

Regulatory Return 2022

Introduction

The purpose of this Regulatory Return is to gather vital information about CLC-licensed organisations, which will be used set priorities for the CLC's regulatory activities.

This survey must be completed by a senior manager/partner/owner within the licensed organisation.

Only one response is required per licensed organisation.

Completion of this survey is a regulatory requirement for all entities licensed by the CLC.

The information collected about individual practices will remain confidential. The CLC will published some aggregated data to provide insight to the community as a whole.

This survey asks you to report on how your organisation operated in the 2022 calendar year.

Before you begin: Please consult the notification e-mail, which included a pdf copy of the questionnaire. You will be able to look over this and gather any relevant records so that you can answer the questions quickly and easily. Once you have the necessary information, please complete the online version of the questionnaire.

The length of the Annual Regulatory Return will vary between organisations, but if you are properly prepared, it should only take around an hour to complete.

If you have any questions, if you need to be sent another copy of the .pdf version of the questionnaire, or you are having difficulties completing the online version of the questionnaire, please contact your Regulatory Supervision Manager/Officer at the CLC.

The closing date for completing the Regulatory Return is Monday, 6th February 2023 at 10:00am, by which time all CLC-licensed organisations must have submitted a completed response.

The CLC reminds you of your regulatory responsibility to complete and submit the Return on time.

Thank you for your time and cooperation.

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Contact information

1. Entity name

2. Entity CLC number

3. Name of person completing the regulatory return

4. Email address

Regulatory Return 2022

Employees and Areas of Work

5. How many full time equivalent non-authorised persons did your organisation employ to carry out reserved legal activities in 2022, and how many appropriately regulated authorised persons were there to oversee their work?

Number of
nonauthorized
persons carrying out
reserved legal
activities

Number of authorised
persons supervising
their work

6. How many full time equivalent non-authorised persons (excluding students or trainees) did your organisation employ in 2022, and in which areas did they work? (Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only

Probate only

Administrative work
only

A mix of conveyancing
and probate

A mix of conveyancing
and administrative
work

A mix of probate and
administrative work

A mix of
conveyancing,
probate, and
administrative work

7. How many full time equivalent employees who are students or trainees did your organisation employ in 2022, and in which areas did they work? (Rounding up to the nearest whole number, please enter the number of full time equivalent staff that were employed in this role, and by entering your responses in different rows indicate whether these staff worked on conveyancing, on probate, on administrative work or on some mix of the three. You must enter a number on every row. If you had no relevant staff of a particular kind, enter 0).

Conveyancing only

Probate only

Administrative work only

A mix of conveyancing and probate

A mix of conveyancing and administrative work

A mix of probate and administrative work

A mix of conveyancing, probate, and administrative work

8. Do staff in your practice work remotely?

- Never
- Sometimes/some staff
- We have hybrid working in place for most or all staff
- We are fully remote

9. If yes, do you have a Remote Working/Working From Home policy?

- Yes
- No

10. Do any of your staff work from outside England and Wales?

- Yes
- No
- If yes, where are they based?

11. Do you expect your staffing levels to change or remain the same in 2023?

- Grow significantly
- Grow a little
- Remain the same
- Reduce a little
- Reduce significantly
- We plan to close our practice in 2023

12. If you intend to increase the number of Authorised Persons (Licensed Conveyancers/Probate Practitioners, FCILEx, Solicitor etc) in your practice in 2023 and if so, how?

- No
- Yes - by hiring more qualified lawyers
- Yes - by putting employees through courses leading to qualification
- Yes - through a mixture of recruitment and study
- Other (please specify)

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Client Complaints

13. How many first tier complaints has the entity responded to in the last twelve months?

14. How many referrals to LeO has the entity been informed of in the last twelve months?

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Professional Indemnity Insurance

15. How many PII claims has your practice had in the past 12 months?

- None
- 1-3
- 4-6
- 7-9
- 10 or more

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Where Are Your Clients?

16. Does your practice mostly undertake work for clients based:

- close to where its offices are located
- nationally

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Sources of Work

17. What percentage of your organisation's client instructions came from each of the following sources in 2022? (Only approximate estimates are expected, if you received no instructions from a particular source enter a 0 beside it. The total should sum to 100).

