

Direction 47 issued under Part 3 of Schedule 4 to the Legal Services Act 2007 to the Council for Licensed Conveyancers (CLC)

1. This is a direction issued pursuant to paragraph 19(3) of Schedule 4 to the Legal Services Act 2007 (the Act).
2. Unless stated otherwise, words in this direction are used as they are defined in the Act.
3. In accordance with paragraph 19(3) of Schedule 4 to the Act, the Board has directed that the following alterations to regulatory arrangements be treated as exempt alterations for the purposes of paragraph 19(2)(c) of Schedule 4:
 - Miscellaneous amendments to the CLC Handbook and Frameworks as set out at Annex 1.

A copy of the alteration was submitted to the Board on 10 October 2012.

4. This direction is to be deemed made on and to be effective from 17 October 2012.

For and on behalf of the Legal Services Board

17 October 2012



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10th October 2012

Dear Dawn

Exemption Direction Request: CLC Handbook and Frameworks

In keeping with and [LSB Guidance on ABS licensing rules](#) our regulatory arrangements were re-focused upon explicit Outcomes. The arrangements are underpinned by principled behaviours, taking into account the Regulatory Objectives and professional principles of the [Legal Services Act 2007](#). These arrangements went live in October 2011 in keeping with our designation as a Licensing Authority.

During the year following the introduction of these arrangements we have identified a number of corrections and clarifications which the arrangements would benefit from. Because of the minor nature of these alterations we propose the amendments are dealt with under an Exemption Direction. The proposed amendments are provided in ***bold/italicised*** text:

- i) The regulatory arrangements apply to all activities covered by the CLC licence
CLC Handbook, Introduction, Pg. 3, bottom paragraph; current text,

The Code of Conduct is the parent document of the CLC Handbook; it sits above all other Codes in our regulatory arrangements and must be complied with at all times. It specifies the Outcomes you as members of the CLC regulated community are expected to deliver. The following behaviours are considered essential to delivery of these Outcomes.

Proposed new text,

The Code of Conduct is the parent document of the CLC Handbook ***and Frameworks***; it sits above all other Codes in our regulatory arrangements and must be complied with at all times ***in the delivery of all its authorised reserved legal activities and permitted non-reserved legal activities, as specified in the CLC licence***. It specifies the Outcomes you as members of the ***CLC*** regulated community are expected to deliver. The following behaviours are considered essential to delivery of these Outcomes.'

Case for proposed amendment: the intention behind the added text is to increase the transparency of the standing of the Frameworks. It also reiterates that the regulatory arrangements extend to the non-reserved legal activities which a body undertakes, and which the CLC licence entitles it to provide, in addition to any reserved activities which the firm is authorised to provide.

The amendment seeks to ensure that it is clear from the beginning of the Handbook that regulatory compliance must be consistent across those legal services which an entity is licensed to provide. It has no impact on nor presents any risk to the regulated community or to the interests of consumers. It seeks only to clarify the existing arrangements, reiterating to the reader that the arrangements apply to all regulated activities.

ii) Specific Codes have equal standing with Universal Codes

CLC Handbook, Introduction, pg. 5, 1st paragraph; current text,

All individuals/bodies regulated by the CLC must comply with the Codes which the Index labels Universal. The Codes underpin the Code of Conduct and are in place to support the delivery of that Code's Outcomes. The relevant Code of Conduct Principles and Specific Requirements are referenced in each Code so each one can be referenced as a standalone document where needed. The Universal Codes pertain to all Regulated Services which a body provides. The Codes identified as Specific – located in the rear of this Handbook – are relevant only to those bodies/ individuals specified.

