by a regulatory body, or the provision of false or misleading information;
- Being formally disciplined, sanctioned, or barred by a regulatory body;
- Failure to comply with reasonable requests from a regulatory body.

Section 4: Preparing to Apply and Collating Evidence

Before submitting a CLC Practice Application, applicants must carefully prepare and gather the necessary supporting evidence to demonstrate compliance with regulatory requirements. This section outlines the key components of the application process, including:

1. The CLC Practice Application Supporting Synopsis
2. Policies and procedures
3. Financial Information
4. Any additional evidence relevant to the applicant's suitability

1 CLC PRACTICE APPLICATION SUPPORTING SYNOPSIS

The CLC Practice Application Supporting Synopsis is a mandatory document comprising of two key sections:

1. Business Viability and Sustainability
2. Owners and Managers Overview

You can access an editable PDF copy of the CLC Practice Application Supporting Synopsis [here](#).

A Section 1: Business Viability and Sustainability

In this section, the applicant must provide comprehensive responses aligned with the following Licensing Outcomes:

1. Financing and Ownership

Licensing Outcome: The CLC is satisfied that it can effectively regulate the business.

2. Source of Funds/Source of Wealth (Financing/Investment Funds)

Applicants must disclose the origin of funds and provide supporting evidence for both Source of Funds (SoF) and Source of Wealth (SoW).

3. Experience and Suitability of BOOMs, CLC Managers and Key Personnel

Licensing Outcomes:

- The business plan demonstrates the delivery of legal services that protect clients' interests.
- Clear lines of accountability are established for managers.

- The business has suitably qualified, skilled, experienced, and trustworthy managers.

4. Business Overview, Operating Model, Confidentiality and Data Protection

Licensing Outcomes:

- The business plan demonstrates the delivery of legal services that protect clients' interests.
- Clear lines of accountability are established for managers.

5. The Trading Profile

Licensing Outcome: The business plan demonstrates the delivery of legal services that protect clients' interests.

6. Sources of Work and Referral Strategy

Licensing Outcome: The business plan demonstrates the delivery of legal services that protect clients' interests.

7. Client Profile

Licensing Outcome: The business has compliant governance arrangements in place to protect both the business and its clients.

8. Service Quality and Complaints Handling

Licensing Outcome: The business has compliant governance arrangements in place to protect both the business and its clients.

9. Claims and Claims Management

Applicants must disclose historical claims, claim trends, and risk management strategies.

10. Money Handling Arrangements, AML, Cyber Crime and Fraud Prevention

Licensing Outcomes:

- The business has compliant governance arrangements in place to protect both the business and its clients.
- Clear lines of accountability are established for managers.
- The business has suitably qualified, skilled, experienced, and trustworthy managers.

11. Staff Training and Ongoing Competence Strategy

Licensing Outcomes:

- The business has compliant governance arrangements in place to protect both the business and its clients.
- The business has suitably qualified, skilled, experienced, and trustworthy managers.

Applicants must provide supplementary evidence where necessary to demonstrate that BOOMs, Managers, and Key Personnel are fit to own and manage.

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ABS Framework – Section 8.22(a)(i):

Unless there are exceptional circumstances, the CLC will not consider an individual to be a fit and proper person and will refuse the application if the individual has:

- Convictions or disqualifications involving dishonesty; or
- Engaged in deception, such as misleading academic institutions, employers, or the public.

12. Adverse Information

Any failure to disclose adverse information that later emerges during the CLC's screening process will be treated as a material omission and may adversely affect the application.

B Section 2: Owners and Managers Overview

This section requires the reporting of all Beneficial Owners, Officers, and Managers (BOOMs), CLC Managers, and Key Personnel (including the Head of Legal Practice (HoLP), Head of Finance and Administration (HoFA), and Money Laundering Reporting Officer (MLRO)).

A reporting template is provided in *Section 2: ANNEX 1* of the CLC Practice Application Supporting Synopsis.

A separate template must be completed for each BOOM, CLC Manager, and Key Personnel. For ease, a separate copy can be found [here](#).

2 POLICIES AND PROCEDURES

A Required Documentation

Businesses must provide copies of the following documentation as part of the application and regulatory assessment process:

1. All Client facing Terms of Engagement
2. Relevant internal Policies and Procedures
3. A completed 'Practice-Wide' Anti-Money Laundering Risk Assessment.

