

Undertakings – you must not breach any undertaking, nor avoid liability on it by asserting that to comply with it would be breach of duty owed to the Client or by misrepresenting other implications.

The following Codes are not applicable to all members of the CLC regulated community, they apply only to those entities providing the specified service – i.e. insurance intermediary or litigation and advocacy – or which act for lenders, or are regulated by us as a Licensed Body (an 'Alternative Business Structure') or a Recognised Body.

Acting as Insurance Intermediaries – sets out the provisions which an entity registered on the Financial Services Authority's Intermediaries Register must have in place.

Acting for Lenders and Mortgage Fraud – identifies the safeguards which must be employed to ensure confirmation of identity and documents and title are secured; transactions, mortgage redemption and instructions, proceeds of sale and variations in price and incentives are properly undertaken; and other material considerations are taken into account.

Licensed Body – clearly defines the responsibilities of the Head of Legal Practice, Head of Finance and Administration, managers, employees and owners to ensure all of the entity's stakeholders are committed to it delivering the Code of Conduct's Outcomes.

Litigation & Advocacy – supplementary provisions to those identified under the Code of Conduct's Overriding Principle of Comply with your duty to the court which seek to ensure the other 5 Overriding Principles are upheld at all times in relation to the provision of litigation and advocacy.

Recognised Body – clearly defines the responsibilities of managers and other stakeholders to ensure all of the entity's stakeholders are committed to it delivering the Code of Conduct's Outcomes.

CLC Regulatory and Enforcement Policies

Our Regulatory and Enforcement Policies set out how we will be accountable, consistent, proportionate, transparent and targeted in seeking to achieve our 3 key regulatory aims:

- Those we regulate deliver high standards of service to consumers and to the wider public;
- There are high standards of conduct amongst those we regulate; and
- There is an effective and proportionate regulatory framework in operation.

They explain how we identify and respond to non-compliance with regulatory responsibilities. Where possible/appropriate we will take an informal approach but where delivery of a Code of Conduct Outcome is at significant risk we will take formal enforcement action. We will employ the civil standard of proof.

We have a range of formal enforcement tools at our disposal. These can be used in isolation or conjunction and include: the issuing of a reprimand; imposing a penalty or condition; withdrawing our approval of, or disqualifying, an individual; and suspension/ revocation of a licence. Where formal enforcement action is taken we will provide you with clear reasons for the decision at the time the action is determined.

The enforcement may be targeted at the CLC-regulated entity or an individual stakeholder of it, or both. We will publish the formal enforcement decisions of our committees where there a case to answer has been found. We will name the respondent where the penalty exceeds £5,000, an individual has been disqualified or our approval of them withdrawn, or their licence has been suspended or revoked.

Frameworks

Sets out the parameters within which we operate the CLC Compensation Fund, Professional Indemnity Insurance provisions and the Continuing Professional Development scheme.

The frameworks under which students are trained and applicants licensed are provided in the CLC Frameworks document (alongside copies of those provided in the Handbook). They are not provided in the Handbook as it covers only the arrangements applicable to entities and individuals already regulated by us.



CLC Handbook - Quick Start Guide

CLC Handbook Introduction

The purpose of this Quick Start Guide is to give you an overview of your regulatory responsibilities as set out in the new CLC Handbook. The CLC Handbook contains:

The Codes – these set out your responsibilities as an individual or entity regulated by us;

Guidance – many of the Codes are accompanied by (non-mandatory) guidance as to how you can meet your regulatory responsibilities;

our Regulatory and Enforcement Policies – these outline our approach to regulation and our likely response should you not meet your regulatory responsibilities;

Frameworks – these set out the parameters within which our Professional Indemnity Insurance, Compensation Fund and Continuing Professional Development provisions are implemented.

