



## **GUIDANCE NOTE 6 DISCLOSURE OF PROFITS AND ADVANTAGES Issue 2**

**Issued by the Council for Licensed Conveyancers on  
30 March 2009.**

**This Guidance Note came into force on 31 March 2009.**

**This Guidance Note supersedes Guidance Note 6 – Disclosure of Profits and Advantages issued by the Council on 19 October 2005 which ceased to have effect on 31 March 2009.**

**Licensed Conveyancers, Managers and Recognised Bodies must at all times act in compliance with the Council's Rules in so far as they are applicable. In particular, Rule 3.2 of the Licensed Conveyancers' Conduct Rules 2009 provides:-**

**“A Licensed Conveyancer must:**

- 3.2.1** comply with the Guidance Notes unless he has good reason for not doing so in the particular circumstances;
- 3.2.2** ensure that the Recognised Body of which he is a Manager complies with the Guidance Notes unless it has good reason for not doing so in the particular circumstances.”

**Rule 5.2 of the Licensed Conveyancers' Conduct Rules 2009 states:-**

**“A Licensed Conveyancer, in the provision of Regulated Services must:**

- 5.2.7** *ensure that all Communications are clear, fair and not misleading;*
- 5.2.8** *disclose to a Client in writing, as soon as they are known to the Licensed Conveyancer, the existence and amount of any sum payable by or to the Licensed Conveyancer arising, whether directly or indirectly, from the Client's instructions.”*

**This Guidance Note adopts the definitions set out in the Licensed Conveyancers' Conduct Rules 2009.**

**“Recognised Body”** includes, where the context permits, any Manager (including a Licensed Conveyancer who is a Manager) or employee acting for the Recognised Body.

1. When it accepts instructions, the Recognised Body must inform the Client in writing:-
    - 1.1 of the existence of any arrangement for the introduction of the Client to the Recognised Body by another person; and
    - 1.2 any sum paid in connection with the introduction, or, if it is not practicable to inform the Client of the exact sum, the maximum sum which may be paid.
  
  2. When he introduces a Client to another person the Recognised Body must inform the Client in writing:-
    - 2.1 of the existence of any arrangement for the introduction of the Client by the Recognised Body to another person; and
    - 2.2 any sum paid in connection with the introduction, or, if it is not practicable to inform the Client of the exact sum, the maximum sum which may be paid.
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