As part of the AML assessment, businesses must demonstrate an understanding of the types of policies required. For ease of compliance, the CLC provides a template for AML Risk Assessments; however, businesses are welcome to use their own templates, provided they meet regulatory expectations.

B Anti-Money Laundering (AML)

The CLC has published an AML Policy Checklist, available in the AML Toolkit, to assist practices in ensuring their policies meet required standards. This checklist is used during routine CLC inspections and dedicated AML reviews.

- AML Policy Checklist – this can be found on the CLC website [here](#).

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- AML, Counter-Terrorist Financing (CTF), and Sanctions Policy and Procedure Guidance – This includes a policy and procedure [template](#) and outlines the latest AML developments.

The AML Policy Checklist was published in February 2024 and can be found under the Resources Section.

AML Policies must detail the firm's ID&V (KYC) procedures, including enhanced due diligence measures where required. Firms must give due regard to the CLC's:

- [Code of Conduct](#)
- [Licensed Body Code](#)
- [Recognised Body Code](#)
- [Regulation and Enforcement Policy](#)

C Risk Agenda

The CLC publishes an Annual Risk Agenda to support firms in identifying and managing areas of regulatory risk. The Risk Agenda for 2023 and 2024 have included key topics such as:

- Anti-Money Laundering (AML)
- Conflicts of Interest
- Sanctions Compliance
- Accounts Code Compliance
- Complaints Handling
- Breaches of Undertakings

2024 Risk Agenda and Supporting Resources

- [Informed Choice](#)
- [Anti-Money Laundering Toolkit](#)
- [Cybercrime and Fraud Toolkit](#)
- [Customer Charter](#)
- [CLC Customer Charter](#)

D Business Continuity Planning (BCP)

All CLC-regulated practices must have an up-to-date, functional Business Continuity Plan (BCP) in place. The BCP must address the management of legal services in the event of:

- a. The absence of the Authorised Person/HoLP/HoFA
- b. Short unplanned absences
- c. Medium and long-term planned absences
- d. Rapid Closure (triggered by death, external events, or foreclosure)
- e. Orderly Managed Closure (triggered by retirement, company wind up, planned closure)

Eventualities to be planned for include:

- Incapacity, bereavement, or other emergencies involving key personnel or owners.
- External events that prevent the proper conclusion of legal services, such as failure to obtain or renew Professional Indemnity Insurance (PII)

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The BCP must include:

- a. Cover arrangements, including contact details and external notification protocols
- b. Banking mandates
- c. IT systems, website administration and access arrangements
- d. Premises access and management
- e. Legacy file storage and management
- f. PII policy details

In addition, businesses must ensure secure and accessible storage of:

- System passwords and administrative access credentials
- Banking details and authorisations
- Contact details for PII providers and other key stakeholders

3 FINANCIAL INFORMATION

Businesses should be prepared to provide financial information, including:

- a. the last three years management accounts;
- b. an up-to-date copy of the most recent balance sheet; *and*
- c. loan and financing agreements or statements.

4 ADDITIONAL EVIDENCE

Tell us about the Existing Business. Businesses should be prepared to provide:

- Regulatory Inspection and Monitoring Reports about the Existing Business;
- Allegations, Investigations, and Disciplinary Information relating to any of the Investors, Owners or Key Personnel;
- Its current Professional Indemnity Insurance (PII) Certificate, together with the last three years' PII Claims history (provided by the insurer); *and*
- An organisational chart, detailing investors (private and corporate), the key personnel listing lawyers (with Regulatory ID) and non-lawyers, and key functions, such as HoLP/HoFA/Complaints/MLRO/CFO/COO

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Section 5: CLC Switch/Hive Off Application Process

Most applications will follow the steps outlined below. The CLC will discuss these steps with prospective CLC practices during a preliminary meeting held prior to the application stage.

STEP 1 AN EXPRESSION OF INTEREST

Applicants should email the Licensing Team at licensing@clc-uk.org, outlining key information about the current business and the legal services intended to be switched or hived off to CLC regulation.

STEP 2 MEET WITH THE CLC LICENSING TEAM

Applicants are invited to attend a virtual Microsoft Teams meeting with the CLC Licensing Team. It is essential all Beneficial Owners, Officers and Managers (BOOMs), managers, and key personnel attend this meeting, as we will discuss the investment and governance elements of your application, and the associated authorisations and licences required for any key personnel.

