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GUIDANCE FOR CLC PRACTICE APPLICANTS

INTRODUCTION

Applicants are invited to request a preliminary meeting (in person at the CLC office or by phone) to discuss the outline of your application with one of the CLC team BEFORE starting to compile the necessary documentation. You can request a preliminary licensing meeting by emailing licensing@clc-uk.org.

Practices wishing to be regulated by the CLC should read all eight sections of this guidance BEFORE completing CLC Practice application form.

Practice applicants should complete and submit the entire application form.

Any individuals working in the Practice at a senior management, partnership, or directorship level who wish as part of the Practice application to apply for a CLC manager licence should ensure all relevant licensing applications are submitted together.

All Practice applicants are required to submit together with the application form, documentation detailing:

- A. evidence of the Professional Indemnity Insurance (PII) - (n/a existing CLC Recognised Bodies);
- B. any supporting documentation relating to conduct, financial and mental health disclosures;
- C. signed declaration form (signed by ALL key personnel/individuals with material interest/owners/named organisations);
- D. **certified** copies of proof of identify and *address (*no older than 3 months) for ALL key personnel; and
- E. evidence to illustrate how the business will meet CLC's Practice License Outcomes.

1. BEFORE SUBMITTING A PRACTICE APPLICATION

1.1. Proof of Identity: All owners and key personnel must **provide three separate** forms of proof of identity.

- **One certified proof** of personal identity, such as a copy of a current Passport or phot driving licence.
- **Two certified proofs** of current address, such as utility bill, bank or Mortgage statement, or official letter e.g. from HMRC in your name; OR, a letter from a Landlord confirming your Tenancy agreement. **No older than three months.**



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Copy proofs of identity need to be certified by an independent regulated professional (not associated to the current business) such as a Licensed Conveyancer, Accountant, Barrister, Notary or Solicitor, and stating the following her/his – - Name (in capitals)

- Signature
- Date
- Licence or registration number:
- Business address
- Statement to the effect that the document is certified as true copy of the original.

1.2 Criminal Records Checks and Disclosure and Barring Service Checks: Key personnel and individuals with a material interest of over 10% specified in the Licensed Body Application are subject to the Rehabilitation of Offenders Act (ROA) 1974 (Exceptions) Order 1975.

Therefore, the CLC will carry out:

- a) a Criminal Record Check (CRC) against employed licence applicants and individuals with a disclosed material interest of over 10% in an ABS application;
- b) a Disclosure and Barring Service (DBS) Standard Check against manager licence and individuals wishing to transfer from an employed to a manager licence.

CRC Certificates are issued directly to the individual by the authorising service. CRC certificates must be provided to the CLC in order to progress your application. DBS certificates are issued directly to the CLC by the authorising service.

1.3 Credit Checks: The CLC will carry out Credit Checks with an approved Credit Agency on individuals applying for:

- a) Alternative Business Structure (ABS) Licence; all individuals with more than a 10% material interest;
- b) Recognised Body Licence, all Directors and Partners;
- c) a Manager Licence (conveyancing and probate); and
- d) a transfer from a current CLC Employed Licence to a CLC Manager Licence.

The fee charged by credit agencies varies depending on the number and type of checks needed to process individual applications and may include the following:

- CRC and DBS
- Identity
- Sanctions Check
- Directors search
- Personal/company finance



Individuals should provide documentation and any authorisations within 5 working days to avoid delaying the licence application process. **Individuals who have not responded within 10 working days risk having the Practice application returned unprocessed and the Practice applicant will be charged any costs incurred.**

1.4 Evidence of Professional Indemnity Insurance (PII): For existing CLC practices converting to an ABS, PII and the existing insurance cover under the Master Policy will continue. For new Practice applications, a quotation for PII under the Master Policy can be obtained from Miller Insurance, telephone number 0207 031 2492. A copy of the quotation, and terms if an alternative PII provider is chosen, or in existence, is required.

1.5 Provision of adverse information: Does not necessarily mean the CLC will reject an application. Where adverse information is provided it will be discussed with the applicant to determine the risk posed to the Code of Conduct's Outcomes; resource implications for the CLC; and the individual/body's willingness or capacity to address the issue.

