

2026 Practising Certificate Fee Consultation and Fees Information

Consultation closes 5pm on Sunday, 31st August 2025 Details how to respond to the Consultation are on page 28

Executive Summary

Each year, CILEx Regulation Limited (CRL) and the Chartered Institute of Legal Executives Limited (CILEX) consult upon the proposed Practising Certificate Fee ("PCF") to be charged to CILEX Members and non-CILEX Members who are defined by Section 18(1) of the Legal Services Act 2007 ("LSA") as being "Authorised Persons" permitted to carry out Reserved Legal Activities as defined by Part 3 of the LSA.

This consultation sets out the proposals for the 2026 PCF and sets out how both CILEX and CRL will allocate PCF funds for the <u>Permitted Purposes</u> as defined by Section 51 of the LSA in order to perform its <u>Regulatory Objectives</u> as defined by Section 1 of the LSA.

Over many years CRL has been able to hold the Practising Certificate Fee steady thanks to rigorous cost control representing a real term saving to those we regulate in the eight years prior to 2024.

For 2025 we felt obliged to raise the fees in line with inflation in part to cope with the growth in central fees and levies which are outside our control.

CRL's approach for 2026 has been to:

- Plan on the basis of a breakeven budget;
- Keep any increase to below inflation. We are therefore proposing a 2.6% increase in CRL's share of the PCF
- Continue to move towards cost recovery for the additional fees and services we charge
- Increase annual Entity Practice Fees and CILEX-ACCA Entity/Practitioner Annual Practice Fees by the same percentage rate as the PCF.

CILEX is proposing a 5.4% increase in its share of the PCF to reflect the additional costs it faces.

The LSB regulatory fees rise by 10%. These are set independently of CRL and CILEX and we have no control over them.

Executive Summary cont.

CILEX Fellows PCF rate £403

| RECIPIENT | COST OF PCF 2025 (% of PCF) | COST OF PCF 2026 (% of PCF) | MOVEMENT & % INCREASE |
|-------------------|--------------------------------|--------------------------------|--------------------------|
| CILEx Regulation | £227 (58.7%) | £233 (57.8%) | +£6 (2.6%) |
| CILEX | £130 (33.6%) | £137 (34.0%) | +£7 (5.4%) |
| Regulatory Levies | £30 (7.7%) | £33 (8.2%) | +£3 (10.0%) |
| Total PCF | £387 | £403 | +£16 (4.1%) |

CILEX Associate Prosecutors PCF rate £298

| RECIPIENT | COST OF PCF 2025 (% of PCF) | COST OF PCF 2026 (% of PCF) | MOVEMENT & % INCREASE |
|-------------------|--------------------------------|--------------------------------|--------------------------|
| CILEx Regulation | £169 (58.7%) | £172 (57.8%) | +£3 (1.8%) |
| CILEX | £96 (33.6%) | £101 (34%) | +£5 (5.2%) |
| Regulatory Levies | £21 (7.7%) | £25 (8.2%) | +£4 (19.0%) |
| Total PCF | £286 | £298 | +£12 (4.2%) |

In this consultation we would welcome your views on the following:

The proposed increase in the PCF to £403 from £387 CRL's proposed £6 (2.6%) increase CILEX's proposed £7 (5.4%) increase

July 2025



Introduction

CILEX and CRL are required by the Legal Services Board to provide, as part of the consultation process, the following information:

- how we calculate the PCF;
- how the PCF is apportioned between CILEX and CRL;
- a summary of the 2025 PCF, to show how we have used the fee so far this year;
- the percentage of PCF funds attributed to the provision of regulation of individual authorised persons;
- the percentage of PCF funds attributed to the provision of regulation of and authorised firms;
- how we intend to use PCF in 2026 to perform our Regulatory Objectives.

The apportionment of PCF funds to CILEX and CRL has been clearly delineated within this Consultation and both CILEX and CRL have provided separate detailed reporting for the year to date (1 January 2025 to 31 May 2025), and as anticipated for 2026.

In addition to the PCF, we have also included within this Consultation information on all other fees charged by CILEX and CRL for additional products and services and have indicated where these (if any) are subject to an increase or review.

By setting out the information in this way, we hope encourages effective engagement with the Consultation.

