

Rules for licensing authority designation applications

Version 3, April 2018

A. DEFINITIONS

1. Words defined in these **rules** have the following meanings:

Act	the Legal Services Act 2007
applicant	a body that submits an application
application	an application to be designated as a licensing authority in relation to one or more reserved legal activities that is submitted to the Board in accordance with these rules
approved regulator	has the meaning given in section 20(2) of the Act
AR applicant	a body that applies to the Board to be designated as an approved regulator in relation to one or more reserved legal activities in accordance with the Board's rules for approved regulator designation applications, as in force from time to time
authorised person	has the meaning given in section 18 of the Act
Board	the Legal Services Board
CMA	the Competition and Markets Authority
consultees	the mandatory consultees and any optional consultee
Consumer Panel	the panel of persons established and maintained by the Board in accordance with section 8 of the Act
existing LA applicant	an applicant that is already a licensing authority in respect of certain reserved legal activities and is submitting an application to be designated as a licensing authority in relation to one or more additional reserved legal activities

licensable body	has the meaning given in section 72 of the Act
licensed activity	has the meaning given in section 111(1) of the Act
licensed body	has the meaning given in section 71(2) of the Act
licensing authority	has the meaning given in section 73(1) of the Act
licensing rules	has the meaning given in section 83 of the Act
mandatory consultees	the CMA , the Consumer Panel and the Lord Chief Justice
optional consultee	any person (other than a mandatory consultee) whom the Board considers it reasonable to consult regarding an application
prescribed fee	the fee that must accompany an application as described in Section D of these rules
regulatory objectives	has the meaning given in section 1 of the Act
representations period	has the meaning given in rule 7 of the representations rules
representations rules	the Board's rules for making oral and written representations and giving oral and written evidence
reserved legal activity	has the meaning given in section 12 of and Schedule 2 to the Act
reserved legal services	has the meaning given in section 207 of the Act

B. WHO DO THESE RULES APPLY TO?

2. These are the **rules** that apply if a body wishes to apply to the **Board**, under Part 1 of Schedule 10 to the **Act**, for the **Board**:
 - a) to make a recommendation to the Lord Chancellor that an order be made that the body be designated as a **licensing authority** in relation to one or more activities which constitute one or more **reserved legal activities**; and
 - b) to approve what the body proposes as its **licensing rules** if such an order is made.
3. A body may only make an **application** under these **rules** in relation to a **reserved legal activity** if:

- a) it is an **approved regulator** in relation to the **reserved legal activity** which is the subject of the **application** under these **rules**; or
 - b) it has made an **application** under Part 2 of Schedule 4 to the **Act** for the **Board** to recommend that an order be made by the Lord Chancellor designating the body as an **approved regulator** in relation to the **reserved legal activity** which is the subject of the **application** under these **rules**.
4. These **rules** set out:
- a) the required content of any **application** to the **Board** and some guidance in relation to that content (see Section C);
 - b) the amount of the **prescribed fee** that must accompany any **application** (see Section D);
 - c) the processes and procedures that the **Board** will undertake in considering the **application** (see Section E);
 - d) the **Board's** criteria for determining **applications** (see Section F); and
 - e) who a body should contact if it has a question in relation to the **application** process (see Section G).
5. These **rules** are to be read in conjunction with the **Act**, together with any other relevant provisions made by or by virtue of this **Act**, or any other enactment, rules, policies or guidance produced by the **Board** from time to time.
6. In the event of any inconsistency between these **rules** and the provisions of the **Act**, the provisions of the **Act** prevail.
7. The **Board** reserves the right to amend these **rules** from time to time. When amendments are made, the **Board** will, when required to do so under section 205 of the **Act**, publish a draft of the amended **rules** and invite representations.