Proposed new text,

All the Codes underpin the Code of Conduct and are in place to support the delivery of that Code's Outcomes. The relevant Code of Conduct Principles and Specific Requirements are referenced in each Code so each one can be referenced as a standalone document where needed. The Universal Codes pertain to all Regulated Services which a body provides. All individuals/bodies regulated by the CLC must comply with these Codes. The Codes identified as Specific – located in the rear of this Handbook – are relevant only to those bodies specified, ***or those providing the identified services.***

Case for proposed amendment: the current phrasing could arguably provide regulated firms with the impression that the Universal Codes have more weighting than the Specific Codes and also enable an opt-out of the latter. The amendment has no impact upon the interests of either the profession or the public interest. It seeks only to make the existing parity of standing between the different Code types more explicit. Again, the intention behind this amendment is enhanced transparency. It seeks only to increase clarity of the applicability of specific Codes and to prevent any disciplinary respondents attempting to abdicate accountability in a regulated service area.

iii) 'Vulnerable' definition

CLC Handbook, Code of Conduct, pg. 16, reference item; current text,

A client may be vulnerable because of a range of characteristics such as low-literacy levels; disability; distress; limited knowledge of, or limited skills in, use of English; or lack of knowledge of their legal entitlements. Vulnerability can only be assessed on a case-by-case

basis.

Proposed new text,

A client may be vulnerable because of a range of characteristics, ***including (but not limited to): basic skills: literacy and numeracy; complexity and confusion: difficulty of accessing and understanding large amounts of information; disability or other impairment; mental health issues; distress or sudden change in circumstances e.g. bereavement, divorce, illness or loss of employment; low income; age; caring responsibilities; limited knowledge of, or limited skills in, use of English; balance of power: lack of competition and or choice; or inexperience or lack of knowledge of a particular subject.*** Vulnerability can only be assessed on a case-by-case basis.

Case for proposed amendment: the Consumer Impact Report 2012 published by the Legal Services Consumer Panel in July of this year recommends Approved Regulators adopt the vulnerability definition applied in the British Standard on inclusive service provision. The proposed amendments take account of the common risk factors identified on page 7 of the British Standard document. The definition is provided within the Code of Conduct as a guidance footnote to item 6.1, 'The service is accessible and responsive to the needs of individual Clients, including those who are vulnerable' and seeks to provide the reader with a steer as to the range of different ways in which a client could be vulnerable.

The addition seeks to ensure that the regulated community is aware of the broad range of characteristics which may render a consumer, or actual client, vulnerable. The raising of awareness is intended to filter through to the consumer experience. As the Consumer Panel recommends the adoption of the definition the amendments also seeks to be consistent so that a universal definition is applied across the sector.

iv) £100 fine for a late Accountant's Report

CLC Handbook, Accounts Code, pg.30, Guidance between items 16.7 & 16.8; proposed new text,

C may impose a £100 penalty for late submission of an Accountant's Report.

Case for proposed amendment: the impact upon the regulated community is neither new nor significant; the option of such a fine is currently provided in the Fees Framework but not in the Accounts Code where it is best-placed for ease of reference. Presentation of this text in the Accounts Code provides increased transparency for the reader. Codes have been drafted so they can be read as standalone documents; each Code within the Handbook references the relevant provisions from the Code of Conduct provisions. With this in mind we consider referencing the penalty in the Accounts Code (as well as the Fees Framework where it sits currently) would be consistent.

v) Manager responsible for [SOCA/suspicion reports]

CLC Handbook, Anti-Money Laundering and Combating Terrorist Financing Code & Guidance, pg.39, item 10; current text,

You :-
(a) appoint a Nominated Officer with responsibility to receive suspicion reports and make

reports to SOCA;
(b) appoint a manager (who may or may not be the Nominated Officer) with responsibility for ensuring the business complies with these;

Proposed new text,

You :-
(a) appoint a Nominated Officer with responsibility to receive suspicion reports and make reports to SOCA;
(b) appoint a manager (who may or may not be the Nominated Officer) with responsibility for ensuring the business complies with **this Code**;

Case for proposed amendment: the additional text seeks to provide clarity as to what the designated manager will have responsibility for. The previous version of the Code made reference to 'this Guidance Note' (the Code was then framed). This reference was inadvertently lost in the move to Outcomes-focused regulation. The additional text seeks only to correct this error.

We also wish to make a minor amendment to item 11 of that Code so that 'must be' is replaced with 'are' i.e., 'Records **are** stored in a Durable Medium'. The section is introduced with 'You must also comply with the following specific requirements:' and this amendment removes the repetition of 'must'.

