



## CLC Regulatory Arrangements

### Glossary of Terms

#### #

<b>1985 Act (AJA)/ Administration of Justice Act</b>	the Administration of Justice Act 1985 which created the <b>CLC</b> and provided it with its powers to regulate <b>licensed conveyancers</b>
<b>1990 Act (CLSA)/ Courts &amp; Legal Services Act</b>	the Courts & Legal Services Act 1990 which amended parts of the <b>1985 Act</b> and entitles the <b>CLC</b> to license and regulate <b>Licensed CLC Practitioners</b> , apply to regulate <b>probate, litigation and advocacy</b> activities in addition to <b>conveyancing</b> services (the CLC is currently authorised to license and regulate <b>probate</b> services)
<b>2007 Act (LSA)</b>	the Legal Services Act 2007 which created the <b>Legal Services Board</b> , the Office for Legal Complaints ( <b>Legal Ombudsman</b> ), authorised <b>Approved Regulators</b> to regulate <b>Authorised Persons</b> and enabled the development of new forms of legal practice known as <b>Alternative Business Structures</b> and the licensing of these bodies by <b>Licensing Authorities</b>

#### A

<b>Access to Justice</b>	the recognition of, and response to, potential and actual, consumer needs. This may take the form of provision of a greater range of services and methods of accessing these services, lower prices, extended opening hours, accessibility, online provision, or other factors
<b>Accounting Records</b>	includes all documents or records on a <b>Durable Medium</b> necessary for the operation of any system of book-keeping
<b>Accounting Period</b>	the period for which the accounts of the <b>CLC</b> Body are ordinarily made up, provided however that it must begin at the end of the previous Accounting Period and cover twelve months (except with the prior written consent of the CLC)
<b>Accountant's Report</b>	a report signed by the <b>Reporting Accountant</b> in such form as determined by the CLC relating to Client Money held or received by each body in respect of each Accounting Period
<b>Adjudication Panel</b>	established:

	<ul style="list-style-type: none"> <li>to determine appeals against determinations made by the <b>CLC</b> relating to <b>CLC Lawyers</b> and <b>CLC Bodies</b> and relating to <b>owners, Managers</b> and <b>employees</b> of <b>CLC Bodies</b></li> <li>to determine applications for review in relation to regulatory and enforcement decisions made by a <b>CLC Authorised Officer</b>, save for those appeals which are reserved to the Discipline and Appeals Committee;</li> <li>to determine allegations of misconduct referred to it</li> </ul>
<b>Advice</b>	the provision of a personal recommendation to a <b>Client</b> , either upon their request or at the initiative of the insurance distributor, in respect of one or more insurance contracts
<b>Advocacy</b>	referred to at schedule 2 of the <b>2007 Act</b> as rights of audience and includes the right to appear before and address a court, including the right to call and examine witnesses
<b>Advocacy Licence</b>	a <b>licence</b> issued by the <b>CLC</b> to provide <b>advocacy</b> services, under Part 1 of Schedule 8 of the <b>1990 Act</b> ; this will only be applicable if the <b>CLC</b> 's application to regulate this activity is successful
<b>Aged Balance</b>	<p>(a) a sum outstanding to the credit of an individual ledger account;</p> <p>(b) where there has been completion of a legal transaction or it has become abortive; and</p> <p>(c) there has been no movement on the account for a period in excess of 12 months except for monies held in accordance with the terms of an undertaking (in which case the 12 month period will begin from the date on which such monies are released)</p>
<b>Alternative Business Structure (ABS)</b>	a body which provides legal services to the public and in which a nonlawyer is a <b>manager</b> and/or <b>owner</b> as provided at s.72 of the <b>2007 Act</b> ; for licensing purposes these bodies are referred to as <b>Licensed (ABS) Bodies</b>
<b>AML/CTF Legislation - Anti Money Laundering and Combating the Financing of Terrorism Legislation</b>	<p>legislation directed to the prevention of Money Laundering and Combating the Financing of Terrorism , and in particular, the:</p> <ul style="list-style-type: none"> <li>Proceeds of Crime Act 2002 (as amended);</li> <li>Terrorism Act 2000 (as amended); and</li> <li>Money Laundering Regulations 2017 - SI 2017/692 (the ML Regulations)</li> </ul>
<b>Ancillary Insurance Intermediary</b>	any natural or legal person, other than a credit institution or an investment firm as defined in points (1) and (2) of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council ( 1 ), who, for remuneration, takes up or pursues the activity of insurance distribution on an ancillary basis, provided that all the following conditions are met:

	<p>a) the principal professional activity of that natural or legal person is other than insurance distribution;</p> <p>b) the natural or legal person only distributes certain insurance products that are complementary to a good or service;</p> <p>c) (c) the insurance products concerned do not cover life assurance or liability risks, unless that cover complements the good or service which the intermediary provides as its principal professional activity;</p>
<b>Applicant</b>	<p>as determined by the particular context:</p> <ul style="list-style-type: none"> <li>• any person who intends to apply, or is currently applying, for registration as a <b>CLC</b> student or for a <b>Licence</b> as a <b>CLC Lawyer</b>;</li> <li>• a body which intends to apply, or is currently applying, for registration as a <b>CLC Recognised Body</b>;</li> <li>• a body which intends to apply, or is currently applying, for a <b>Licensed Body (ABS) licence</b></li> </ul>
<b>Approved Person</b>	<p>under the Accounts Code this means a:</p> <ul style="list-style-type: none"> <li>• an <b>Authorised Person</b>; or</li> <li>• provided the <b>CLC</b> Body is in compliance with 9.1.4 of the Accounts Code, any other appropriately skilled, trained and competent person of integrity who has been authorised on <b>Durable Medium</b> by the <b>CLC</b> Body</li> </ul>
<b>Approved Regulator</b>	<p>as defined at s.20 of the <b>2007 Act</b>: the <b>CLC</b>, the Law Society, the General Council of the Bar, the Master of Faculties, the Institute of Legal Executives, the Chartered Institute of Patent Attorneys, the Institute of Trade Mark Attorneys, the Association of Law Costs Draftsmen, the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Scotland, the Association of Chartered Certified Accountants and any such other bodies as are authorised to regulate providers of <b>Reserved Legal Activities</b></p>
<b>Arrangements</b>	<p>methods of organisation including systems, procedures, controls, functions, roles, and processes</p>
<b>Articles</b>	<p>prescribes a company's regulations: setting out the relationships between shareholders and directors of the company as required by s.18 of the Companies Act 2006</p>

