

## Requirements for exiting CLC regulation

### A. Information to be provided prior to exiting CLC regulation (as soon as possible):

1. Confirmation of the arrangements for [practice] to continue to provide reserved legal activities after the planned exit from CLC regulation.
2. A copy of the draft client care letter (prior to being sent out to clients) which:
  - a) Advises clients of the exit from CLC regulation; and
  - b) Advises clients of what it means for [practice] to no longer be regulated by the CLC including:
    - i. that the protection to client money previously in place as a condition of regulation no longer exists; and
    - ii. the following wording, "*It is not just the protection to client money that is a benefit of regulation but also requirements to have professional indemnity insurance, access to the CLC compensation fund, regular inspections, continuing professional development and confidence that those who are regulated have the requisite skills and experience to hold a licence*".
3. A copy of the updated Terms of Business confirming all references to CLC regulation and the CLC Compensation Fund have been removed.
4. A list of aged balances and retentions (if applicable). Aged balances must be resolved by making all reasonable attempts to pay balances to the rightful recipients or otherwise paid to the CLC Compensation Fund prior to exiting CLC regulation.
5. An up to date matter listing.
6. An up to date list of any outstanding complaints, including those currently with the Legal Ombudsman.

7. Details of the individual/s at [practice] who will be responsible for:
  - a) Complaints and claims;
  - b) File storage; and
  - c) File requests.
8. Confirmation that details of the individuals responsible at 7 can be disclosed by the CLC to enquiring clients.
9. A list of all archived/stored files together with their destruction dates.
10. An explanation of how archived files are to be retained in accordance with the CLC Transaction Code.
11. Return of the completed practice closure form (**enclosed**).

**b. Information to be provided at the point of exiting CLC regulation:**

1. Confirmation that [practice] no longer holds any aged balances (from the point of the licence being revoked the practice will no longer be permitted by the CLC to hold such funds).
2. Client account reconciliation up to the date of exiting CLC regulation (this should be provided together with a copy of the client account bank statement and cashbook).
3. Confirmation that all references to the practice being CLC regulated have been removed from the practice's website, letterhead, Terms of Business, email footer and any other client and non-client facing documentation.
4. Notification to your professional indemnity insurers that you are no longer CLC regulated and to trigger run off (this should only be done when you are certain of your exit date).

**c. Information to be provided beyond the point of exiting CLC regulation:**

**By the date 3 months following the date of exiting CLC regulation - to be provided to the monitoring and inspection team.** Please email this information to [monitoring@clc-uk.org](mailto:monitoring@clc-uk.org)

1. An Accountant's Report for the period from 1 January to 31 December [previous year]; and
2. An Accountant's Report for the period from 1 January [current year] to the date of exiting CLC regulation.

SAMPLE