



## 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.