Neither amendment presents any new regulatory requirement upon the regulated community. The re-phrasing of the first provision seeks only to increase the transparency of the meaning. The second amendment seeks to ensure our phraseology is consistent.

vi) Broaden the applicability scope of statutory rights to request flexible working

CLC Handbook, Equality Code and Guidance, pg. 75, item 4; current text,

ents have the right to request flexible working.

Proposed new text,

Working parents **and carers (and those who are applying to care for a child)** have the **statutory** right to request flexible working.

Case for proposed amendment: the applicability of the statutory right to request flexible working needs to be broadened as per the Equality Act 2010. The intention behind the amendment is to ensure the regulated community is aware of its accountability in this area. The impact is nil as we are merely broadening our reference to the legislation, which itself has required this since its inception.

vii) Diversity profiling is a requirement, not a good practice reference

CLC Handbook, Equality Code & Guidance, pg.76, item 11; current text,

Recording, monitoring and publishing the body's diversity profile will provide potential staff and clients with information on the representative nature of the business and help you

identify any under-representation at varying stages of recruitment and career progression, indicating areas where action may be needed to address under-representation.

Proposed new text,

All CLC-regulated firms are required to participate in the biennial diversity profiling of the regulated community. The firm must publish a summary of the firm's profile. The details of which will be prescribed by the CLC at time of profiling. The summary provides potential staff and clients with information on the representative nature of the business and will help you identify any under-representation at varying stages of recruitment and career progression, indicating areas where action may be needed to address under-representation.

Case for proposed amendment: in the period since we introduced the Handbook diversity profiling, as per LSB direction, has become a requirement of our regulated firms. Therefore the reference to it as a good practice consideration only is no longer relevant. The current wording does not reflect the new position and could be used by the regulated community to justify not complying with the diversity profiling exercise. Its inclusion would make the guidance consistent with the new practice. The introduction of the requirement had an impact – which we have sought to minimise through the creation of an online survey – upon the regulated community, the reflection of the requirement within the Handbook does not.

viii) Authorised Person, not licensed conveyancer

CLC Handbook, Notification Code, pg. 88, ABS provisions, item 14 (3rd bulletpoint down); current text,

You notify us promptly after you have received information about any 'fit and proper' issue concerning the owner(s), the HoLP, HoFA, other Managers or Authorised Persons:
has been a director of a company which has gone into liquidation on the grounds of insolvency;
in their own right or as a director of a company has had an administrator or receiver appointed
has been a licensed conveyancer in, or Manager of, an entity which has had its authorisation refused, revoked or made subject to conditions;

Proposed new text,

You notify us promptly after you have received information about any 'fit and proper' issue concerning the owner(s), the HoLP, HoFA, other Managers or Authorised Persons:
has been a director of a company which has gone into liquidation on the grounds of insolvency;
in their own right or as a director of a company has had an administrator or receiver appointed
has been an **Authorised Person** in, or Manager of, an entity which has had its authorisation refused, revoked or made subject to conditions;

Case for proposed amendment: by their very nature, ABS may employ Authorised Persons who are not licensed conveyancers; the notification regarding refusal or revocation of licence, or application of conditions by a regulator, was not intentionally restricted to licensed conveyancers (especially as we would already have possession of enforcement information relating to them). The amendment seeks to provide consistency of Licensing Authority approach. The impact upon the (would-be) regulated community is negligible, the amendment would merely reflect legislation, statutory guidance and existing practice.

ix) Run-off cover

CLC Handbook, Code of Conduct, pg. 12, item 3)o) & Professional Indemnity Insurance Code, pg. 91, item 5; current text,

You ensure there are adequate indemnity arrangements in respect of claims made against you for work carried out by you after you have ceased to practice.