<p><b>Associate</b></p>	<p>under the <b>Licensed (ABS) Body</b> Framework ‘associate’ in relation to a <b>Non-Authorised Person</b> with a <b>material interest</b> with: –</p> <ul style="list-style-type: none"> <li>• a shareholding in a body; or</li> <li>• an entitlement to exercise or control the exercise of voting power in a body,</li> </ul> <p>means:</p> <ol style="list-style-type: none"> <li>a) their spouse or civil partner;</li> <li>b) their child or step-child (if under 18 years of age);</li> <li>c) the trustee of a settlement* under which they have a life interest in possession;</li> <li>d) an undertaking of which they are a Director;</li> <li>e) an <b>employee</b>;</li> <li>f) a partner (except where the shareholding or entitlement is a partnership in which the <b>Non-Authorised Person</b> is a partner, another partner);</li> <li>g) if ‘the person’ means an undertaking – a director, a subsidiary undertaking (or a director or <b>employee</b> of it);</li> <li>h) a person they have agreement or arrangement with respects to the acquisition, holding or disposal of shares or other interests;</li> <li>i) a person they have agreement or arrangement with under which they undertake to act together in exercising their voting power (in relation to a body which does not have general meetings at which matters are decided by the exercise of voting rights this refers to the right under the body’s constitution to direct overall policy/alter its constitution);</li> </ol> <p>with 3% or more <b>material interest</b>.</p> <p>By ‘settlement’* we mean any disposition or arrangement under which property is held on trust (or a comparable obligation)</p>
<p><b>Authorisations (licence)</b></p>	<p>specify the <b>reserved legal activities</b> which a body is authorised by the <b>CLC</b> to provide</p>

<b>Authorised Insurers</b>	has the meaning given by s. 21(5) of the <b>1985 Act</b> or s. 64(5) of the <b>2007 Act</b> :-  a) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 (c.8) to effect or carry out contracts of insurance of a relevant class;  b) a European Economic Area (EEA) firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of insurance of a relevant class; or  c) a person who does not fall within paragraph (a) or (b) and who may lawfully effect or carry out contracts of insurance of a relevant class in a member State other than the United Kingdom
<b>(CLC) Authorised Officer</b>	the Licensing and Casework Manager employed by the CLC, or another officer of the CLC of equivalent or senior status
<b>Authorised Person(s)</b>  <b>/Parties</b>	a person authorised by an <b>Approved Regulator</b> to carry on <b>reserved legal activities</b> e.g:  <ul style="list-style-type: none"> <li>• a <b>CLC Lawyer</b></li> <li>• a solicitor</li> <li>• a Fellow of the Institute of Legal Executives</li> </ul>
<b>(FSMA) Authorised Person</b>	arrangers or sellers of insurance products regulated by the Financial Conduct Authority ( <del>previously the Financial Services Authority</del> )

**B**

<b>Bank</b>	an institution, body, financial intermediary, or financial institution which has permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits
<b>Beneficial Owner</b>	the individual or company which has all the benefits and entitlements of a legal owner, even if not named or registered as the legal owner
<b>Brokers</b>	under the Professional Indemnity Insurance Code and Operating Framework this refers to the agent who sources the contract of insurance for the <b>CLC's Master Policy</b>
<b>Building Society</b>	a branch situated in England and Wales of a building society incorporated (or deemed to be incorporated) under the Building Societies Act 1986

C

<b>Candidate</b>	<ul style="list-style-type: none"> <li>• under the Student Training Framework this refers to a student registered with the <b>CLC</b> who sits or intends to sit a <b>CLC Qualifying Examination</b>.</li> <li>• under the <b>Licensed Body</b> Code and Licensing Framework this refers to persons nominated by the body to assume the role of the <b>Head of Legal Practice</b> or <b>Head of Finance and Administration</b></li> </ul>
<b>Carrying on (a Reserved Legal Activity)</b>	under the <b>Code of Conduct</b> this means that <b>Authorised Persons</b> must personally carry out or supervise the <b>Reserved Legal Activity</b> provided
<b>Certificate of Recognition</b>	a certificate issued by the <b>CLC</b> to a body corporate recognising it as a <b>Recognised Body</b> - under s.32 of the <b>1985 Act</b> - suitable to undertake the provision of <b>Regulated Services</b> authorized by the <b>CLC</b>
<b>Claim</b>	under the <b>Professional Indemnity Insurance</b> Code and Operating Framework and <b>Compensation Fund</b> Operating Framework, unless otherwise stated, this means a request of payment due under the terms of a <b>professional indemnity insurance</b> policy (including the <b>CLC PII Policy Terms</b> ) or the <b>CLC's Compensation Fund</b>
<b>Claimant</b>	<p>under the <b>Compensation Fund</b> Operating Framework this means any person making a <b>claim</b> for payment of a grant from the <b>CLC's Compensation Fund</b> and includes</p> <ul style="list-style-type: none"> <li>• the personal representative where the person entitled to make a claim Claimant has died, or</li> <li>• the trustee in bankruptcy where the person entitled to make a <b>claim</b> has been made bankrupt</li> </ul>
<b>(the) CLC</b>	the Council for Licensed Conveyancers established under s.12 of the <b>1985 Act</b>
<b>(CLC) Body</b>	<p>an entity regulated by the CLC:</p> <ul style="list-style-type: none"> <li>• an Alternative Business Structure (also called a Licensed Body) regulated by the CLC acting as a Licensing Authority; or</li> <li>• a Recognised Body regulated by the CLC acting as an Approved Regulator</li> </ul>