We will also assess the financial and regulatory viability and sustainability of the proposed business.

Additionally, we will explain the following documents and their importance in the application process, along with our expectations:

A. Sources and Evidence of Investment and Financing:

Whether corporate or personal, this should include details of repayment terms or any conditions applying in the event of financial non-performance. You must also explain any relationship the proposed CLC business may have with existing businesses through common ownership or financing. We will seek to establish the appropriate AML checks and determine whether due diligence is required on any related business or its owners/officers.

We may request copies of the following legal agreements:

- Corporate investment, loan, or intercompany financing agreements
- Share purchase/shareholder agreements
- Exit or retirement packages
- Agreed payment plans (e.g., HMRC arrangements)
- Contracts of employment for key personnel
- Current employment contracts, including restrictive covenants—particularly for the HoLP and HoFA

Please note: This is an entirely confidential discussion, but to ensure the meeting is productive, you must come prepared to share information.

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B. Practice Application Supporting Synopsis (*see Section 4.1*):

Describe how your organisational structure and operating procedures will manage risk and ensure consumer protection and regulatory compliance. The HoLP, HoFA, MLRO, and Registered Managers should contribute to this document.

C. Organisational Chart:

Upload a chart showing all operational and non-operational individuals with a material interest. Identify roles such as HoLP, HoFA, MLRO, GDPO, complaints handlers, and licensed professionals, including the name of their regulator, regulatory ID (e.g., SRA: 1234), and date of first licensure.

D. Financial Information (*see Section 4.3*)

E. Policies and Procedures (*see Section 4.2*):

Submit only client-facing policies and procedures. Do not include employment-related documentation. Required policies include:

- Business Continuity Plan
- AML Policy
- Practice-wide AML Risk Assessment

Please note: Incomplete or vague explanations of systems, controls, and management processes may result in the rejection of the application.

STEP 3 PROFESSIONAL INDEMNITY INSURANCE (PII)

Applicants should begin discussions to obtain a quotation for PII cover from an insurer that is a signatory to the **CLC Participating Insurers Agreement**. The CLC encourages firms to seek quotes from more than one insurer.

All CLC-regulated practices must maintain PII to cover civil liabilities. The current framework includes:

- Minimum cover of £2 million per claim
- Six years' run-off cover at no additional cost upon closure

Key documents (available on the [CLC website](#)):

- PII Minimum Terms and Conditions
- Participating Insurers Agreement
- CLC PII Framework
- PII Code and Guidance

Approved Brokers:

- Howden CLC Scheme
- Marsh JLT CLC Scheme
- Miller CLC Scheme
- HERA CLC Scheme

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Please note: The absence of a current and valid PII quote is a material omission. As a result, the CLC will treat the practice application as incomplete.

More information on PII can be found on the [CLC website](#).

STEP 4 SUBMIT ALL APPLICATION FORMS

All applications must be submitted via DocuSign. Related applications (e.g., for individuals) must be submitted simultaneously with the practice application.

DocuSign will email applicants a unique link from dse@eumail.docusign.net. The link expires after **28 days**. If applications are not submitted within this period, the practice application will be treated as **withdrawn**.

STEP 5 COMPLETENESS REVIEW

A preliminary completeness review will be conducted on individual applications, followed by the practice application.

At this stage, we aim to identify any BOOMs, Managers, HoLPs, HoFAs, MLROs, or CLC licence applications that cannot be accepted due to ineligibility or material omissions. If no issues are found, we proceed to a preliminary review of the full practice application.

The CLC Licensing Team will share the review findings with the practice application's named contact.

Please note: All applicants must respond to information requests within **14 days** to avoid delays.

STEP 6 DETERMINING APPLICATION ACCEPTANCE

Administration and screening fees will be invoiced upon receipt of a complete application. All fees must be paid within **10 working days** of the invoice date and are **non-refundable**.

We will confirm with the named contact whether the application has been accepted.

Processing times begin from the date of acceptance:

- Individual applications: within **42 days**
- Non-complex practice applications: within **90 days**

More information on Licensing Application Fees can be found on the [CLC website](#).