Proposed new text,

You ensure there are adequate indemnity arrangements in respect of claims made against you for work carried out by you ***before*** you ceased to practice ***by purchasing professional indemnity insurance for a minimum period of 6 years from the expiry of the period of professional indemnity insurance stated in your evidence of insurance or policy document.***

Case for proposed amendment: Professional Indemnity Insurance provides cover on a claims-made basis. The intention behind the provision had been to ensure that regulated entities procure insurance cover so that after the practice has closed clients continue to be protected for the services which they procured whilst the individual/firm was practising. However, the current wording (i.e. 'after') could be interpreted as contrary to this intention and the amendment seeks to address this. The correction should provide the clarity originally sought. As the indemnity insurance requirement is well-established the impact upon the regulated community of the revised wording is nil. The information sheet/procedure provided to closing practices has always made clear that those who fail to obtain such cover will have to settle any claims personally. The practice is signposted to the brokers of the Master Policy for a quotation.

The quotation provided by the brokers will be for six years run-off cover. The intention in setting this out in the Handbook is to provide clarity as to the minimum period of run-off insurance the CLC considers should be purchased. The impact on the regulated community of the specification of the six-year timeframe is potential financially significant. However, the timeframe is consistent with that of other regulators and should the cover not be obtained, the practice's main stakeholders (as advised in the CLC information sheet/procedure) will be held personally responsible. Therefore, we would consider the risk to them, and to the clients who might need to access such redress – combined with the fact that the amendment does not introduce a new requirement, but seeks to provide awareness of the (existing) requirement before the run off cover is purchased - outweighs the impact.

x) Mortgage Fraud Considerations and Good Practice

Case for proposed amendment: in November 2011 we published a Floating Practice Note on mortgage fraud. This provided the regulated community with an update on fraud schemes and

factors which might indicate a vulnerability to such schemes. The Handbook went live in October 2011 and had been published several months prior to that to afford the regulated community an appropriate lead-in period. As a result, it was not considered appropriate to absorb the guidance aspects of the Note into the regulatory arrangements at that time. It is now considered timely to include its provisions within the Mortgage Fraud Guidance. Please see pages 118-125 of the attached Handbook for the proposed (tracked) additions to the Mortgage Fraud Guidance (items 15-17).

The Guidance seeks to facilitate full accountability by the regulated community for the prevention, detection and mitigation of fraud, enabling them to target their resources accordingly. The impact upon the regulated community should be negligible as these are not new mandatory specific requirements or principles (i.e. rules). The Guidance is provided for useful information purposes only; and the information was published to the regulated community a year ago through a dedicated Floating Practice Note (i.e. not in the Handbook itself).

xi) Licensed Conveyancer Managers

CLC Handbook, Recognised Bodies Code, pg. 133, item 7; current text,

You have at least one Manager and have applied for/obtained CLC approval of any such individual.

Proposed new text,

You have at least one Manager ***who is a Licensed Conveyancer*** and have applied for/obtained CLC approval of any such individual.

CLC Frameworks, Recognised Bodies Recognition Framework, pg. 46; proposed new text (item 4),

At least one Manager is a Licensed Conveyancer.

Case for proposed amendment: though item 31 of the Recognition Framework makes clear that the body must have a Licensed Conveyancer, the remainder of both the framework and Code refer to Authorised Persons, potentially rendering the requirement of a Licensed Conveyancer Manager as unclear. These additions seek to provide the needed clarity. The addition of this new item within the framework will have an impact upon the numbering of subsequent items within the document. This is shown in the tracked version provided.

This requirement has been in place since s32 of the Administration of Justice Act 1985 was enacted and is an essential element of our licensing processes. The amendment therefore has negligible impact, seeking only to provide increased transparency of our licensing requirements to those who would seek to become a Recognised Body (or Recognised Bodies seeking to replace an existing manager).

xii) Regulation and Enforcement Policies

Case for proposed amendment: we consider the amalgamation of the two policies into the Regulation and Enforcement Policy provides the reader with a one-stop shop overview of the CLC's approach to regulation, and the role enforcement plays within this. Such a step intends to provide a more accessible outline of our approach and so increased transparency. It aims to provide consistency with the Enforcement Policies of other regulators by not separating the two regulatory

arenas into distinct policies and removing the element of duplication inherent within the two currently distinct policies. We have however retained two separate sections of Regulation and Enforcement within the new document to be clear they are not one and the same thing, though they are inextricably linked. There is no impact upon the regulated community of these amendments, they are structural only. (See CLC Handbook, pgs. 140 – 159 and minor rephrasing on pg. 5 to reflect the amalgamation).