Your regulatory responsibilities – the Codes

The Code of Conduct is the umbrella Code i.e. it sets out the Overriding Principles (OP) by which you must always comply:

- OP1. Act with independence and integrity**
- OP2. Maintain high standards of work**
- OP3. Act in the best interests of Clients**
- OP4. Comply with duty to the court (applicable only if you deliver litigation and advocacy services)**
- OP5. Deal with regulators and ombudsmen in an open and co-operative way**
- OP6. Promote equality of access and service**

and the Outcomes which you must deliver in behaving in such a principled manner (please see the Quick Start Guides to the Outcomes and the Code of Conduct for more information). The Code of Conduct is applicable to all services you are permitted/authorised by the CLC to deliver. All other Codes in the Handbook are in place to support the Code of Conduct.

Accounts Code – the most prescriptive and longest of all the Codes, this sets out the parameters within which you must operate to ensure client money is kept separately and safely. There are new provisions requiring the Office and Client accounts to be used only in relation to the provision of services regulated by the CLC; and for written records to be kept of all monies which pass through the office account whether or not they relate to a particular transaction (and whether or not such monies have passed through it in breach of the former).

Anti-Money Laundering and Combating Terrorist Financing Code – requires you to have appropriate arrangements, systems, controls and dedicated roles in place which prevent, mitigate, detect and report these illegal practices.

Complaints Code – requires complaints procedures to be appropriately promoted, accessible to all (including those who are vulnerable), comprehensive; and sets out the timeframes within which you must respond to complaints and the information that response should contain.

Conflicts of Interest – you must not accept instructions from a person, nor continue to act for a client, whose interests conflict with your own, the entity's, or another client, but you are able to accept instructions from clients with different interests in a matter as long as each client is represented by Authorised Persons conducting themselves as though members of different entities (and both clients have agreed, in writing, to being represented by you).

Continuing Professional Development – our licences stipulate the number of hours, and content of, training which you, or a named member of staff, must complete to ensure your knowledge remains up-to-date. This must be recorded in a training record submitted to us on an annual basis.

Dealing with Non-Authorised Persons (third parties) – you must not have dealings with any non-Authorised third person (unless there is clear evidence that the person is an Exempt Person) who is carrying on reserved legal activities. A person who is neither an Authorised nor an Exempt Person who is carrying on reserved legal activities must be reported to us.

Disclosure of Profits and Advantages – requires you, when accepting instructions or introducing a Client to another person, to inform the Client in writing of the existence of any introduction arrangement and the amount of any sum which has been, or is to be, paid in connection with it.

Equality Code – you must make reasonable adjustments, and reasonable efforts to ensure your service is accessible and responsive to Clients (including those who are vulnerable), investigate any allegation of discrimination, victimisation or harassment; and provide equal opportunities in employment and training. As these are new regulatory responsibilities we have provided a range of guidance to accompany the Code.

Estimates and Terms of Engagement – you must provide, and store on a Durable Medium, an estimate of costs and keep the Client informed where it becomes apparent that the sum payable is likely to exceed the estimate and provide an explanation for the change. Sets out the wording and information – including your contact details, the names of other relevant contacts and an explanation of the procedure to be adopted should the Client become dissatisfied with the service provided – which must be provided in the Terms of Engagement.

Management and Supervision – requires an Authorised Person Manager to be responsible for ensuring all of your employees are properly supervised. The entity must systematically identify, monitor and manage risks to delivery of the Code of Conduct's Outcomes. It must also make provision for alternative supervision arrangements should an unforeseen event occur; and have appropriate arrangements, controls and records to maintain proper governance, management, supervision, financial and risk management.

Notification – sets out the changes – such as structural, management, financial, disciplinary and criminal charges, cautions and convictions – in circumstance of which we must be notified and the timescales within which that notification must be made.

Professional Indemnity Insurance – when providing CLC-regulated services you must have insurance cover – obtained through the CLC Master Policy or on the open market through an Authorised Insurer – approved by us. Should your self-insured excess exceed those limits set out in the Code you must report this to us.