C. CONTENTS OF THE APPLICATION

8. The **Act** requires the **Board** to consider certain factors and to consult with other parties in order to reach its determination. Accordingly, the **application** must contain sufficient information to allow the **Board** to make a proper consideration of the **application** and to provide sufficient information to the **consultees** to enable them to consider the **application** in a meaningful way. Attached as a Schedule to these **rules** are:
- a) the administrative information needed to enable processing of an **application** (see Part 1 of the Schedule to these **rules**) and guidance on the possible evidence that could be provided to satisfy these requirements;

- b) the items that the **Act** mandates should be included in a **licensing authority's licensing rules** (see Part 2 of the Schedule to these **rules**); and
 - c) Guidance on how the **Board** expects to treat **applications** (see Part 3 of the Schedule to these **rules**).
9. The **Board** does not prescribe the form which an **application** should take. The onus is on the **applicant** to supply all materials completely and accurately in the format that it thinks fit.

D. PRESCRIBED FEE

10. Any **application** must be accompanied by the **prescribed fee** set out in **rule 11** below. The **prescribed fee** must be paid by electronic funds transfer to the bank account specified from time to time by the **Board** using the following reference:

Reference: **[applicant name]/licensing authority application**

11. The **prescribed fee** that must accompany an **application** will depend on the type of **application** being made. The different levels of the **prescribed fee** are as follows:
- a) if the **applicant** is an **existing LA applicant**, or if the **applicant** is also an **AR applicant**, the **prescribed fee** is £16,000; and
 - b) if the **applicant** is not an **existing LA applicant** the **prescribed fee** is £22,000.
12. The amounts specified in **rule 11** above are each the average costs that the **Board** anticipates it will incur in considering these different types of **application**. The **prescribed fee** for an **existing LA applicant** this is based on a day rate of £562 over 28.5 business days. In respect of a **prescribed fee** for an **applicant** who is not an **existing LA applicant**, this is based on a day rate of £562 over 39 business days.
13. The **Board** reserves the right to charge an additional amount in excess of the amounts set out in **rule 11** above in the following circumstances:
- a) if the **Board** requests further information from the **applicant** in accordance with **rule 16** and the **Board's** costs in processing this information exceeds the relevant amount specified in **rule 11** above. In these circumstances, any such additional costs will be charged at the day rate of £562; or
 - b) the nature of the **application** means that the **Board** has to seek external advice and the cost of this advice would mean that the **Board's** cost in processing the **application** would exceed the relevant amount specified in **rule 11** above. In this case, the full cost of the advice will be charged to the **applicant**; or

- c) if the **applicant** seeks to make oral representations on the advice given to the **Board** and the **Board** has determined in accordance with the **representations rules** that the cost of such representations is to be met by the **applicant**.

E. PROCESSES AND PROCEDURES

Sending the application

14. The **applicant** must submit their **application** (and, proof of transmission of the **prescribed fee**) as set out below:
- a) if by email to: schedule10approvals@legalservicesboard.org.uk
 - b) if by post or courier to: the relevant address of the **Board** as set out on its website.
- For the attention of: LA Designations Administrator.
15. On receipt of the **application** and the **prescribed fee**, an acknowledgement email will be sent to the **applicant** by the **Board**.
16. The **Board** will consider the **application** and may ask the **applicant** for such additional information as the **Board** may reasonably require.
17. The **Board** has the discretion to refuse to consider, or to continue its consideration of, an **application**. The **Board** will exercise this discretion if it believes that it has not received all the information it requires.
18. Where the **Board** decides to refuse to consider, or to continue its consideration of, an **application** it will give the **applicant** notice of that decision and the reasons for it. Any such notice will be published by the **Board** on its website.
19. An **applicant** may at any time withdraw or amend their **application** by giving notice to that effect to the **Board**.

Obtaining advice

20. On receipt of an **application** (including the **prescribed fee**), and all further information that the **Board** may require under **rule 16**, the **Board** will send a copy of the **application** (together with any further information received) to the **consultees**.
21. The **Board** will specify to the **CMA**, the **Consumer Panel** and any **optional consultee** a time period in which each body must provide their advice on the **application** to the **Board**. The **Board** intends to request that these bodies provide their advice within a time period which is reasonable depending on the volume and complexity of the **application** received.

