CLC Recognised Body Recognition Framework

Outcomes-Focused

This Framework seeks to ensure that only those firms able and committed to delivering the CLC’s Code of Conduct’s Outcomes for Clients are awarded a Certificate of Recognition.

To achieve this, the CLC will only license bodies able and willing to act in a principled manner and deliver the CLC Code of Conduct’s Outcomes by complying with its Overriding Principles:

- Act with independence and integrity;
- Maintain high standards of work;
- Act in the best interests of Clients;
- Comply with your duty to the court;
- Deal with regulators and ombudsmen in an open and co-operative way; and
- Promote equality of access and service.

Structural Requirements

1. A Recognised Body may be established as a Sole Principal, partnership, a Limited Company or a Limited Liability Partnership provided all the Managers and owners are Authorised Persons.

2. A Recognised Body which is a Company must:
   a) be registered in England and Wales under the Companies Acts; and
   b) have its registered office in England and Wales and at the place, or one of the places, of business of the Company.

3. A Recognised Body which is Limited Liability Partnership (LLP) must:
   a) be registered in England and Wales under the Limited Liability Partnerships Act 2000;
   b) have its registered office in England and Wales and at its place, or one of its places, of business;
   c) have at least two LLP Members.

4. At least one manager is a CLC lawyer.

Application for and Grant of a Certificate

5. Any applicant for a Certificate must:
   a) deliver to the CLC offices
(i) a correctly completed application in the form prescribed by the CLC, signed by a Manager;

(ii) the fee payable;

(iii) evidence of or a quotation for professional indemnity insurance;

(iv) any contribution required towards the CLC’s Compensation Fund;

(vA) the following information:
   
   (A) the identities of shareholders or members, whether natural or legal persons, that have a holding in the applicant that exceeds 10 %, and the amounts of those holdings;
   
   (B) the identities of persons who have close links with the applicant;
   
   (C) information that those holdings or close links do not prevent the effective exercise of the supervisory functions of the CLC.

(v) where the applicant is a Company the application must also be signed by the company secretary or a director and accompanied by a copy of its Memorandum and Articles and a declaration that they comply with this Framework; and

(vi) where the applicant is a Company or LLP, its application must include its certificate of incorporation.

(b) identify the endorsements for which application is made (see item 11);

6. The applicant must inform the CLC (with such additional information and documentation as the CLC may require) of any issues as a result of which may cause the applicant to fail to meet requirements 1-4, or:

(a) If, as a Recognised Body, it has at any time had made against it:

   (i) one or more of the orders referred to in paragraphs 4(2), 4(2D) and 5(4) of Schedule 6 to the 1985 Act;
   
   (ii) an order of the High Court made under paragraph 6(1) or 6(1A) of Schedule 6 to the 1985 Act;

(b) If the issue of a Certificate will have, or is likely to have, an adverse effect on the delivery of positive Outcomes for Clients.

so that these issues can be taken into account when the application is determined.

Determinations of applications for Recognised Body Certificates

6A The CLC will notify all applicants of our licence determination within 90 days of receiving a complete application.

7. If the CLC is satisfied as to the matters identified under items 5 and 6 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 11; or

(b) issue a Certificate endorsed as provided at item 11, subject to such additional conditions as it considers appropriate.
Please 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.

8. If it is not satisfied of the matters set out at requirements 5 and 6 the CLC shall refuse the application.

9. If an application is granted with conditions attached, the conditions must be complied with.

10. Conditions may result in the Recognised Body incurring expenditure and include:
   (a) limiting the types of Regulated Services a Recognised Body may provide; or
   (b) requiring the Recognised Body to take specific steps the CLC deems conducive to safeguarding the interests of consumers or other regulatory objectives.

11. Any Certificate issued by the CLC will be endorsed with:
   (a) all authorisations that it grants the Recognised Body to carry on reserved legal activities (‘the authorisations’);
   (b) all permissions that it grants the Recognised Body to provide non-reserved legal activities (‘the permissions’); and
   (c) any conditions applicable to the exercise of the authorisations and the permissions (‘the conditions’).