1.6 Declarations: All Key Personnel and Owners must sign the application declaration.

1.7 Applications will be returned unprocessed when the:

- a) application is completed incorrectly;
- b) the application is incomplete because any supporting documentation is missing, or not labelled correctly, i.e. not accurately indicating the question it relates to.

2. SATISFYING THE CLC's LICENSING OUTCOMES

2.1 In order to be granted a CLC Practice Licence applicants must satisfy the CLC's licensing outcomes.

CLC Practice Licensing Outcomes

1. The CLC is able to license this business model
2. The plan for the business indicates that it will provide legal services which protect the interests of clients.
3. The business can operate in a sustainable way.
4. The business has in place compliant governance arrangements to:
 - a. keep Client Money safe;
 - b. protect the interests of the business; and
 - c. protect the interests of clients.
5. The business has clear lines of accountability for key personnel.
6. The business has suitable (trustworthy, qualified, skilled, experienced) key personnel.



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You will be invited to a preliminary licensing meeting with the CLC licensing team where you will have the opportunity to discuss how you intend to satisfy CLC licensing outcomes.

At this meeting you will be able to discuss your business strategy, structure, approach to the business, and explain how the Practice will be initially funded, the source of funds.

You should arrive prepared to explain how the Practice's organisational structure and operating procedures will effectively identify and manage risk associated to the legal services provided, with particular reference to properly maintaining consumer protection and regulatory compliance.

Please **do not** start to complete your application until **after** your preliminary licensing meeting with the CLC licensing team.

After the meeting applicants should prepare information to demonstrate how the business will meet each outcome and submit this information together with a completed application form and all associated individual licence applications or Manager change requests.

2.2 Professional Indemnity Insurance (PII) - (n/a existing CLC Recognised Body). Evidence of, or a quote for PII should be provided, under the [Participating Insurers Agreement](#). Note: you will also need to provide proof of turnover from the insurer before your application can be approved.

3. SUBMITTING A PRACTICE APPLICATION

3.1 Documentation check list: Ensure all mandatory documentation is numbered, listed, and submitted in hard copy along with the main application form. These include:

- a) your documentation to illustrate how you will meet the CLC Practice Licensing Outcomes specified in section: **2.1 to 2.2**;
- b) any supporting documentation relating to conduct, financial and mental health disclosures (the main application form);
- c) signed declaration form (to be signed by ALL key personnel/individuals with material interest/owners/named organisations);
- d) THREE certified copies of proof of identify and address (no more than 3 months old) for ALL key personnel; and
- e) any individual licence applications (or requests to make a change to an existing CLC licence) associated to the practice application.

Applications must be submitted by post in hard copy ONLY:

To: CLC, CAN Mezzanine. 49-51 East Road, London.N1 6AH



NOTE: Applicants must include a covering page listing **ALL of the documentation** and include in the application pack **any associated individual licence applications** submitted in support of the practice application.

Incomplete applications will be returned unprocessed.

3.2 Type of Licence: The CLC uses one application form and applicants are able to use this form to apply for Practice licences issued by the CLC, including:

- Recognised Body; and
- Alternative Business Structure;
- for the provision of both or either conveyancing and probate services.

The CLC will tell the Practice which type of Practice Licence applies to your application.

4. FEES

4.1 All licence applications: Are subject to a non-refundable administration fee

- a) The ABS fee payable is £1,200.
- b) The Recognised Body fee Payable is £150.00.

4.2 Payment: Once your application has been checked as complete we will email you setting out ALL application and credit check fees associated to the application. The email will contain a link to a payment basket for you to pay these fees. Payment can ONLY be made by credit or debit card.

Note: A credit or debit card held in ANY name can be used to make payment; such as a company or employer bank account.

4.3 Additional administration charges: If an application requires significant further investigation, any additional charge will be at the rate of £80.00 per hour. You will be notified before the extra work is undertaken by CLC.

4.4 The CLC may use external advisers when considered necessary: You will be notified of any additional charge before CLC commissions the services of an external adviser.