22. The **CMA**, the **Consumer Panel** and any **optional consultee** will then each consider the **application** within the specified time period and will provide their advice to the **Board**.
23. In providing their advice to the **Board**, each **consultee** may ask the **applicant** (or any other person) to provide such additional information as may be required.
24. The **Board** will then provide the advice it receives from the **CMA**, the **Consumer Panel** and any **optional consultee** to the Lord Chief Justice and will specify to the Lord Chief Justice a time period in which he must provide his advice on the **application** to the **Board**. Again, the time period that the **Board** will specify will depend on the particular circumstances of the **application**.
25. The Lord Chief Justice will then consider the **application** and will provide his advice to the **Board**.
26. Once the **Board** has received the advice of the Lord Chief Justice, it will provide a copy of all the advice that has been given by the **consultees** to the **applicant**.

Representations about the advice

27. Any representations made by the **applicant** about the advice referred to in **rules** 20 to 26 above must be made in accordance with the **Board's representations rules**, which are located at:

http://www.legalservicesboard.org.uk/what_we_do/regulation/index.htm

28. For the avoidance of doubt, the **representations rules** only apply to representations made to the **Board** by the **applicant** in relation to the advice provided by the **consultees**.

Publication of advice

29. As soon as practicable after the end of the **representations period** for **applications** made under these **rules**, the **Board** will publish on its website:
 - a) the advice received from the **consultees**; and
 - b) subject to **rule** 30, any written representations duly made by the **applicant** (and the report of oral representations (if any) prepared in accordance with the **representations rules**).
30. Prior to the publication of any written representations (and the report of oral representations (if any) prepared in accordance with the **representations rules**) the **Board** will decide whether any parts of the representations shall remain private and, if so why, taking account of representations from the **applicant**.

31. The **Board** will, so far as practicable, exclude any material which relates to the private affairs of a particular individual, the publication of which, in the opinion of the **Board**, would or might seriously and prejudicially affect the interests of that individual.

The Board's decision

32. After considering the items listed in paragraph 12(1) of Schedule 10 to the **Act**, the **Board** will decide whether to grant the **application**.
33. If the **Board** decides to grant the **application**, it will notify the **applicant** and will recommend to the Lord Chancellor that an order be made.
34. If the **Board** decides not to grant the **application**, the **Board** will write to the **applicant** with the reasons for its decision.
35. The **Board** will publish on its website a copy of any decision that it gives to the **applicant**.
36. Where an **application** relates to more than one **reserved legal activity**, the **Board** may grant the **application** in relation to all or any one of them.

The Lord Chancellor's decision

37. The Lord Chancellor has up to 90 days from the date on which the **Board** makes its recommendation in accordance with **rule 33** to notify the **applicant** of whether or not he will make an order in accordance with the recommendation.
38. Where the **Board's** recommendation relates to more than one **reserved legal activity**, the Lord Chancellor may make an order in relation to all or any of them.
39. If the Lord Chancellor decides not to make an order in accordance with the **Board's** recommendation, the Lord Chancellor's notice to the **applicant** must state the reasons for that decision. The Lord Chancellor will publish any notice given under **rule 37**.

Time limits

40. Under the provisions of the **Act** the **Board** has 12 months from the date of the **application** to give its decision to the **applicant** and its recommendation to the Lord Chancellor (if appropriate). The **Board** may extend this period up to a maximum of 16 months from the date of **application** by giving notice to the **applicant**. The **Board** may only give such a notice if it has first consulted with the **mandatory consultees** in relation to such an extension. Such notice will state the **Board's** reasons for extending the period and will also be published by the **Board** on its website.
41. Notwithstanding **rule 40**, the **Board** will aim to deal with an **application** within six months from the later of:

- a) the date upon which the **Board** accepts submission of the **application** (it being understood that the **Board** will not accept an **application** if a submission is made which the **Board** regards as being incomplete and/or in a format that is not reasonably practicable to consider efficiently); and
- b) the final date of submission of any further information that the **Board** may request under **rule** 16.