We have also suggested additions to the headings at pg. 153, item 7,

Informal approach – <i>staff investigation and advice</i> Regulatory action – <i>staff delegated powers</i> Disciplinary action – <i>Committee hearing</i>

to increase clarity of what is meant by each stage. Our Monitoring team has requested that the parameters of each stage are made clearer to the reader and these additions to the headlines seek to provide that transparency.

xiii) Enforcement and delegated powers

CLC Handbook, Enforcement Policy, pg. 155, item 4.6; current text,

carried out a preliminary assessment the CLC Authorised Officer may: certify that where the complaint referred to them is appropriate for summary determination, and in either case giving reasons in writing: direct that the respondent pay a penalty not exceeding £1,000 in respect of each allegation made; or dismiss the complaint; or b) refer the case to the Adjudication Panel, alternatively to the Discipline and Appeals Committee for hearing and determination.

Proposed new text, Regulation and Enforcement Policy, pg. 154, item 7.6,

carried out a preliminary assessment the CLC Authorised Officer may: (a) certify that where the <i>compliance issue</i> referred to them is appropriate for summary determination, and in either case giving reasons in writing: direct that the respondent pay a penalty not exceeding £1,000 in respect of each allegation made; or dismiss the <i>allegation</i> ; or (b) refer the case to the Adjudication Panel, alternatively to the Discipline and Appeals Committee for hearing and determination.

Case for proposed amendment: the ‘complaint’ reference is likely to be confused with the definition of complaint as provided by the Legal Ombudsman. A CLC Authorised Officer can assess any compliance issue brought to them, their scope is not limited to a complainant raising an issue. The amendment seeks to provide the transparency needed. There is no impact upon the regulated community, the amendment is one of wording only. The amendment is sought due only to the concern that the Handbook’s Glossary provides a definition of the word ‘complaint’, using the Legal

Ombudsman's definition of this 'an oral or written expression of dissatisfaction which alleges that the complainant has suffered (or may suffer) financial loss, distress or inconvenience'. This could lead the reader to believe that the scope of our enforcement is confined to investigation of these types of complaint.

xiv) Senior manager status a preference for HoLP/HoFA, not an absolute

CLC Handbook, Glossary, pg. 179, Head of Legal Practice (HoLP) and Head of Finance & Administration definitions; current text,

HoFA - the manager in a Licensed Body (ABS) designated responsible for the body complying with their accounts responsibilities as set out in our regulatory arrangements; the individual does not have to be an Authorised Person

HoLP – the manager in a Licensed Body (ABS) designated responsible for the body complying with its responsibilities as set out in our regulatory arrangements; the individual must be an Authorised Person

Proposed new text; Glossary, pg. 178,

HoFA - the ***officer*** in a Licensed Body (ABS) designated responsible for the body complying with their accounts responsibilities as set out in our regulatory arrangements; the individual does not have to be an Authorised Person; ***it is preferable, though not mandatory, for the individual to be a manager***

HoLP - the ***officer*** in a Licensed Body (ABS) designated responsible for the body complying with its responsibilities as set out in our regulatory arrangements; the individual must be an Authorised Person; ***it is preferable, though not mandatory, for the individual to be a manager***

Case for proposed amendment: we do not require the HoLP or HoFA of an Alternative Business Structure to be a manager (i.e. Director, partner, member of LLP). It is of course preferable they are of this standing given the importance of both these roles, but our requirements allow them to be of a manager level which reports to, rather than is a member of, the senior management team if this is considered proportionate to the structure. Though not bold/italicised (words which are defined in the Glossary are formatted as such to signpost the reader to the definition), the current use of the term 'manager' within the definition could still signpost the reader to the 'manager' definition provided at pg. 181, which refers to company members, directors and partners, and which would appear to imply that it is an essential prerequisite of these posts that they are at such a management level. The replacement of the term with that of 'officer' seeks to provide clarity that this is not the case.