<b>CLC Lawyer</b>	(property specialist) lawyer; the lawyer may be:  A <b>Licensed Conveyancer</b> licensed to provide <b>conveyancing</b> and may also be licensed to provide probate, litigation or advocacy.  A <b>Licensed CLC Practitioner</b> (who may be licensed to provide <b>probate, litigation</b> or <b>advocacy</b> activities, but not <b>conveyancing</b> services)
<b>CLC Practitioner Services Body</b>	A body recognised by the <b>CLC</b> as a <b>Recognised Body</b> to provide <b>probate, litigation</b> or <b>advocacy</b> activities, but not <b>conveyancing</b> services
<b>CLC PII Policy Terms</b>	the <b>CLC's professional indemnity insurance</b> policy authorised by the <b>CLC</b> under s.21 of the <b>1985 Act</b>
<b>Client</b>	any person or persons for whom a <b>Licensed Conveyancer</b> or <b>CLC body</b> acts in the provision of <b>Regulated Services</b> ; this may also include a person or persons who may seek the provision of Regulated Services.  <b>Client</b> also includes any person for whom a <b>Licensed Conveyancer</b> or <b>Body</b> acts in the provision of <b>Regulated Activities</b> (and may also include a person who may seek the provision of <b>Regulated Activities</b> )
<b>Client Account</b>	a current or deposit account (but not a share account) at a branch (or the head office) located in England or Wales of a Building Society or Bank in each case in the name of the <b>CLC Body</b> and in the title of which account the word ' <b>Client</b> ' appears
<b>Client Money/Monies</b>	any money held or received for a <b>Client</b> by a CLC regulated person or body incidental to the provision of legal services regulated by the <b>CLC</b>
<b>Close Links</b>	a situation in which two or more natural or legal persons are linked by control or participation, or a situation in which two or more natural or legal persons are permanently linked to one and the same person by a control relationship
<b>Code of Conduct/CoC</b>	the parent document of our <b>regulatory arrangements</b> , outlining the <b>Overriding Principles</b> which the regulated community must comply with and the <b>Outcomes</b> which they must deliver
<b>Communications</b>	unless otherwise specified, communications sent by or on behalf of a <b>CLC</b> regulated individual or body by post, a telecommunication system or by other means whilst in an electronic form
<b>Complaint</b>	an oral or written expression of dissatisfaction which alleges that the complainant has suffered (or may suffer) financial loss, distress, inconvenience or detriment

<b>Company</b>	has the meaning given by s. 1(1) of the Companies Act 2006
<b>Compensation Fund</b>	as set out at s.21(2) of the <b>1985 Act</b> , the fund out of which grants and other payments are made by the <b>CLC</b> for the purposes of relieving or mitigating losses incurred by persons in consequence of the negligence, fraud or other dishonesty, or failure to account, on the part of a <b>CLC Body</b> .
<b>Composite licence</b>	authorisations on a <b>licensed conveyancer's licence</b> which give authority to the regulated individual to carry on additional <b>reserved legal</b> activities e.g. <b>probate, litigation*, advocacy*</b>  *only applicable if the <b>CLC's</b> application to regulate these services is successful.
<b>Condition (licence)</b>	where a risk is identified to the regulatory <b>outcomes</b> a condition is imposed on a <b>licence</b> to eliminate that risk or reduce it to an acceptable level
<b>Conflict(s) of Interest</b>	situation in which an individual or body has an interest, or a party they are representing has such an interest, sufficient to appear to influence the objective exercise of their regulatory responsibilities, in particular the separate duties to act in the best interests of two or more <b>clients</b> in relation to the same or related matters
<b>Continuing Professional Development</b>	the means by which members of the regulated community maintain, improve and broaden their knowledge and skills, keeping themselves up to date with the latest development in the profession and its markets and so enabling them to meet their full potential and provide <b>Clients</b> with high levels of service
<b>Control (of an entity)</b>	the strategic management, risk management, accounting and financial controls (including supervisory and audit functions) and from which services which consist of or include the <b>carrying on of reserved legal activities</b> are provided
<b>Controls</b>	strategic management, risk management, accounting and financial arrangements (including supervisory and audit functions) which eliminate or reduce to acceptable levels risks to positive <b>Outcomes</b>
<b>Conveyancing Licence</b>	a <b>licence</b> issued by the <b>CLC</b> to provide <b>conveyancing services</b>
<b>Conveyancing (Services)</b>	as defined at s.11(3) of the <b>1985 Act</b> , includes the preparation of transfers, conveyances, contracts and other documents in connection with, and other services ancillary to, the disposition or acquisition of estates or interests in land
<b>Conveyancing Services Body</b>	a body recognised by the <b>CLC</b> as a <b>Recognised Body</b> to provide <b>conveyancing</b> services and may in addition be licensed to provide <b>probate, litigation or advocacy</b> activities



<b>Costs</b>	in relation to costs to <b>Clients</b> this includes fees, charges, expenses and remuneration charged to the <b>Client</b> by the <b>CLC</b> regulated person or body and any Value Added Tax element includes fees as defined by s.39(1) of the <b>1985 Act</b> - “fees” includes charges, <b>disbursements</b> , expenses and remuneration
<b>Customer Due Diligence (CDD)</b>	includes: <ul style="list-style-type: none"> <li>• “Customer Due Diligence measures” (as defined by regulation 5 ML Regulations);</li> <li>• “Ongoing Monitoring” (as defined by Regulation 8(2) ML Regulations);</li> <li>• “Enhanced Customer Due Diligence measures” (as described in regulation 14 ML Regulations);</li> <li>• “Enhanced Ongoing Monitoring” (as referred to in regulation 14 ML Regulations)</li> </ul>