F. CRITERIA FOR DETERMINING APPLICATIONS

- 42. The **Board** will only grant an **application** in relation to a particular **reserved legal activity** if it is satisfied that the criteria in paragraphs 11(2) and 11(3) of Schedule 10 to the **Act**, are met.
- 43. In addition, when considering an **application** the **Board** will consider how consistent an **applicant's** proposed **licensing rules** are with the requirements of section 28 of the **Act** (duty to promote the **regulatory objectives**, pursue best regulatory practice, etc.) and with the **Board's** guidance on **licensing rules**. In this regard, and in accordance with the requirements of section 82 of the **Act**, an **applicant** must also prepare and issue a statement of policy as to how, in exercising its functions under Part 5 of the **Act**, it will comply with the requirements of section 28 of the **Act**.

G. FURTHER INFORMATION

- 44. If you have any questions about the **application** process or the preparation of an **application**, you should contact the LA Designations Administrator in the manner set out in **rule** 14 above.

SCHEDULE

Part 1 - Administrative information needed to enable processing of an application

	What is required	Section of Act	Possible Evidence
1.	Background information	N/A	Contact details in relation to the person(s) the Board should contact in relation to the application , including job title, email address and phone number, a physical address for communication and the applicant's registered office address (if different from communication address) and company registration number if applicable
2.	A statement of the reserved legal activity or activities to which the application relates	Sch. 10, paragraph 1(4) (a)	Specification of which of the reserved legal activities set out in section 12 and Schedule 2 to the Act the application applies to
3.	Details of the applicant's proposed licensing rules	Sch. 10, paragraph 1(4) (b)	An explanation of how the proposed licensing rules comply with section 83(5), Schedule 11 to the Act (see Part 2 of this Schedule for further details) and the LSB's guidance on licensing rules
4.	Such explanatory material as the applicant considers is likely to be needed for the purposes of Part 1 of Schedule 10 to the Act	Sch. 10, paragraph 1(4) (c)	<p>An applicant must be able to demonstrate how it has prepared properly and thoroughly for its role as a licensing authority and has appropriate arrangements in place to competently license ABS, in particular it must:</p> <ul style="list-style-type: none"> - show that it has appropriate regulatory arrangements to ensure that it can act, so far as reasonably practicable, in a way which is compatible with the regulatory objectives, and have regard to standards of openness, accountability and transparency and best regulatory practice; - demonstrate an understanding of the types of ABS it will be regulating and the services provided by those ABS. In particular it must show that it has suitable processes and systems in place to identify and dealing with the complexity, risk and volume of expected ABS; - demonstrate that it is a solid, stable, well structured, adequately financed and professionally operated body with the governance and institutional stability to discharge its functions on a proper basis. This includes (but is not limited to) sufficient and appropriate staffing and staffing arrangements to ensure good quality regulation and a sufficiently robust and flexible business plan, including appropriate contingency arrangements that is able to adapt to: <ul style="list-style-type: none"> - changes in demand for licences; - changes in complexity of ABS models; - new threats to the regulatory objectives; and - changes in the operating and/or regulatory environment.

	What is required	Section of Act	Possible Evidence
			An applicant must also provide an assessment of its progress against its implementation plan to become a licensing authority
5.	In deciding what advice to give, the CMA must, in particular, have regard to whether an order ... would (or would be likely to) prevent, restrict or distort competition within the market for reserved legal activity to any significant extent	Sch. 10, paragraph 4(2)	The CMA is considering whether to issue its own guidance on the issues to which it is likely to have regard in giving advice
6.	In deciding what advice to give, the Consumer Panel must, in particular, have regard to the likely impact on consumers of the making of an order	Sch. 10, paragraph 5(2)	Explanation of how the proposed licensing rules will: <ul style="list-style-type: none"> protect and promote the interests of consumers generally meet the specific requirements in terms of indemnification and complaint handling
7.	A consultee may give the Board such advice as it thinks fit in respect of the application	Sch. 10, paragraph 8	Information on any matters specified by a selected consultee
8.	The Lord Chief Justice must, in particular, have regard to the likely impact on the courts in England and Wales of the making of an order	Sch. 10, paragraph 7(3)	Information on any matters specified by the Lord Chief Justice
9.	The Board may grant an application in relation to a particular reserved legal activity only if it is satisfied that, the applicant's proposed licensing rules in relation to the reserved legal activity comply with the requirements of section 83 of the Act	Sch.10, paragraph 11(2)(a)	See Item 3
10.	The Board may grant an application in relation to a particular reserved legal activity only if it is satisfied that, if an order were to be made designating the applicant in relation to the reserved legal activity , there would be a body with power to hear and determine appeals which, under Part 5 of the Act or under the applicant's proposed licensing rules , may be made against decisions of the applicant	Sch. 10, paragraph 11(2)(b)	The applicant must include a statement about the appellate body that the applicant proposes to use for appeals against financial penalties and conditions imposed on a licensable body The applicant should also include a statement for the appellate body that it agrees to hear those appeals
11.	The Board may grant an application in relation to a particular reserved legal activity only if it is satisfied that,	Sch. 10, paragraph 11(2)(c)	Such explanatory material (including material about the applicant's constitution and activities) as the applicant considers is likely to be needed to show how its internal governance arrangements comply