7. Any endorsement or condition imposed will take effect at the time the CLC directs (a condition may take effect immediately or at a future time, or it may not have effect until after any review or appeal in relation to it).

8. The CLC will record on its register in respect of each Recognised Body:
   (a) its name and practising address,
   (b) the endorsements and conditions, and
   (c) the date from which the Certificate takes effect and its duration

9. An entity can only undertake Legal Activities as a Recognised Body if it has a Certificate in force.

10. A Recognised Body can only carry on its authorisations and permissions whilst acting as a Recognised Body.

11. A Recognised Body must not carry on any reserved legal activity which is not within its authorisations.

12. When carrying on its authorisations and permissions, a Recognised Body must comply at all times with its terms.

13. The Certificate must be returned promptly to the CLC if it ceases to be eligible to remain a Recognised Body, or if the CLC demands return of its Certificate.

14. Whilst the Certificate remains in force, the Recognised Body must notify the CLC of any changes to the information provided under items 5 and 6 within seven days of becoming aware of such changes.

15. A new Certificate takes effect the day following the expiration of the existing Certificate unless otherwise directed.
16. Provided a completed application has been received by the CLC and no new Certificate has been issued, an existing Certificate shall not expire at that time but shall remain in force until a new Certificate has been issued. If the renewal application is refused, the existing Certificate remains current until expiry of the period within which an appeal may be brought, or, if an appeal is brought, until the appeal is determined or abandoned.

17. At the time of issuing the Certificate, or at any time subsequently, the CLC may, in its discretion, issue the Certificate with such endorsements or conditions as it thinks fit, or remove any endorsement or condition that it has imposed.

18. Where an endorsement or condition is made to a Certificate or an endorsement or condition that has been made is later amended or removed the CLC shall record this in the register.

19. If making an application for removal or variation of any endorsement or condition on a Certificate other than when the Certificate is due to be renewed the applicant must use the appropriate CLC form, correctly completed and signed by a Manager and accompanied by the fee payable.

20. Where an application has been made for amendment or removal of any endorsement or condition the CLC will notify the applicant of its decision within 42 days after it has received the application. If the applicant is not notified of a decision within this period, the application will be deemed to have been refused.

21. When the CLC agrees to the removal or amendment of any endorsement or condition, such endorsement or condition will remain effective until the Certificate is delivered to the CLC’s offices together with the fee payable.

22. The CLC may refuse an application for the removal or amendment of an endorsement or condition if:

(a) item 26 has not been complied with; or

(b) it is not satisfied that the Recognised Body is a fit and proper person to practise with the removal or variation of such a condition on the Certificate.

23. In any case where it decides to issue a Certificate subject to any endorsement or condition, or to refuse an application for a Certificate or for the removal or amendment of an endorsement or a condition on a Certificate the CLC will notify the applicant of the refusal of the application and of the grounds on which it has been refused.

Changes in the Recognised Body

29. No change permitted under items 30-34 is effective unless and until it has been approved by the CLC with or without conditions and any fee (as provided by item 26) has been paid. Depending on the nature of the change proposed, the CLC may require the Recognised Body or any of its owners or Managers to comply with some or all of the provisions of items 5 and 6.

30. In addition to the requirements of the Notification Code, we must be promptly informed of all such vacancies or changes and we must be provided with full and complete details of the Authorised Person or the Recognised Body (as appropriate) so that we can determine/approve their appointment.

31. In an LLP of two Members, if one of them:
(a) is committed to prison in civil or criminal proceedings;
(b) is unable, because of incapacity caused by illness, accident or age, to attend to the practice for a period of more than 14 days (or such other period as the CLC may determine);
(c) lacks capacity (within the meaning of the Mental Capacity Act 2005) and powers under sections 15-20, or section 48, of that Act have been exercised in relation to him;
(d) abandons the LLP;
(e) has a licence issued by the CLC subject to a condition which would be breached by continuing as a LLP Member;
(f) is not a CLC lawyer; or
(g) dies, the Certificate will continue in full force and effect provided the remaining LLP Member is an Authorised Person, and within 28 days of the occurrence (or the end of any time period determined under paragraph (b)) an additional person who is an Authorised Person has become an LLP Member. The remaining LLP must notify the CLC of these changes.