D

<b>Disbursements</b>	any payment made, or for which a liability to pay has been incurred, by a <b>CLC</b> regulated individual or body to a third party on behalf of a <b>Client</b> ; disbursements are deemed to include: stamp duty land tax; Land Registry fees; <b>Local Authority</b> and any other applicable search fees
<b>Discipline and Appeals Committee (DAC)</b>	committee established under s.25 of the <b>1985 Act</b> to hear and determine appeals and cases referred to it (the functions of which are now exercised by the <b>Adjudication Panel</b> )
<b>Distant Marketing Regulations</b>	The Financial Services (Distance Marketing) Regulations 2004 (SI 2004/2095) implementing Directive 2002/65/EC
<b>Divestiture</b>	the procedure set out at Part 5 schedule 13 of the <b>2007 Act</b> by which the <b>CLC</b> may apply to the High Court for an order for sale of all or some of the shares held by the holder of a material interest in a <b>CLC Licensed Body</b> who is not an <b>Authorised Person</b>
<b>Durable Medium</b>	<p>the method by which information is stored in a way accessible for future reference (for no less than the period prescribed by the <b>CLC</b>) and which allows the unchanged reproduction of the information stored</p> <p>means any instrument which:</p> <p>(a) enables a customer to store information addressed personally to that customer in a way accessible for future reference and for a period of time adequate for the purposes of the information; and</p> <p>(b) allows the unchanged reproduction of the information stored</p>

E

<b>Employee</b>	(depending on the context) an individual employed by a <b>CLC</b> body, by an entity regulated by another legal regulator or by a <b>local authority</b> or other employer
<b>Enforcement</b>	action taken by the <b>CLC</b> in response to a <b>CLC</b> regulated individual or body acting in breach of their/its regulatory responsibilities
<b>Equalities Legislation</b>	the Equality Act 2010 and any other relevant legislation such as the Human Rights Act 1998
<b>European Lawyer</b>	a European Lawyer as defined in the European Communities (Lawyer's Practice) Regulations 2000 (SI 2000 No 1119) who is not an <b>Authorised Person</b>
<b>EU Home Professional Rules</b>	the professional rules which authorise the European Lawyer and the EU body of which the European Lawyer is a <b>Manager</b> to practise in a state within the European Union (but not England and Wales)
<b>EU Body</b>	an entity providing <b>reserved legal activities</b> in respect of which Control is maintained from a permanent fixed address within the European Union (but outside England and Wales)
<b>EU Professional Cover</b>	<b>professional indemnity insurance</b> cover provided to the EU Body in accordance with its EU Home Professional Rules which the <b>CLC</b> is satisfied is in all respects equivalent in its conditions and extent to that which would be provided under the <b>CLC PII Policy Terms</b>
<b>EU Professional Cover – Partial</b>	<b>professional indemnity insurance</b> cover provided to the EU Body in accordance with its EU Home Professional Rules which the <b>CLC</b> is satisfied is only partially equivalent in its conditions and extent to that which would be provided under the <b>CLC PII Policy Terms</b> (and is likely to require a <b>Supplemental Policy</b> to accompany it)
<b>Evidence of Insurance</b>	evidence that the insured individual or body has appropriate <b>PII</b> cover
<b>Example Approach/Policy/ Procedure</b>	<b>guidance</b> documents sometimes provide a possible route to the positive <b>outcomes</b> sought, but importantly are not the only route; if a member of the regulated community is able to generate the same or better <b>outcomes</b> another way they are encouraged to do so
<b>Exempt Person – FSMA</b>	as defined in s.417(1) FSMA, in relation to a Regulated Activity, a person who is exempt from the General Prohibition in respect of that activity
<b>Exempt Person – 2007 Act</b>	as defined in Schedule 3 and paragraph 13 and 18 of Schedule 5 of the <b>2007 Act</b> , a person who is exempt from being an <b>Authorised Person</b> in relation to a <b>reserved legal activity</b>

F

<b>Fit &amp; Proper Person</b>	<p>the <b>CLC</b> requires that all:</p> <ul style="list-style-type: none"><li>• <b>applicants;</b></li><li>• <b>authorised persons;</b></li><li>• <b>owners</b> or <b>managers</b> of an <b>Alternative Business Structure;</b></li></ul> <p>are able to demonstrate that they are suitable for the role for which they are applying, this includes a fit and proper test to determine their probity and financial history</p>
<b>Financial Services and Markets Act 2000 (FSMA)</b>	<p>the statute which provides the framework within which the regulator for the financial services industry, the Financial Conduct Authority (<del>previously the Financial Services Authority</del>), operates</p>

G

<b>General Prohibition</b>	<p>the prohibition imposed by s.19 of the FSMA which states that no person may carry on a Regulated Activity in the United Kingdom, or purport to do so, unless he is (a) an <b>Authorised Person</b>; or (b) an Exempt Person</p>
<b>Guidance</b>	<p>many of our regulatory Codes are underpinned by guidance which identify considerations to be borne in mind when seeking to deliver the identified <b>outcomes</b>; the guidance provided is not mandatory</p>

H

<b>Head of Finance &amp; Administration (HoFA)</b>	<p>the officer in a <b>Licensed Body (ABS)</b> 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 <b>Authorised Person</b>; it is preferable, though not mandatory, for the individual to be a <b>manager</b></p>
<b>Head of Legal Practice (HoLP)</b>	<p>the officer in a <b>Licensed Body (ABS)</b> designated responsible for the body complying with its responsibilities as set out in our <b>regulatory arrangements</b>; the individual must be an <b>Authorised Person</b>; it is preferable, though not mandatory, for the individual to be a <b>manager</b></p>

I

<b>IDD Branch</b>	<p>an agency or a branch of an <b>Ancillary Insurance Intermediary</b> which is located in the territory of a Member State other than the home Member State</p>
<b>Improper influence</b>	<p>when a person – usually the <b>owner</b> - attempts to influence the decisions of the <b>Licensed (ABS) Body</b> or the conduct of <b>Authorised Persons</b> in a way which would constitute a breach of licensing requirements and of regulatory duties</p>