	What is required	Section of Act	Possible Evidence
	if an order were to be made designating the applicant in relation to the reserved legal activity , the applicant would have appropriate internal governance arrangements in place at the time the order takes effect		with the Board's most recently published policy on internal governance
12.	The Board may grant an application in relation to a particular reserved legal activity only if it is satisfied that, if an order were to be made designating the applicant in relation to the reserved legal activity , the applicant would be competent, and have sufficient resources, to perform the role of licensing authority in relation to the reserved legal activity at the time the order takes effect	Sch. 10, paragraph 11(2)(d)	Statement from authorised staff/officeholders in the organisation that there are sufficient resources, an explanation of how this has been assessed Documents signed off by an external accountant as being calculated, presented and supported to a standard that could pass a statutory audit Business Plan for coming year and 3 year forward look Risk management strategy Staff development and retention strategies
13.	The rules made for the purposes of sub-paragraph 2(c) must in particular require the Board to be satisfied that the exercise of the applicant's regulatory functions would not be prejudiced by any of its representative functions	Sch. 10, paragraph 11(3)(a)	Statement on how the arrangements comply with the principles of the Act and such rules as the Board may make from time to time
14.	The rules made for the purposes of sub-paragraph 2(c) must in particular require the Board to be satisfied that decisions relating to the exercise of the applicant's regulatory functions would so far as reasonably practicable be taken independently from decisions relating to the exercise of the applicant's representative functions	Sch. 10, paragraph 11(3)(b)	See Item 13

Part 2 – Licensing rules requirements

	What is required	Section of Act	Guidance
SECTION 83 REQUIREMENTS			
<i>For all these points, applicants must explain how their licensing rules are likely to achieve the outcomes and other requirements that may be specified in any guidance issued by the LSB. If the licensing authority's rules are inconsistent with the guidance, there should be an explanation together with evidence to explain why.</i>			
1.	Licensing rules of a licensing authority MUST contain appropriate qualification regulations in respect of licensable bodies to which the licensing authority proposes to issue licences	section 83(5)(a)	
2.	Licensing rules of a licensing authority MUST contain provision as to how the licensing authority , when considering the regulatory objectives (in compliance with its duties under section 3(2) or 28(2)) in connection with an application for a licence, should take account of the objective of improving access to justice	section 83(5)(b)	
3.	Licensing rules of a licensing authority MUST contain appropriate arrangements (including conduct rules, discipline rules and practice rules) under which the licensing authority will be able to regulate the conduct of bodies licensed to it, and their managers and employees	section 83(5)(c)	
4.	Licensing rules of a licensing authority MUST contain appropriate indemnification arrangements	section 83(5)(d)	
5.	Licensing rules of a licensing authority MUST contain appropriate compensation arrangements	section 83(5)(e)	
6.	Licensing rules of a licensing authority MUST contain the provision required by sections 52 and 54 (resolution of regulatory conflict) (including those provisions as applied by section 103)	section 83(5)(f)	
7.	Licensing rules of a licensing authority MUST contain the provision required by sections	section 83(5)(g)	