32. With the exception of a LLP (to which requirement 31 applies) where a Recognised Body has only one Manager who:

(a) is committed to prison in civil or criminal proceedings;
(b) is unable, because of incapacity caused by illness, accident or age, to attend to the practice of the Recognised Body for a period of more than 14 days (or such other period as the CLC may determine);
(c) lacks capacity (within the meaning of the Mental Capacity Act 2005) and powers under sections 15-20, or section 48, of that Act have been exercised in relation to him;
(d) abandons the practice of the Recognised Body;
(e) has a licence issued by the CLC subject to a condition which would be breached by continuing as a Manager; or
(f) dies; the Certificate will continue in full force and effect provided that within 28 days of the occurrence (or the end of any time period determined under paragraph (b)) a Manager who is an Authorised Person is in place for the Certificate to remain valid, and that in the meantime the CLC has been advised of the arrangements in place to ensure that the interests of consumers are protected.

33. No person lacking capacity (within the meaning of the Mental Capacity Act 2005) may continue as a Manager. No voting powers may be exercised in respect of any shares registered in that person’s name.

34. Where there is a change in ownership in a Recognised Body the effect of which is that:
(a) there is a change of 10% or more in the interest a person has in a Recognised Body; and/or
(b) a Body ceases to exist and another entity (which may be a Recognised Body) succeeds to the whole or substantially the whole of the business of the Recognised Body

the CLC may determine that:

1) the licence of the Recognised Body continues in effect (with or without such Authorisations, Permissions and/or Conditions as the CLC may determine);

2) the licence of the Body is transferred to the entity which has succeeded to the whole or substantially the whole of that Recognised Body’s business (or to another person approved by the CLC) and that licence has effect with or without such Authorisations, Permissions and/or Conditions as the CLC may determine

provided that the owners and Managers of the Recognised Body are Authorised Persons.

Cessation of Recognition
35. If the CLC determines that the issue or continuation of a Certificate is likely to have or will have a serious adverse effect on the delivery of positive Outcomes for Clients, the CLC will determine that the Certificate ceases to have effect, notify the Recognised Body and require immediate delivery to it of the Certificate

Appeal
36. An applicant dissatisfied with a determination made under requirement 7, 8 or 27 may within one month of publication of the CLC’s determination appeal to the Adjudication Panel.

37. If the application is deemed to have been refused as provided under item 25, the applicant may within one month of the deemed refusal appeal to the Adjudication Panel under section 29 of the 1985 Act.

Inspection and Discipline
38. To enable the CLC to investigate whether there has been a breach of its regulatory arrangements and to prepare a report as part of that investigation, the Recognised Body must provide to the CLC all its records, papers, files and financial accounts, all of which must be stored on a Durable Medium and be immediately accessible to the CLC.

39. If it appears to it that there has been a breach of any of its regulatory arrangements, the CLC may take enforcement action in accordance with its Enforcement Policy.

Additional Information
40. The CLC will treat an application for a Certificate as having been made on the day on which the applicant has complied fully and finally with item 5.

41. In considering an application for a Certificate the CLC may, at its discretion, require representatives of the applicant to attend for interview.
42. Any Certificate issued remains the property of the CLC.

43. Any document served on a Recognised Body under this Framework will be posted to the applicant's or the Recognised Body's principal office.

44. Any endorsements or conditions imposed will take effect at the time the CLC directs e.g. an endorsement or condition may take effect immediately, or at a future date.

45. A Certificate automatically ceases to have effect if the CLC refuses to recognise an applicant or to continue to recognise a Recognised Body.

46. An applicant is entitled to a duplicate Certificate free of charge if issued at the same time as the original. At any other time a fee is payable for the issue of a duplicate Certificate. 47. The fees payable are those prescribed by the CLC's Fees Framework.