<b>Insolvency (event)</b>	<p>(a) resolution for a voluntary winding up of the body is passed without a solvency declaration (under s.89 of the Insolvency Act 1986);</p> <p>(b) the body enters administration under the meaning of Schedule B1, para 1(2)(6) of that Act;</p> <p>(c) an administrative receiver within s.251 of that Act is appointed;</p> <p>(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;</p> <p>(e) an order winding up the body is made.</p>
<b>Insurance Based Investment Product</b>	<p>an insurance product which offers a maturity or surrender value and where that maturity or surrender value is wholly or partially exposed, directly or indirectly, to market fluctuations, and does not include:</p> <p>(a) non-life insurance products as listed in Annex I to Directive 2009/138/EC (Classes of non-life insurance);</p> <p>(b) life insurance contracts where the benefits under the contract are payable only on death or in respect of incapacity due to injury, sickness or disability;</p> <p>(c) pension products which, under national law, are recognised as having the primary purpose of providing the investor with an income in retirement, and which entitle the investor to certain benefits;</p> <p>(d) officially recognised occupational pension schemes falling under the scope of Directive 2003/41/EC or Directive 2009/138/EC;</p> <p>(e) individual pension products for which a financial contribution from the employer is required by national law and where the employer or the employee has no choice as to the pension product or provider</p>
<b>Insurance Distributor</b>	any <b>Insurance Intermediary, Ancillary Insurance Intermediary or Insurance Undertaking</b>
<b>Insurance Intermediaries Register</b>	the record maintained by the Financial Conduct Authority ( <del>previously the Financial Services Authority</del> ) under s.347 FSMA
<b>Insurance Intermediary</b>	any natural or legal person, other than an insurance or reinsurance undertaking or their employees and other than an ancillary insurance intermediary, who, for remuneration, takes up or pursues the activity of insurance distribution
<b>Insurance Mediation Distribution Activities</b>	<p>the activities of introducing, proposing or carrying out other work preparatory to the conclusion of contracts of insurance, or of concluding such contracts, or of assisting in the administration and performance of such contracts, in particular in the event of a claim</p> <p>the activities of advising on, proposing, or carrying out other work preparatory to the conclusion of contracts of insurance, of concluding such</p>

	contracts, or of assisting in the administration and performance of such contracts, in particular in the event of a claim, including the provision of information concerning one or more insurance contracts in accordance with criteria selected by Clients through a website or other media and the compilation of an insurance product ranking list, including price and product comparison, or a discount on the price of an insurance contract, when the Client is able to directly or indirectly conclude an insurance contract using a website or other media
<b>Insurance Mediation Distribution Directive (IMD) (IDD)</b>	Directive No 2002/92/EU 2016/97/EU
<b>Insurance Undertaking</b>	means an undertaking as defined in Article 13 point 1 of Directive 2009/138/EC of the European Parliament and of the Council
<b>Intended licence</b>	under the Student Training Framework this means the <i>licence</i> that an <i>applicant</i> is intending to train to acquire: <ul style="list-style-type: none"> <li>a. a <i>conveyancing licence</i>; and/or</li> <li>b. a <i>probate licence</i>; and/or</li> <li>c. a <i>litigation licence</i>; and/or</li> <li>d. an <i>advocacy licence</i></li> </ul>
<b>Intervention</b>	a legal process whereby an agent is appointed to organise the formal closure of the business

L

<b>Large Risks Insurance</b>	<p><u>contracts of insurance</u> covering risks within the following categories, in accordance with article 13(27) of Directive No 2009/138/EC:</p> <p>(a) <u>railway rolling stock</u>, <u>aircraft</u>, <u>ships</u> (sea, lake, river and canal vessels), <u>goods in transit</u>, <u>aircraft liability</u> and <u>liability of ships</u> (sea, lake, river and canal vessels);</p> <p>(b) <u>credit</u> and <u>suretyship</u>, where the policyholder is engaged professionally in an industrial or commercial activity or in one of the liberal professions, and the risks relate to such activity;</p> <p>(c) <u>land vehicles</u> (other than <u>railway rolling stock</u>), <u>fire and natural forces</u>, other <u>damage to property</u>, <u>motor vehicle liability</u>, <u>general liability</u>, and <u>miscellaneous financial loss</u>, in so far as the <u>policyholder</u> exceeds the limits of at least two of the following three criteria:</p> <p style="text-align: center;">(i) balance sheet total: €6.2 million;</p>
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	<p>(ii) net turnover: €12.8 million;</p> <p>(iii) average number of <a href="#">employees</a> during the financial year: 250.</p>
<b>Legal Activity/Activities</b>	<p>as defined at s.12 of the <b>2007 Act</b> summarised as follows:</p> <p>(a) a <b>reserved legal activity</b>, and</p> <p>(b) any other activity which consists of one or both of the following—</p> <p>(i) the provision of legal advice or assistance in connection with the application of the law or with any form of resolution of legal disputes;</p> <p>(ii) the provision of representation in connection with any matter concerning the application of the law or any form of resolution of legal disputes</p>
<b>Legal Ombudsman</b>	<p>the independent complaints-handling body to which clients must be signposted; the Ombudsman will deal with service-related <b>complaints</b>, referring conduct-related complaints it receives regarding our regulated community to the <b>CLC</b></p>
<b>Legal Services Board/LSB</b>	<p>the oversight body which supervises <b>Approved Regulators'</b> and <b>Licensing Authorities'</b> regulation of legal activities</p>
<b>Licence</b>	<p>a <b>licence</b> to practise as issued by the <b>CLC</b> to a <b>CLC Lawyer</b> or to a <b>CLC BODY</b> and will relate to one or more reserved legal activities</p>
<b>Licence Authorisations, Conditions, Permissions and Terms</b>	<p>please see <b>authorisation, conditions, permissions</b> and <b>terms</b></p>
<b>Licensable Body</b>	<p>a body which could apply, or has applied, to the <b>CLC</b> to become a <b>Licensed (ABS) Body</b></p>
<b>Licensed Body/Bodies</b>	<p>an <b>Alternative Business Structure</b> licensed by the <b>CLC</b></p>
<b>Licensed CLC Practitioner</b>	<p>A person, other than a <b>Licensed Conveyancer</b>, holding a <b>licence</b> issued by the <b>CLC</b> under s.53 of the <b>1990 Act</b> to provide <b>probate</b> and other legal services regulated by the <b>CLC</b>, but not <b>conveyancing services</b></p>
<b>Licensed Conveyancer</b>	<p>a person who holds a <b>Licence</b> issued by the <b>CLC</b> in force under Part II of the <b>1985 Act</b> to provide <b>conveyancing</b> and other legal services regulated by the <b>CLC</b></p>
<b>Licensing Authority</b>	<p>as defined at s.73 of the <b>2007 Act</b>, an <b>approved regulator</b> which is designated as a <b>licensing authority</b> under Part 1 of Schedule 10 and whose licensing rules are approved to license and regulate <b>Alternative Business Structures</b></p>