New clients

approaching your business directly

Former clients

returning to use your services again

Contractual

arrangements with another organisation

Referral

arrangements

Other

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Know Your Client

18. Does your practice use an electronic ID and Verification tool for new clients?

- Yes
- No

19. If not, how do you verify the client's identity?

20. Does your practice have a formal assessment process to identify potentially vulnerable clients?

- Yes
- No

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Compliance with the Sanctions Regime

21. How does your practice check the sanctions lists?

- Electronic check
- Manual
- We do not check the sanctions lists

22. Has your practice previously acted for any individuals or entities on the sanctioned lists?

- Yes
- No

23. Has your practice previously acted for any clients with links to individuals or entities on the sanctions lists?

- Yes
- No

24. Has your practice declined any work due to concerns about a potential client being on the sanctions lists?

- Yes
- No

25. If so, how many clients have you declined and/or terminated instructions for based on the new sanctions regime?

- None
- 1-3
- 4-6
- 7-9
- 10 or more

26. Does your AML procedure contain details of how you check the sanctions lists?

- Yes
- No

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Anti-Money Laundering Practice

27. How many Suspicious Activity Reports (SARs) has the practice made to the NCA in the last 12 months?

- None
- 1-3
- 4-6
- 7-9
- 10 or more

28. How many Defence Against Money Laundering (DAML) SARs has the practice made to the NCA in the last 12 months?

- None
- 1-3
- 4-6
- 7-9
- 10 or more

29. How many internal suspicion reports have been made at the practice in the last 12 months?

- None
- 1-3
- 4-6
- 7-9
- 10 or more

30. How many Politically Exposed Persons (PEPs) has the practice acted for in the last 12 months (includes domestic and international PEPs)?

- None
- 1-3
- 4-6
- 7-9
- 10 or more

31. Has your practice acted for clients based overseas in the last 12 months?

- Yes
 No

32. If you have acted for clients based overseas, in which countries were those clients based?

- Not applicable
 Australia
 Belarus
 Canada
 China
 France
 Germany
 Ireland
 Japan
 Netherlands
 New Zealand
 Portugal
 Russia
 Saudi Arabia
 South Africa
 Spain
 Switzerland
 Ukraine
 United Arab Emirates
 United States
 Other (please specify)

33. Have you made any discrepancy reports to Companies House (as required by 5MLD) due to information discovered in the due diligence process?

- Yes
 No

34. Does your practice undergo independent audits of its files, policies, controls and procedures as they relate to compliance with the Money Laundering Regulations?

- Yes
 No

35. If so, when did the last independent audit take place?

- Within the last 6 months
- Within the last 12 months
- Within the last 2 years
- More than 2 years ago
- Not applicable

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Source of Funds and Source of Wealth

36. What evidence does your practice obtain to verify the accumulation and source of funds?

- 0 - 3 months' bank statements
- 3 - 6 months
- 6 - 9 months
- no fixed period
- don't obtain bank statements

37. If a client informs you that their contribution to a purchase derives from savings, what evidence do you obtain? Tick all that apply.

- Bank statements
- Payslips
- Explanation from client as to how long savings have accrued

38. At what stage of the process does your practice request source of funds/wealth evidence?

- Opening
- Early stages
- Prior to exchange
- After exchange

39. Does your practice use any source of funds checklists or questionnaires to support funds/wealth verification?

- Yes
- No

40. Does your practice use any technological solutions to support funds/wealth verification?

- Yes
- No

41. Do you accept funds from non-UK based bank accounts?

- Yes
- No

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Anti-Money Laundering Policies

42. When was your AML policy last updated? Within the past:

- 6 months
- 12 months
- 2 years
- More than 2 years ago

43. Does your AML policy cover the latest AML legislation such as the Fifth Money Laundering Directive (5MLD)?

- Yes
- No

44. Does your AML policy outline your practice's AML procedures?

- Yes
- No

45. Does your AML policy outline your approach to source of funds and source of wealth verification?

- Yes
- No

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Anti-Money Laundering Training

46. Does your practice maintain an AML training register?

- Yes
- No

47. Has the MLRO received enhanced AML training?

- Yes
- No

48. If so, when was enhanced AML training last undertaken by the MLRO Within the past:

- 6 months
- 12 months
- 2 years
- More than 2 years ago

49. Did all staff received AML training in 2022?

- Yes
- No

50. When will the next AML training take place? Within the next:

- 6 months
- 12 months
- 2 years
- More than 2 years from now

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Risk Assessments

51. Does your practice undertake matter based risk assessments?

- Yes
- No

52. If so, at what stages of the process do you undertake matter based risk assessments?

- Initial
- Interim
- Final

53. What percentage of matters have you assessed as "high risk" during the last 12 months?

- 0-10
- 11-20
- 21-30
- 31-40
- 41-50
- More than 50%

54. Of these, were any matters assessed as high risk on the basis that they were complex and/or unusually large and/or formed an unusual pattern of transactions and/or made no sense from economic point of view?

- Yes
- No

55. What percentage of matters have you assessed as “low risk” during the last 12 months?

- 0-10
- 11-20
- 21-30
- 31-40
- 41-50
- 51-60
- 61-70
- 71-80
- More than 80%

56. When was your practice wide risk assessment (PWRA) last updated? Within the past:

- 6 months
- 12 months
- 2 years
- More than 2 years ago

57. When does your practice apply Enhanced Due Diligence (EDD)?

- All matters
- Only on high-risk matters
- We don't apply EDD
- Other

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Cryptocurrency

58. Has your practice accepted cryptocurrency for any conveyancing transaction in 2022?

- Yes
- No

59. Would your practice accept cryptocurrency directly under any circumstances?

- Yes
 No

60. Would your practice accept funds which have been converted from cryptocurrency into pounds sterling?

- Yes
 No

61. Would your practice accept funds which have been converted from cryptocurrency into any other country's official currency?