4.5 Summary of other charges: Guidance for costs for Starting Up.

- a) Application fee (as per the Guidance Notes above)

Please refer to the 'Fee Framework' in the CLC Handbook. The costs listed under point's b) to e) are calculated pro-rata the licence year from month of commencement:



- b) Contribution to CLC's Compensation Fund (based on the turnover declared to the insurers)
- c) Practice Fee (based on the turnover declared to the insurers)
- d) Licence Fee (if an individual licence is required as part of your application)
- e) Professional Indemnity Insurance Premium (as advised by your insurance provider).

Please note that the CLC will require confirmation from the insurers for the amount of turnover as declared to them for your PII.

5. PROCESSING APPLICATIONS

5.1 CLC will confirm receipt of applications by email: Incomplete applications will be returned by email unprocessed within 28 days. Applicants will receive an email informing them that their application is incomplete and asking them to resubmit another fully completed application form. The CLC does not accept documentation submitted independently from the main application form. Applicants should double check applications before submission to ensure that all documentation and information is provided and correct.

5.2 The time needed to process applications: Depends on the level of information submitted and whether any further investigation or verification of that information is required beyond the CLC's standard checks. The CLC endeavours to process non-complex applications within 42 days, or before. Applicants will only be contacted by the CLC during this time if the CLC believes that further investigation is needed to verify any supporting documentation or information provided by the applicant. **Applicants not contacted during this time should presume their application is progressing satisfactorily.**

5.3 All licensing application queries: Must be made by email to licensing@clc-uk.org . Please ensure your full name preceded by PRACTICE LICENCE APPLICATION QUERY in CAPITALS is included in the email subject area. The CLC will respond to applicant's enquiries using the preferred email address as stated on the original application form unless otherwise notified.

5.4 CLC manager licence applications submitted as part of a Practice application: Will be considered and processed with the Practice application.

6. NOTIFYING APPLICANTS ABOUT THE OUTCOME OF APPLICATIONS

5.1 The CLC will notify applicants about the outcome of their applications by email. Subject to approval, the email will notify you of your new Practice licence number and provide details of the total licensing fee and instructions how it should be paid.

6.1 Successful applicants will, before the point of issue of the licence, be required to:



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- a) sign a Responsibilities Declaration. Individual declarations must be signed by the HoLP and/or HoFA to demonstrate that these individuals have understood the CLCs professional principles and any specific regulatory requirements associated to their role in the business;
- b) provide evidence of agreed payment arrangements for the CLC Practice Fees and Compensation Fund (which can be paid by either by Direct Debit in equal monthly instalments or in full by Debit or Credit Card; and
- c) evidence of PII and policy documents.

7. CHANGES AND HOW TO NOTIFY THE CLC

You must notify the CLC immediately of any changes to the information provided in the Business Information Form and the Licensing Application. **Failure to do so will result in delaying the processing of your application or result in a review of any decision made by the CLC.**

8. DATA PROTECTION ACT 1998

The CLC is a data controller under the terms of the Data Protection Act 1998. The information provided will be processed for the purposes necessary for the CLC to carry out its functions and meet its legal obligations.

9. DEFINITIONS

9.1 '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 include in reserved instrument activities, probate activities and the administration of oaths.

9.2 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 Trade Mark Attorneys, The Association of Law Costs Draftsman, The Master of Faculties, The Institute of Chartered Accountants in Scotland and the Association of Chartered Certified Accountants.

9.3 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

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

9.5 A **'manager'** is defined as a person who is:

- a) if the body is a limited company, a director of the body listed on Companies House;
- b) if the body is a partnership, a person held out as a partner (who may be an equity or salaried partner e.g. listed as a partner on the firm's headed paper);
- c) if the body is a Limited Liability Partnership, an LLP member listed on Companies House;
- d) Sole Practitioner.

9.6 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.

9.7 A 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%.

9.9 **'Key Personnel'** includes: authorised persons, non-authorised persons with 10% or more material interest, HoLPs and HoFAs, named managers.

9.10 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;



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- 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.

9.11 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.

9.12 '**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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