

Direction 128 issued under Part 3 of Schedule 4 to the Legal Services Act 2007 to CILEx Regulation

1. This is a direction issued pursuant to paragraph 19(3) to Schedule 4 of 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) to Schedule 4 of the Act, the Board has directed that the following alterations by CILEx Regulation to its regulatory arrangements be treated as exempt alterations for the purposes of paragraph 19(2)(c) of Schedule 4:

CILEx Regulation Compensation Fund contributions for the practising year 2019

Proposed changes

4. Each CILEx Regulation regulated entity pays a contribution to the Compensation Fund based on the reserved legal activity it undertakes, turnover and whether or not it holds client money.
5. CILEx Regulation has removed the escrow option from its proposed Compensation Fund contribution calculation as this is not currently in use.
6. CILEx Regulation is proposing to consolidate fee bands at the lower level and to create additional fee bands at higher turnover levels. This is likely to result in an increase for some entities and a decrease for others. Despite the variation in contributions across entities, the net change in the overall Compensation Fund contributions compared to 2018 is minimal (a projected net increase of £124).
7. The following table sets out CILEx Regulation's proposed Compensation Fund contribution for 2018/19:

Turnover	Client Money	No Client Money
Litigation and Immigration		
£0 - £250,000	£700	£500
£250,001 - £500,000	£1,400	£1,000
£500,001 - £1m	£2,100	£1,500
£1m - £3m	£3,500	£2,500
£3m +	£5,075	£2,538
Probate and Conveyancing		
£0 - £250,000	£750	£500
£250,001 - £500,000	£1,500	£1,000
£500,001 - £1m	£2,500	£1,500
£1m - £3m	£4,000	£2,500
£3m +	£6,090	£2,538

Reason for exemption direction

8. Whilst the proposal will alter the formula through which contributions to the compensation fund will be calculated, the net impact on overall contributions to the Compensation Fund is likely to be minimal.
9. A copy of the alteration was submitted to the Board on 23 August 2018.
10. This direction is to be deemed made on and effective from 21 September 2018.

For and on behalf of the Legal Services Board
21 September 2018