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STEP 7	SCREENING
<p>All applicants undergo a Fit and Proper Person screening by Giant Screening (our third-party screening agent), including:</p> <ul style="list-style-type: none"> • DBS check • ID&V documentation • Facial recognition verification <p>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 details.</p> <p>Declaration of Adverse Information: All adverse information—including spent or satisfied matters—must be disclosed with supporting documentation. Failure to do so is a material omission. Ensure you obtain any necessary third-party documentation prior to submission.</p>	
STEP 8	THE SUBSTANTIVE APPLICATION REVIEW
<p>We will review the following:</p> <ol style="list-style-type: none"> 1. Ownership, Governance, and Key Personnel 2. Operating Policies and Procedures (desktop review by a CLC Inspector) 3. Financial Viability and Forecasts <p>Key focus areas:</p> <ul style="list-style-type: none"> • Financial documentation • Practice Application Supporting Synopsis • Policy and procedure compliance • Regulatory intelligence and compliance history • Fit and proper assessments • Experience, skills and professional status of Managers and Key Personnel <p>At this stage, we are seeking to identify any applications for roles such as BOOM, Manager, HoLP, HoFA, MLRO, or for a CLC Licence that cannot be accepted due to one or more of the following reasons:</p> <ol style="list-style-type: none"> 1. Failure to meet the CLC's Fit and Proper Test 2. The presence of adverse information that was not declared and is considered a material omission <p>Licensed individuals must demonstrate both the ability and willingness to act in a principled manner and to deliver the Outcomes of the CLC Code of Conduct by adhering to its Overriding Principles:</p> <ul style="list-style-type: none"> • Act with independence and integrity • Maintain high standards of work • Act in the best interests of clients 	

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- Comply with your duty to the court
- Deal with regulators and ombudsmen in an open and co-operative way
- Promote equality of access and service.

Please note: Individual applications submitted as part of a practice application (e.g., Recognised Body or ABS) will be processed in line with the full practice application timeline.

Complex applications may incur additional fees (up to 14 hours at £80/hour) if adverse findings are present.

STEP 9 LICENSING DECISION

Applicants will be informed of one of the following outcomes:

- Approved
- Minded to Approve
- Minded to Refuse
- Refused

If approved, applicants have **three months** to complete post-approval steps, unless a deferred licence date has been agreed.

If refused, the CLC will explain the reasons and offer the opportunity to respond with representations or further documentation within **one month**. Additional requirements may be imposed to ensure compliance.

STEP 10 ANNUAL FEES

Practice Licences will only be issued once the Annual Regulatory Fee is received.

Following confirmation of the agreed first 12 months gross turnover exclusive of VAT, the full annual practice licence fee will be calculated. At that point, the practice will be given the option to pay by Direct Debit. A Direct Debit Mandate will be provided for this purpose, which the applicant must complete, sign, and return.

Key points:

- Licence fees are calculated from the first day of the month
- Pro-rata fees are **non-refundable** and **non-changeable**
- All fees must be paid by **31 October** of the licensing year
- Individual Licences are issued in the **legal name** (as per passport)

Requests for deferred licence issuance must be submitted with the application.

More information on Annual Regulatory Fees can be found on the [CLC website](#).

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STEP 11	POST-APPROVAL PROCESS
<p>If the application is approved, the following steps must be completed before a CLC licence can be issued:</p> <p>For Switch Applications</p> <ol style="list-style-type: none"> 1. The practice must notify its current regulator (SRA or CILEx) of its intention to transfer into CLC regulation. A mutually agreed transfer date must be confirmed between the current regulator, the CLC, the practice's insurer, and the practice itself. 2. The CLC must be provided with written confirmation from the practice's professional indemnity insurance (PII) broker that the insurer has agreed to transfer the existing policy into a CLC-worded policy, effective from the agreed transfer date. This will be the date on which the CLC licence is inceptioned. <p>For Hive-Off Applications</p> <ol style="list-style-type: none"> 1. The practice must ask its PII broker to provide written confirmation of the following: <ul style="list-style-type: none"> o The turnover figure used to calculate the premium. o Confirmation that the premium has been paid or finance has been arranged. o A copy of the Certificate of Insurance (with an expiry date of 30 June). <p>For All Applications</p> <ol style="list-style-type: none"> 3. Pay the Annual Regulatory Fee and Compensation Fund contributions. 4. Submit examples of branding and marketing materials, including letterheads and email footers. 5. Sign and return the Inspection Co-operation Agreement and final declarations. 6. Install and activate the CLC Secure Badge on the practice website. 	