What is required				Section of Act		Guidance	
	112 and (145) (requirements imposed in relation to the handling of complaints)						
8.	Licensing rules of a licensing authority MUST contain any other provision required to be contained in licensing rules by the Act	section 83(5)(h)					
SCHEDULE 11 REQUIREMENTS							
<i>Applications for licences</i>							
9.	Licensing rules MUST make provision about the form and manner in which applications for licences are to be made, and the fee (if any) which is to be accompany any application	Sch. 11, paragraph 1(1)					
10.	Licensing rules MAY make provision about: <ul style="list-style-type: none"> the information which applications must contain; and the documents which must accompany applications 	Sch. 11, paragraph 1(2)					
<i>Determination of applications</i>							
11.	Licensing rules MUST make provision for those items set out in Schedule 11, paragraph 2	Sch. 11, paragraph 2(1)					
<i>Review of determination</i>							
12.	Licensing rules MUST make provision for review by the licensing authority of: <ul style="list-style-type: none"> a decision to refuse an application for a licence; if a licence is granted, the terms of the licence 	Sch. 11, paragraph 3					
<i>Period of licence and renewal</i>							
13.	The licensing rules MAY make provision: <ul style="list-style-type: none"> limiting the period for which any licence is (subject to the provision of Part 1 of Schedule 11 and of the 	Sch. 11, paragraph 4(1)					

What is required				Section of Act	Guidance
	<p>licensing rules) to remain in force;</p> <ul style="list-style-type: none"> about the renewal of licences, including provision about the form and manner in which an application for renewal is to be made, and the fee (if any) which is to accompany an application 				
14.	<p>The licensing rules MAY make provision about:</p> <ul style="list-style-type: none"> the information which applicants for renewal must contain; and the documents which must accompany applications 	Sch. 11, paragraph 4(2)			
15.	<p>Licensing rules MUST provide that a licence issued to a licensed body by the licensing authority ceases to have effect if the licensed body is issued with a licence by another licensing authority</p>	Sch. 11, paragraph 4(3)			
<i>Continuity of licences</i>					
16.	<p>Licensing rules MAY make provision about the effect, on a licence issued to a partnership or other unincorporated body ("the existing body"), of any change in the membership of the existing body</p>	Sch. 11, paragraph 5(1)			
17.	<p>Such provision referred to above includes provision for the existing body's licence to be transferred where the existing body ceases to exist and another body succeeds to the whole or substantially the whole of its business.</p>	Sch. 11, paragraph 5(2)			
<i>Modification of licences</i>					
18.	<p>Licensing rules MUST make provision about the form and manner in which applications are to be made for modifications of the terms of a licence under section 86, and the fee (if any) which is to accompany the application</p>	Sch.11, paragraph 6(1)			

What is required				Section of Act		Guidance	
19.	Licensing rules MAY make provision as to the circumstances in which the licensing authority may modify the terms of a licence under section 86 without an application being made	Sch. 11, paragraph 6(2)					
20.	Licensing rules MUST make provision for review by the licensing authority of: <ul style="list-style-type: none"> a decision to refuse an application for modification of the terms of a licence; if the licensing authority makes licensing rules under sub-paragraph 6(2), a decision under those rules to modify the terms of a licence 	Sch. 11, paragraph 6 (3)					
<i>Management</i>							
21.	Licensing rules MUST require a licensed body to comply with the requirements set out in Schedule 11, paragraph 9	Sch.11, paragraph 9(1)					
22.	Licensing rules MAY make further provision as to: <ul style="list-style-type: none"> the managers of licensed bodies; and the arrangements for the management by them of the licensed body and its activities 	Sch. 11, paragraph 10(1)					
23.	Licensing rules MUST NOT require all managers of a licensed body to be authorised persons in relation to reserved legal activity	Sch. 11, paragraph 10(2)					
<i>Head of Legal Practice</i>							
24.	Licensing rules MUST include the requirements set out in Schedule 11, paragraph 11	Sch. 11, paragraph 11(1)					
25.	Licensing rules MUST make provision: <ul style="list-style-type: none"> about the procedures and criteria that will be applied 	Sch. 11, paragraphs 12(1) and (2)					