There is no impact upon the (would-be) regulated community, the amendment seeks only to ensure that our management and control requirements of these bodies are as transparent as possible and accurately reflect the licensing parameters operated.

xv) Transitional arrangements

CLC Frameworks, ABS Licensing Framework, pg. 16, item 5, Transitional arrangements;
current text,

These arrangements apply to bodies licensed by the CLC as a Recognised Body on the date it is authorised as a Licensing Authority but which, because they are owned or managed by persons who are not Authorised Persons, need to become a Licensed Body by Autumn 2012.

Proposed new text,

These arrangements apply to bodies licensed by the CLC as a Recognised Body on the date it is authorised as a Licensing Authority but which, because they are owned or managed by persons who are not Authorised Persons, need to become a Licensed Body by ***the date specified by the CLC.***

Case for proposed amendment: at the time our Licensing Authority designation application was made, it was assumed by both the LSB and ourselves that the Order bringing an end to the transitional arrangements would come into effect within twelve months of the October 6th 2011 ABS launch date. This has not been the case and we have been advised by the LSB that the transitional period is unlikely to come into force in 2013. We remain committed to ensuring Recognised Bodies with owners or managers who are not lawyers should be licensed before the end of 2013. We will keep the LSB informed of progress. The amendment will have no detrimental impact upon the affected firms; it seeks only to reflect the change in timings dictated by external influences. The proposed timescale will allow these firms more time to ensure they have the appropriate arrangements in place and enable CLC resources (in determining the licensing applications) to be applied appropriately over a reasonable timescale.

xvi) ABS Register

CLC Frameworks, ABS Licensing Framework, pg. 27, item 9, ABS Register details; current text,

The following information is held on the register:

- Name of Licensed Body
- Whether the licence is suspended or revoked and the date on which suspension or revocation took place
- Any enforcement action or sanction on the Licensed Body, its owner or any employee
- Trading name of the Licensed Body
- Previous names of the Licensed Body
- The company registration number
- The licence number of the body
- Previous licences held by the body
- The date the licence was issued
- Registered address of the Licensed Body
- Practising address(es) of the Licensed Body
- The names of the Head of Legal Practice and the Head of Finance and Administration
- The authorising body of the Head of Legal Practice
- The reserved legal activities that the body is authorised to undertake
- The ultimate beneficial owner
- Managers of the licensed body
- The names of those with a material interest in the Licensed Body

The names of Authorised Persons who are employees of the Licensed Body
Any endorsements placed on the Licensed Body

Proposed new text,

The following information is held on the register:
 Name of Licensed Body
 Whether the licence is suspended or revoked and the date on which suspension or revocation took place
 Any enforcement action or sanction on the Licensed Body, its owner or any employee
 Trading name of the Licensed Body
 Previous names of the Licensed Body
 The company registration number
 The licence number of the body
 Previous licences held by the body
 The date the licence was issued
 Registered address of the Licensed Body
 Practising address(es) of the Licensed Body
 The names of the Head of Legal Practice and the Head of Finance and Administration
 The authorising body of the Head of Legal Practice
 The reserved legal activities that the body is authorised to undertake
~~The ultimate beneficial owner~~
~~Managers of the licensed body~~
~~The names of those with a material interest in the Licensed Body~~
~~The names of Authorised Persons who are employees of the Licensed Body~~
 Any endorsements placed on the Licensed Body

Case for proposed amendment: we propose removal of the names of the 4 types of individuals from the online ABS register as we do not consider this information to be essential to the public interest. We do not consider the allocation of CLC resources to the upkeep of such details on the register to be proportionate. The resource allocated to this will increase with the numbers of ABS which we license; we wish to remove these provisions to prevent maintenance of the CLC's public register becoming unnecessarily burdensome. The removal of this detail would also be consistent with the information provided on the SRA's ABS Public Register.