Section 6: Additional Information	
1	STATUTORY RIGHT TO APPEAL
<p>Under Section 29(1)(a) of the Administration of Justice Act 1985, if the CLC refuses an application for a licence, the individual has the right to appeal the decision to the Adjudication Panel within one month of being notified of the refusal. This period begins from the date the applicant receives the licensing refusal letter.</p> <p>The appeal must be submitted to the CLC within 28 days of notification, via email to licensing@clc-uk.org.</p> <p>The Adjudication Panel, comprising a minimum quorum of three members, will determine whether to impose sanctions, such as:</p> <ul style="list-style-type: none"> • Disqualification of the Body or a Manager • Licence revocation • Imposition of a penalty 	

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No member of the Adjudication Panel is a member of the CLC Council or an employee of the CLC. Wherever possible, a decision will be provided to the appellant within **42 days** of the CLC receiving the appeal. This may be extended to **90 days** if necessary.

For more details, refer to:

- [Adjudication Panel Procedure Rules 2015](#)
- [Adjudication Panel Rules 2015](#)

Please Note: The Adjudication Panel's decision is final. There is no further right of appeal.

2 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.

3 HOW TO SUBMIT AN APPEAL

Appellants must complete and submit a Notice of Appeal to licensing@clc-uk.org. Please ensure that the appellant's name and the type of licence application are clearly stated in the subject line of the email.

Download the [Notice of Appeal](#).

4 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.

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

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(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.

Please Note: 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.

5 OUR PUBLICATION POLICY

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

6 YOUR PERSONAL DATA

Your details will be held by the CLC in accordance with the General Data Protection Regulation (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 its security, 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 or in writing at:

Council for Licensed Conveyancers

WeWork, 120 Moorgate, London EC2M 6UR

Main Line: 020 3859 0904

[Read our Privacy Policy](#)

7 YOUR RIGHT TO COMPLAIN

We are committed to maintaining high standards in the processing of your personal information.

If you have any questions or concerns, please contact us at privacy@clc-uk.org.

If you remain dissatisfied, you have the right to lodge a complaint with the [Information Commissioner's Office](#) regarding the way we handle your personal data.

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Annex 1 - Index of Documents

Below is a list of documents applicants will be asked to provide when completing the Switch/Hive Off Application Form.

Document Type	Source
Evidence to show how the SRA Business is formed	
Schedule of Insurance (PII) for the SRA Business	
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	
PII Claims Record for the SRA Business	
Evidence to show how the Business under CLC Regulation will be formed	
Policy Quote from a CLC Participating Insurer	
Excel Document of Transaction Volumes	
Copy of the most recent Approved Regulatory Inspection	
Explanation of any pending or ongoing Regulatory Investigations	
Explanation of any pending or ongoing Regulatory Disciplinary Procedures	
(i) Last 3 year's Management Accounts (ii) Most recent Balance Sheet (covering a minimum of 12 months)	
Policies and Procedures (Copies of all Client Facing Policies and Procedures)	AML Risk Assessment Template
Practice Application Supporting Synopsis	Template
Evidence of Set-Up or Investment Funds	
Evidence of Cover Arrangements	
Organisational Charts: (iii) For the existing SRA Business (iv) The Business under CLC regulation	

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%.

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

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(v) individual investor.

These individuals are listed on the CLC Public Register. Some investors or nominated 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.

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Annex 3 – Useful Links

1	CLC Regulation	https://www.clc-uk.org/regulation/
2	Application Stages	https://www.clc-uk.org/application-stages/
3	Professional Indemnity Insurance	https://www.clc-uk.org/professional-indemnity-insurance/
4	Professional Indemnity Insurance Brokers	https://www.clc-uk.org/regulation/professional-indemnity-insurance-brokers/
5	Annual Regulatory Fees	https://www.clc-uk.org/annual-regulatory-fees/
6	Licensing Application Fees	https://www.clc-uk.org/regulation/application-fees/
7	Anti-Money Laundering Toolkit	https://www.clc-uk.org/lawyers/anti-money-laundering-toolkit/
8	AML Client and Matter Risk Assessments	https://www.clc-uk.org/practice-application-templates/
9	CLC Risk Agenda	https://www.clc-uk.org/risk_agenda/
10	Practice Application Supporting Synopsis	https://www.clc-uk.org/practice-application-templates/
11	Essential Background Reading	https://www.clc-uk.org/essential-background-reading/
END OF DOCUMENT		