	What is required	Section of Act	Guidance
	<p>by the licensing authority when determining under Schedule 11, paragraph 11(4) whether an individual is a fit and proper person;</p> <ul style="list-style-type: none"> • for a review by the licensing authority of a determination under Schedule 11, paragraph 11(4) that an individual is not a fit and proper person; • about the procedures and criteria that will be applied by the licensing authority under Schedule 11, paragraph 11(6) whether to withdraw its approval; • for a review by the licensing authority of a determination under Schedule 11, paragraph 11(6) to withdraw its approval; • about the procedure which is to apply where a licensed body ceases to comply with the requirement imposed by virtue of Schedule 11, paragraph 11(2). Rules made MAY in particular provide that the requirement imposed by virtue of Schedule 11, paragraph 11(2) is suspended until such time as may be specified by the licensing authority if the licensed body complies with such other requirements as may be specified in the rules 		
<i>Head of Finance and Administration</i>			
26.	<p>Licensing rules MUST include the requirements set out in Schedule 11, paragraph 13</p>	Sch. 11, paragraph13(1)	
27.	<p>Licensing rules MUST make provision:</p> <ul style="list-style-type: none"> • about the procedures and criteria that will be applied by the licensing authority when determining under Schedule 11, paragraph 	Sch. 11, paragraph14(1)	

	What is required	Section of Act	Guidance
	<p>13(4) whether an individual is a fit and proper person;</p> <ul style="list-style-type: none"> • for a review by the licensing authority of a determination under Schedule 11, paragraph 13(4) that an individual is not a fit and proper person; • about the procedures and criteria that will be applied by the licensing authority in determining under Schedule 11, paragraph 13(6) whether to withdraw its approval; • for a review by the licensing authority of a determination under Schedule 11, paragraph 13(6) to withdraw its approval; • about the procedure which is to apply where a licensed body ceases to comply with the requirement imposed by virtue of Schedule 11, paragraph 13(2). Rules made MAY in particular provide that the requirement imposed by virtue of Schedule 11, paragraph 13(2) is suspended until such time as may be specified by the licensing authority if the licensed body complies with such other requirements as may be specified in the rules 		
<i>Practising address</i>			
28.	<p>Licensing rules MUST require a licensed body at all times to have a practising address in England and Wales.</p> <p>The above does not apply to a licensed body:</p> <ul style="list-style-type: none"> • which is a company or limited liability partnership; and • the registered office of which is situated in England and Wales 	Sch. 11, paragraph 15(1)	

What is required				Section of Act		Guidance	
<i>Licensed activities</i>							
29.	Licensing rules MUST provide that a licensed body may carry on a licensed activity only through a person who is entitled to carry on the activity.	Sch. 11, paragraph 16					
<i>Compliance with regulatory arrangements etc</i>							
30.	Licensing rules MUST include the requirements set out in Schedule 11, paragraph 17	Sch. 11, paragraph 17(1)					
<i>Disqualified employees</i>							
31.	Licensing rules MUST include the requirement that a licensed body may not employ a person who under Part 3 of Schedule 11 is disqualified from being an employee of a licensed body	Sch. 11, paragraphs 18(1) and (2)					
<i>Indemnification arrangements and compensation arrangements</i>							
32.	For the purpose of giving effect to indemnification arrangements and compensation arrangements, licensing rules MAY : <ul style="list-style-type: none"> authorise or require the licensing authority to establish and maintain a fund or funds; authorise or require the licensing authority to take out and maintain insurance with authorised insurers; require licensed bodies or licensed bodies or any specific description to take out and maintain insurance with authorised insurers 	Sch. 11, paragraph 19(1)					
<i>Accounts</i>							
33.	The licensing rules MUST make provision: <ul style="list-style-type: none"> as to the treatment of money (including money held on trust) which is 	Sch. 11, paragraph 20(1)					