<b>Limited Liability Partnership/LLP</b>	a body corporate formed by being incorporated under the Limited Liability Partnerships Act 2000, recognised by the CLC under s.32 of the <b>1985 Act</b> to provide <b>Reserved legal activities</b>
<b>Litigation</b>	referred at Schedule 2 of the <b>2007 Act</b> , as the “conduct of litigation” and includes:  (a) the issuing of proceedings before any court in England and Wales, (b) the commencement, prosecution and defence of such proceedings, and (c) the performance of any ancillary functions in relation to such proceedings (such as entering appearances to actions)
<b>Litigation Licence</b>	a <b>licence</b> issued by the <b>CLC</b> to provide <b>litigation</b> services under Part 1 of Schedule 8 of the <b>1990 Act</b> ; this will only be applicable if the <b>CLC’s</b> application to regulate this activity is successful
<b>LLP member</b>	a member of a <b>Limited Liability Partnership</b>
<b>Local Authority</b>	a body listed in s.23 of the Local Government Act 2003
<b>LSB</b>	<b>Legal Services Board</b>

**M**

<b>Manager</b>	means a person who is:  (a) if the body is a <b>company</b> and its affairs are managed by members, a member; (b) if the body is a <b>company</b> and (a) does not apply, a director of the body; (c) if the body is a partnership, a partner; (d) if the body is a <b>Limited Liability Partnership</b> , an <b>LLP member</b> ; (e) if the body is an unincorporated body (other than a partnership), a member of its governing body; and (f) a <b>CLC Lawyer</b> if sub-paragraphs (a)-(e) do not apply and the affairs of the body are not managed by another
<b>Master policy</b>	the <b>CLC’s professional indemnity insurance</b> policy authorised by the <b>CLC</b> under s.21 of the <b>1985 Act</b> .

<b>Material interest</b>	<p>a person holds a <b>material interest</b> in a <b>Licensed (ABS) Body</b> if the person*:</p> <ul style="list-style-type: none"> <li>• holds at least 10% or more shares in the body (or in a parent undertaking);</li> <li>• 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;</li> <li>• 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;</li> <li>• as a partner having at least 10% interest in the capital or profits of the partnership; and includes any ultimately <b>beneficial owner</b> of more than 10%.</li> <li>• Has <b>Close Links</b> with the body</li> </ul> <p>*'The person' means:</p> <p>(a) the person;</p> <p>(b) any of the person's associates; or</p> <p>(c) the person and any of the person's associates taken together.</p>
<b>Memorandum of Association</b>	<p>the meaning given by s.8 of the Companies Act 2006 i.e. a memorandum stating that the subscribers -</p> <ol style="list-style-type: none"> <li>a) wish to form a <b>company</b> under the 2006 Act; and</li> <li>b) agree to become members of the company and in the case of a <b>company</b> that it is to take at least one share each</li> </ol>
<b>Memorandum of Understanding</b>	<p>under the <b>Licensed Body Framework</b>, this defines the relationship between, and the objectives of, the <b>Licensing Authorities</b> (LAs) and other regulators in the regulation of <b>Alternative Business Structures</b></p>
<b>ML Regulations</b>	<p><b>Money Laundering Regulations 2017 (SI 2017/692)</b></p>

**N**

<b>National Crime Agency (NCA)</b>	<p>the law enforcement agency (replaced SOCA) which has harm reduction responsibilities and which targets criminal activities such as fraud, money laundering and identity theft</p>
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<b>Nominated Officer</b>	a person in a <b>CLC</b> body to receive internal reports (disclosures) of known or suspected money laundering and with responsibility to assess whether a Suspicious Activity Report should be made
<b>Non-Authorised Person</b>	As set out at s.111 of <b>2007 Act</b> , a person who is <b>not</b> : <ul style="list-style-type: none"> <li>a) an <b>Authorised Person</b> in relation to an activity which constitutes a <b>reserved legal activity</b>;</li> <li>b) a registered foreign lawyer (within the meaning of s.89 of the <b>1990 Act</b>);</li> <li>c) a person entitled to pursue professional activities under a professional title to which the Directive applies in a state to which the Directive applies (other than the title of barrister or solicitor in England and Wales);</li> <li>d) a body which provides professional services such as provided by persons within (a) or lawyers of other jurisdictions, and all the <b>managers</b> of which and all the persons with an interest in which – i) are within (a) to (c), or ii) are bodies in which persons within (a) to (c) are entitled to exercise, or control the exercise of, more than 90% of the voting rights.</li> </ul>

**Q**

<b>Office Account</b>	an account in the name of a <b>CLC</b> regulated individual or body for holding <b>Office Money</b>
<b>Office Money</b>	money which belongs to a <b>CLC</b> regulated individual or body and any other money which is not <b>Client Money</b> and includes: <ul style="list-style-type: none"> <li>(a) money held or received in connection with running the body e.g. PAYE, or VAT on the firm's fees;</li> <li>(b) interest on Client Accounts (other than on Separate Designated Accounts);</li> <li>(c) payments received in respect of fees for which a bill has been delivered and the bill is recorded in the office columns of the appropriate client ledger account;</li> <li>(d) payments received in respect of disbursements already paid or for which a liability to pay has been incurred and the payment or liability is recorded in the office columns of the appropriate client ledger account;</li> <li>(e) money received from a <b>Client</b> as a debt owed which is recorded in the office columns of the appropriate client ledger account</li> </ul>

<b>Outcomes</b>	delivery of a positive result for <i>clients</i> ; it is the end result of the application of a <i>principle</i> or <i>specific requirement</i> the <i>CLC's regulatory arrangements</i> are focused upon these <i>Outcomes</i> which all whom we regulate must deliver
<b>Outsourcing (outsource)</b>	Business functions contracted out to third party non- <i>Authorised Persons</i> which support the delivery of <i>reserved legal activities</i>
<b>Overriding Principles</b>	<p>the <i>principles</i> that all individuals and bodies regulated by the <i>CLC</i> must comply with at all times in their delivery of legal services:</p> <ol style="list-style-type: none"> <li>1. Act with independence and integrity;</li> <li>2. Maintain high standards of work;</li> <li>3. Act in the best interests of your Clients;</li> <li>4. Comply with your duty to the court;</li> <li>5. Deal with regulators and ombudsmen in an open and co-operative way;</li> <li>6. Promote equality of access and service.</li> </ol>
<b>Owner</b>	please see <i>Material Interest</i> and <i>Beneficial Owner</i> definitions