- yes
 No

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Beneficial Ownership

62. Does your practice have procedures in place in relation to acting for overseas entities and the register for overseas entities?

- Yes
 No

63. Does or will your practice wide risk assessment take into account the register for overseas entities coming into effect?

- Yes
 No

64. Have you taken or do you plan to take any steps to amend any documents such as your terms of business as they relate to acting for overseas entities?

- Yes
 No

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Cyber Security

65. Have you experienced a cyber attack?

- No
 Yes - but it was unsuccessful
 Yes - and it had an impact on our operations

66. Do you have Cyber Insurance for the 2022/2023 insurance year?

- Yes
- No

67. If yes, is this the first year you have purchased Cyber Insurance?

- Yes
- No
- Not applicable

68. If you answered no to question 64, are you considering purchasing Cyber Insurance in 2022/2023?

- Yes
- No
- Not applicable

69. Do you outsource your IT security function?

- Yes
- No

70. How often are updates to your IT security performed?

- Daily
- Weekly
- Monthly
- Updates are not performed
- Other

71. How often are backups of your data performed?

- Daily
- Weekly
- Monthly
- Backups are not performed
- Other

72. Have all staff received cyber security training in 2022?

- Yes
- No

73. Do you plan for your staff to receive cyber security training in the future?

- Yes
- No

74. If so, when will the next cyber security training take place? Within the next:

- 6 months
- 12 months
- 2 years
- More than two years from now

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Systems in place

75. Do you use a case management system (CMS)? If so, which?

- We do not use a case management system
- Our own, bespoke system
- LEAP
- Visual Files
- Hoowla
- Proclaim
- ALB
- Insight
- Other (space for free text)).

76. Do you use an accounts software package for client accounting? If so, which?

- We do not use accounts software for client accounting.
- LEAP
- Quill
- Proclaim
- Xero
- Sage
- SOS
- Other

77. Do you outsource your accounts function?

- Yes
- No

78. How do you maintain your transaction files?

- Hardcopy
- Electronic
- Mixture of both

79. How do you archive closed files?

- Hardcopy
- Electronic
- Mixture of both

80. If you archive closed files electronically, is this in PDF format or do you have the ability to export PDF copies of files easily?

- Yes
- No

81. Do you have arrangements in place to ensure transaction files are retained for the requisite periods (up to 15 years), in the event of the closure of your practice?

- Yes
- No

82. Do you have a business continuity plan in place?

- Yes
- No

83. If yes, when was the last time you tested your business continuity plan?

- Within the last 6 months
- Between 6 and 12 months ago
- More than a year ago
- We have not tested our business continuity place

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Background Checks

84. Do you undertake background checks on new staff?

- Yes
- No

85. Do you undertake background checks on existing staff?

- Yes
- No

86. If yes, how frequently are background checks undertaken on existing staff

- Annually
- Bi-annually
- Other

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Working Together

87. If the CLC were to offer a series of workshops/roadshows/webinars in 2023, what three topics do you consider would be most beneficial to your practice?

- Code of Conduct
- Anti-Money Laundering
- Conflicts of Interest
- Complaints
- Cyber security
- Accounts
- General Practice Management
- Informed Choice
- Other (space for free text))

88. What areas, if any, would you like to see the CLC develop further guidance on?

89. How burdensome do you find compliance with the CLC's Codes?

- Not at all burdensome
- Not very burdensome
- Somewhat burdensome
- Very burdensome

90. Is there any one Code you find particularly challenging to ensure compliance with?

- No
- Code of conduct
- AML and Terrorist Financing Code
- Accounts Code
- Complaints Code
- Conflicts of Interest Code
- CPD Code
- Dealing with Non-Authorised Persons Code
- Disclosure of Profits and Advantage Code
- Equality Code
- Estimates and Terms of Engagement Code
- Management and Supervision Arrangements Code
- Notification Code
- Professional Indemnity Insurance Code
- Transaction Files Code
- Undertakings Code
- Acting as Ancillary Insurance Intermediaries Code
- Acting for Lenders and Prevention and Detection of Mortgage Fraud Code
- Licensed Body (ABS) Code
- Litigation and Advocacy Code Supplementary
- Recognised Body Code

91. Thinking about your most recent inspection, did you find it useful in identifying and mitigating compliance risks at your practice?

- Yes
- No

92. If no, please outline why you did not find your most recent inspection useful in identifying and mitigating compliance risks at your practice?