What is required				Section of Act		Guidance	
	<p>received, held or dealt with by the licensed body, its managers and employees for clients or other persons; and</p> <ul style="list-style-type: none"> the keeping of accounts in respect of such money 						
<i>Fees</i>							
34.	The licensing rules MUST require licensed bodies to pay periodical fees to the licensing authority	Sch. 11, paragraph 21(1)					
35.	The licensing rules MAY provide for the payment of different fees by different descriptions of licensed body	Sch. 11, paragraph 21(2)					
<i>Financial penalties</i>							
36.	<p>The licensing rules MUST make provision as to:</p> <ul style="list-style-type: none"> the acts and omissions in respect of which the licensing authority may impose a penalty under section 95; the criteria and procedure to be applied by the licensing authority in determining whether to impose a penalty under that section, and the amount of any penalty 	Sch.11, paragraph 22					
<i>Disqualifications</i>							
37.	Licensing rules MUST make provision as to the criteria and procedure to be applied by the licensing authority in determining whether a person should be disqualified under section 99	Sch. 11, paragraph 23(1)					
38.	<p>Licensing rules MUST make provision:</p> <ul style="list-style-type: none"> for a review by the licensing authority of a determination by the licensing authority that a person should be disqualified; 	Sch. 11, paragraph 23(2)					

What is required Section of Act Guidance			
	<ul style="list-style-type: none"> as to the criteria and procedure to be applied by the licensing authority in determining whether a person's disqualification should cease to be in force; and requiring the licensing authority to notify the Board of any determination by the licensing authority that a person should be disqualified, of the result of any review of that determination, and of any decision by the licensing authority that a person's disqualification should cease to be in force 		
<i>Supervision or revocation of licence under section 101</i>			
39.	Licensing rules MUST make provision for the items set out in Schedule 11, paragraph. 24	Sch. 11, paragraph 24(1)	
40.	Licensing rules MAY make provision about other circumstances in which the licensing authority may exercise its powers under section 101 to suspend or revoke a licence	Sch. 11, paragraph 25	
41.	Licensing rules MUST make provision about the criteria and procedure the licensing authority will apply in deciding whether to suspend or revoke a licence, or to end the suspension of a licence, under section 101	Sch. 11, paragraph 26(1)	
42.	Licensing rules MUST make provision for a review by the licensing authority of a decision by the licensing authority to suspend or revoke a licence	Sch. 11, paragraph 26(2)	

Part 3 – How the Board expects to treat applications

1. The **Board** expects carefully prepared documentation which the executives and/or honorary officers of the **applicant** (and the **applicant's** independent advisors when applicable) confirm is accurate or, in the case of forecast data, is a best estimate based on good research and informed professional judgement. If the **applicant** cannot demonstrate this level of executive and advisory confidence then it is not appropriate for an **application** to be made.
2. The **Board** expects that some parts of this Schedule would be less relevant to an **applicant** that is already a **licensing authority** which is applying to add an additional **reserved legal activity** to its competences. Hence, the **Board** will take a proportionate view of risk in deciding precisely how much information to seek in any given case.
3. All documents supplied will be subject to publication and to the scrutiny of the **consultees** whom the **Act** prescribes must consider **applications**. Consequently **applicants** should have regard to this, particularly in relation to supplying information which might be commercially sensitive and/or contain personal data. The **Board** will consider limited requests for redaction of information from documents that are published on these grounds but will not be able to redact information from materials sent to the **mandatory consultees**. The **Board** requires **applicants** to maintain a publicly accessible internet space containing all of the materials that are submitted by the **applicant** in its **application**.
4. The **Board** reserves the right to retain advisors to consider the information supplied. The retention of advisors may result in an increase to the **prescribed fee** as described in **rule 11**. **Applicants** are encouraged to consider how in preparing, presenting and in certifying the information that they submit, they can minimise the need for the **Board** to take external advice.
5. The **Board's** decision will take account of professional guidance, **consultee** responses received and the overall competence, completeness and executive and advisor endorsement of the **applications** received. The **Board**, as an oversight regulator, will not usually re-analyse the information supplied unless there are compelling reasons for doing so.
6. **Board** approval of a new body as a **licensing authority**, or of an existing **licensing authority** as a **licensing authority** in relation to an additional **reserved legal activity**, represents an assessment that:
 - the **applicant** appears well prepared and appears to understand the roles and responsibilities granted to **licensing authorities** under the **Act**; and
 - no valid objections have been made to the **applicant's application** by the **consultees**.