<b>Parent Undertaking</b>	<p>as defined in s.1162 of the Companies Act 2006,</p> <p>2. An undertaking is a parent undertaking in relation to another undertaking, a subsidiary undertaking, if—</p> <ul style="list-style-type: none"><li>(a) it holds a majority of the voting rights in the undertaking, or</li><li>(b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors, or</li><li>(c) it has the right to exercise a dominant influence over the undertaking—<ul style="list-style-type: none"><li>(i) by virtue of provisions contained in the undertaking’s articles, or</li><li>(ii) by virtue of a control contract, or</li></ul></li><li>(d) it is a member of the undertaking and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the undertaking.</li></ul> <p>3. For the purposes of subsection (2) an undertaking shall be treated as a member of another undertaking—</p> <ul style="list-style-type: none"><li>(a) if any of its subsidiary undertakings is a member of that undertaking, or</li><li>(b) if any shares in that other undertaking are held by a person acting on behalf of the undertaking or any of its subsidiary undertakings.</li></ul> <p>4. An undertaking is also a parent undertaking in relation to another undertaking, a subsidiary undertaking, if—</p> <ul style="list-style-type: none"><li>(a) it has the power to exercise, or actually exercises, dominant influence or control over it, or</li><li>(b) it and the subsidiary undertaking are managed on a unified basis.</li></ul> <p><b>5.</b> A parent undertaking shall be treated as the parent undertaking of undertakings in relation to which any of its subsidiary undertakings are, or are to be treated as, parent undertakings; and references to its subsidiary undertakings shall be construed accordingly.</p> <p>6. Schedule 7 [of the Companies Act 2006] contains provisions explaining expressions used in this section and otherwise supplementing this section.</p> <p>7. In this section and that Schedule references to shares, in relation to an undertaking, are to allotted shares.</p>
<b>Permissions (licence)</b>	specify the non- <i>reserved legal activities</i> a body is permitted to provide

<b>Practical Training</b>	<p>you are engaged in the provision of <b>Legal Activities</b> associated with your <b>Intended Licence(s)</b> which must:</p> <ul style="list-style-type: none"> <li>• be for the equivalent of 1,200 chargeable hours which must be documented;</li> <li>• at all times be subject to the supervision of a <b>Qualified Person</b>; and</li> <li>• in the opinion of the <b>CLC</b>, be current, relevant and of an adequate standard</li> </ul>
<b>Primary Place of Business</b>	the location from where the main business is managed
<b>Principles</b>	an essential quality; a characteristic, behaviour or ethic, which must be demonstrated so that positive <b>outcomes</b> are generated for <b>clients</b>
<b>Private Loan</b>	a loan other than one provided by an institution which provides loans in the normal course of its activities
<b>Probate (Services)</b>	as defined at s.119 of the <b>1990 Act</b> , services limited to the drawing or preparation of any papers on which to found or oppose a grant of <b>probate</b> or grant of letters of administration and the administration of the estate of a deceased person
<b>Probate Licence</b>	a <b>licence</b> issued by the <b>CLC</b> to provide <b>probate services</b>
<b>Professional Indemnity Insurance (PII)</b>	the insurance cover all bodies are required to have in place to indemnify them for civil liability incurred arising out of regulated services provided
<b>Professional Principles</b>	<p>the professional principles are set out in Part 1 of the <b>2007 Act</b>:</p> <ul style="list-style-type: none"> <li>(a) that <b>authorised persons</b> should act with independence and integrity;</li> <li>(b) that <b>authorised persons</b> should maintain proper standards of work;</li> <li>(c) that <b>authorised persons</b> should act in the best interests of their <b>clients</b>;</li> <li>(d) that persons who exercise before any court a right of audience, or conduct litigation in relation to proceedings in any court, by virtue of being authorised persons should comply with their duty to the court to act with independence in the interests of justice; and</li> <li>(e) that the affairs of clients should be kept confidential</li> </ul>
<b>Professional Services</b>	under the Acting as Insurance Intermediaries Code, services which do not constitute carrying on a <b>regulated activity</b> , and the provision of which is supervised and regulated by the <b>CLC</b>
<b>Promptly</b>	within 2 working days

<b>Qualified Person</b>	under the Student Training Framework this means an individual who has for a cumulative period of five years in the seven years prior to the start of the period of supervision in question been authorised by an approved regulator to carry on the <b>reserved legal activity</b> the subject of your Intended <b>Licence</b> and has carried on that <b>reserved legal activity</b> as his or her principal form of practice during that five year period
<b>Qualifying Examinations</b>	the methods of assessment and examination in accordance with the <b>CLC's</b> syllabus from time to time in force

**R**

<b>Recognised Body</b>	a body corporate or incorporate recognised by the <b>CLC</b> under s.32 of the <b>1985 Act</b> to provide regulated services to the public.
<b>Recognised Course</b>	a course, lecture, seminar or other programme or activity approved or run by the CLC
<b>Registered Student</b>	a person who has registered as a student with the <b>CLC</b> in accordance with its Student Training Framework
<b>Regulated Activities</b>	under the Acting as Insurance Intermediaries Code, any of the activities specified under Part II (Specified Activities) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) as amended which is carried on by way of business in relation to an investment of a kind specified in Part III (Specified Investments) of the same Order
<b>Regulated Services</b>	all of the legal activities – both <b>Reserved Legal Activities</b> and non-reserved services - which the <b>CLC</b> authorises/permits the <b>CLC Lawyer</b> or <b>CLC Body</b> within the terms of the licence to provide and which are therefore be regulated by the <b>CLC</b>
<b>Regulatory Arrangements</b>	the sum of Codes, Guidance, Frameworks and Policies which set out the responsibilities of the regulated community and our approach to regulation
<b>Regulatory Objectives</b>	the regulatory objectives are set out in Part 1 of the <b>2007 Act</b> : <ul style="list-style-type: none"> <li>(a) protecting and promoting the public interest;</li> <li>(b) supporting the constitutional principle of the rule of law;</li> <li>(c) improving <b>access to justice</b>;</li> <li>(d) protecting and promoting the interests of consumers;</li> <li>(e) promoting competition in the provision of services*;</li> <li>(f) encouraging an independent, strong, diverse and effective legal profession;</li> <li>(g) increasing public understanding of the citizen's legal rights and duties;</li> </ul>