The regulated community will obviously still be required to provide us with a broad range of information on the owners, managers and those with a material interest to inform our fit and proper assessment of them. We also require declarations of the Authorised Person employees. Information on these individuals is held on our internal register. It is only the transference of this data to the online register which we wish to remove. Therefore, the impact to applicants is negligible.

The impact to clients, or would-be clients, is intended to be minimal. We would consider that the remaining details provide interested parties with the sufficient headline information they would require: business names and addresses, licence number and status, identities of the HoLP and HoFA and the reserved legal activities it is authorised by us to provide.

In addition, OP1o) of the Code of Conduct requires that the entity's business communications, website and office premises name managers, identifying those who are Authorised Persons. Therefore, an element of this information is available through an alternative forum.

xvii) Special Bodies application

CLC Frameworks, ABS Licensing Framework, pg 10, item 3.9; current text,

Currently we cannot accept applications from Special Bodies, although we anticipate shortly making an application to be able to do so.

Proposed new text,

~~Currently we cannot accept applications from Special Bodies.~~

Case for proposed amendment: the commitment to ‘shortly’ make an application to regulate these bodies was borne out of the expectation of our designation as a regulator of litigation and advocacy. Our first application for such designation was unsuccessful and we have yet to re-apply. Should our re-application, when made, prove successful, we would need to consider whether we wish to apply to regulate Special Bodies providing these services. There is unlikely to be an application in the short term. It is therefore considered appropriate and transparent to remove the commitment to make an application to regulate the not-for-profit entities which provide such services.

xviii) Licence determination factors

CLC Frameworks, Licensed Conveyancer Licensing Framework, pg. 41, item 1c; and Recognised Body Recognition Framework, pg. 47, item 6,

- 1c) if the applicant has not held a conveyancing licence before, they must satisfy the CLC they are a fit and proper person to practise as a licensed conveyancer
- 6) If the CLC is satisfied as to the matters identified under items 4 and 5 and of the capability and willingness of the entity to comply with the CLC Code of Conduct and other CLC Codes, then the CLC will:
- (a) issue a Certificate endorsed as provided at item 10; or
 - (b) issue a Certificate endorsed as provided at item 10, subject to such additional conditions as it considers appropriate.

Proposed new text; items 1c and item 7 (renumbered due to addition of item xi of this application),

- 1c) if the applicant has not held a conveyancing licence before, they must satisfy the CLC they are a fit and proper person to practise as a licensed conveyancer **(see item 8.22 of the Licensed Body (ABS) Licensing Framework for an overview of the type of factors taken into account when applying the fit and proper test)**
- 7) If the CLC is satisfied as to the matters identified under items 4 and 5 and of the capability and willingness of the entity to comply with the CLC Code of Conduct and other CLC Codes, then the CLC will:
- (a) issue a Certificate endorsed as provided at item 10; or
 - (b) issue a Certificate endorsed as provided at item 10, subject to such additional conditions as it considers appropriate.
- See items 8.1-8.22 of the Licensed Body (ABS) Licensing Framework for an overview of the type of factors taken into account when determining a licence application.**

Case for proposed amendment: the Licensed Body (ABS) Licensing Framework provides firms potentially interested in applying to become an ABS with a detailed overview of the factors which will be taken into consideration in determining their application should they make one subsequently. The Recognised Body Recognition Framework does not afford firms which are potentially interested in applying to become a Recognised Body the same transparency.

Item 8.22 of the ABS Framework is a tailored version of the licensing guidelines provided to Licensed Conveyancer and Recognised Body applicants. We consider it would be appropriate to provide these applicants with the same transparency, and at the same time, as ABS would-be applicants (i.e. the Frameworks document is readily accessible on the CLC website: [Frameworks document](#)). These stakeholders will have the benefit of knowing in advance the type of factors we will take into consideration when determining their application.

Amended/tracked versions of both the Handbook and Frameworks documents are attached for reference. On the grounds outlined above we would request that the LSB issues an Exemption Direction approving the above listed amendments.

Yours sincerely

Victoria Swan
Policy Advisor