	<p>(h) promoting and maintaining adherence to the <b>professional principles</b>.</p> <p>* services provided by <b>Authorised Persons</b></p>
<b>Reinsurance Distribution</b>	the activities of advising on, proposing, or carrying out other work preparatory to the conclusion of contracts of reinsurance, of concluding such contracts, or of assisting in the administration and performance of such contracts, in particular in the event of a claim, including when carried out by a reinsurance undertaking without the intervention of a reinsurance intermediary
<b>Reinsurance Intermediary</b>	means any natural or legal person, other than a reinsurance undertaking or its employees, who, for remuneration, takes up or pursues the activity of reinsurance distribution
<b>Reinsurance Undertaking</b>	a reinsurance undertaking as defined in Article 13 point 4 of Directive 2009/138/EC
<b>Remuneration</b>	any commission, fee, charge or other payment, including an economic benefit of any kind or any other financial or non-financial advantage or incentive offered or given in respect of Insurance Distribution Activities
<b>Reporting Accountant</b>	an accountant qualified in accordance with requirements 16.5-16.7 of the Accounts Code, instructed by the <b>CLC</b> regulated individual or body to prepare and sign an Accountant's Report
<b>Reserved Legal Activity/ Activities (RLA)</b>	As defined by s.12 and Schedule 2 of the <b>2007 Act</b> . Currently, there are six <b>reserved legal activities</b> : the exercise of a right of audience ( <b>advocacy</b> ), the conduct of <b>litigation</b> , reserved instrument activities, <b>probate</b> activities, notarial activities and the administration of oaths
<b>Respondent - Enf</b>	under the <b>Enforcement</b> Policy this means a <b>CLC</b> regulated individual or body in respect of which a misconduct allegation has been made, or a potential compliance breach identified
<b>Respondent Body – CF</b>	under the <b>Compensation Fund</b> Operating Framework this means a <b>CLC</b> regulated individual or body in respect of which a compensation claim is made
<b>Review Panel</b>	as provided in the <b>Alternative Business Structures</b> (Procedure) Rules to review determinations made by the <b>Adjudication Panel</b> where the <b>Adjudication Panel</b> has made a determination in respect of a matter which has not previously been determined by <b>Authorised Officer</b> (ie <b>Adjudication Panel</b> has made a first instance determination)
<b>Rightful Recipient</b>	the person beneficially entitled to receive monies held by the <b>CLC</b> regulated individual or body or any sum vested in the <b>CLC</b> under paragraph 6 or 6A(3) of schedule 5 to the <b>1985 Act</b>

<b>Risk-based/risk profile</b>	our regulatory approach is based on the assessment of the risk to delivery of positive <b>outcomes</b> which an applicant or <b>CLC</b> regulated individual or body presents; this will inform the risk profile we hold on them which in turn informs our regulatory relationship with them risk is measured in terms of a combination of the probability of a perceived threat or opportunity occurring and the extent of its impact in determining what (if any) action we will take
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S

<b>Separate Designated Account</b>	an interest bearing account (but not a share account) at the branch (or the head office) located in England or Wales of a <b>Building Society</b> or <b>Bank</b> in each case in the name of the <b>CLC</b> regulated individual or body, and in the title of which account the word ' <b>Client</b> ' and a reference to the identity of the <b>Client</b> or the matter concerned must appear
<b>Sole Practitioner</b>	the sole <b>manager</b> of a <b>CLC Recognised Body</b>
<b>Special Bodies</b>	the definition provided in s.106 of the <b>2007 Act</b> : <ul style="list-style-type: none"> <li>• An independent trade union;</li> <li>• A not-for-profit body;</li> <li>• A community interest <b>company</b>;</li> <li>• A low-risk body; and</li> <li>• A body of such other description as may be prescribed by an order made by the Lord Chancellor</li> </ul>
<b>Specific Requirement</b>	a strict direction for conduct which must be complied with
<b>Supplemental Policy</b>	a contract of <b>professional indemnity insurance</b> , made between the <b>Authorised Insurers</b> and a <b>body</b> or an <b>EU Body</b> , which provides cover as modified in accordance with the <b>Professional Indemnity Insurance</b> Code and Operating Framework, or as otherwise determined by the <b>CLC</b>
<b>Systematically</b>	<b>arrangements</b> are in place to ensure processes are carried out in an orderly fashion

I

<b>Terms (licence)</b>	specifies by way of endorsements, the <b>authorisations, permissions</b> and <b>conditions</b> of a <b>CLC licence</b>
<b>Terms of Engagement</b>	a statement on a <b>Durable Medium</b> of all terms upon which instructions are accepted

<b>Training Record</b>	a written record of <i>recognised courses</i> attended or undertaken for the purposes of the <i>Continuing Professional Development</i> Code in such form as the <i>CLC</i> may from time to time prescribe
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U

<b>Undertaking</b>	an unequivocal declaration of intention addressed to someone who reasonably places reliance upon it; it need not be in writing nor contain the word “undertake” to be enforceable
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W

<b>Without Delay</b>	in normal circumstances, either on the same day or on the next Working Day
<b>Working Day</b>	any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory bank holiday other expressions shall, except where otherwise stated, have the meanings given to them by the <i>1985 Act</i> , the <i>1990 Act</i> and the <i>2007 Act</i> unless the contrary intention appears, words importing the masculine gender include the feminine, words in the singular include the plural and words in the plural include the singular

*Updated July 2018*