We have included an equality and diversity questionnaire as part of this Consultation in order to adequately consider the impact across the regulated community and for the consumer.

Section 1 - CRL

CILEx Regulation Limited PCF Consultation 2026

- 1. The purpose of Section 1 of the Consultation is to provide some background information on CRL, the community we regulate and the different grades of CILEX Membership that we regulate.
- 2. We will also outline how CRL has allocated its share of the PCF in the first 5 months of 2025 and to set out its proposals for the 2026 PCF.
- 3. In addition, CILEX and CRL have provided full and accurate information on all of the Fees we charge and whether those fees are subject to review, increase or both.

About CILEx Regulation Limited ("CRL"):

- 4. CRL is the Delegated Regulatory Body of the Approved Regulator, the Chartered Institute of Legal Executives. CRL provides regulation across all grades of CILEX membership, CILEX Regulated firms, and CILEX-ACCA Regulated probate firms.
- 5. CRL takes a risk based and outcome focused approach to regulation, by working constructively with our regulated community to ensure that they deliver the best outcomes for clients. We have set clear principles within the <u>CILEX Code of Conduct</u> and the <u>CILEX-ACCA Code of Conduct</u> to inform the public of the standards they can expect. We believe this provides a balanced approach.

Regulatory Objectives of CRL

6. CRL's core function is to perform its obligations under the <u>Regulatory Objectives</u> of the LSA (section 1). We have summarised these below:

| a) | protecting and promoting the public interest |
|----|--|
| b) | supporting the constitutional principle of the rule of law |
| c) | improving access to justice |
| d) | protecting and promoting the interests of consumers |
| e) | promoting competition in the provision of services within subsection (2) |
| f) | encouraging an independent, strong, diverse and effective legal profession |
| g) | increasing public understanding of the citizen's legal rights and duties |
| h) | promoting and maintaining adherence to the professional principles. |
| i) | promoting the prevention and detection of economic crime |

Permitted Purposes

7. In order to carry out its regulatory function and the Objectives outlined in paragraph 6 above, CRL is permitted to use PCF funds to conduct the following Permitted Purposes as defined in Section 51 of the LSA:

| a) | the regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons, including: |
|-----|---|
| i. | the maintaining and raising of their professional standards, and |
| ii. | The giving of practical support, and advice about practice management, in relation to practices carried on by such persons; |
| b) | the payment of a levy imposed on the approved regulator under section 173; |
| c) | the participation by the approved regulator in law reform and the legislative process; |
| d) | the provision by relevant authorised persons, and those wishing to become relevant authorised persons, of reserved legal services, immigration advice or immigration services to the public free of charge; |
| e) | the promotion of the protection by law of human rights and fundamental freedoms; |
| f) | the promotion of relations between the approved regulator and relevant national or international bodies, governments or the legal professions of other jurisdictions. |

Regulated Community & Authorised Persons

- 8. As at 31 March 2025, there are approximately 17,000 CILEX Members of which 7,810 are qualified as Authorised Persons who pay the annual PCF in order to practise.
- 9. There are currently eight grades of CILEX Membership:
 - Fellow
 - Chartered Paralegal
 - Trainee CILEX Lawyer
 - CILEX Paralegal
 - CILEX Student
 - CILEX Affiliate
 - CILEX Associate Prosecutor
 - CILEX Companion
- 10. The Grade of "Advanced Paralegal" is no longer available to existing and new CILEX Members. Those Members holding Advanced Paralegal Status will continue to exist however under the new qualification pathways, it is only possible to qualify as either a Chartered Paralegal or CILEX Paralegal. A CILEX Paralegal will have the same status as the previous grade of Advanced Paralegal.
- 11. All of the 7,810 Authorised Persons may operate as Commissioner of Oaths and 425 CILEX Fellows hold an additional or multiple Practice Right in order to perform a Reserved Legal Activity (see paras 15-20 below). All Authorised Persons are qualified and permitted to practise independently without the supervision of a superior level of Authorised Person.
- 12. There are currently two grades of CILEX Membership which contribute towards payment of the PCF:
 - Fellows (Chartered Legal Executives); and
 - CILEX Associate Prosecutors.

Unauthorised Persons subject to CRL Regulation

- 13. There are approximately 9,000 CILEX Members across the remaining grades of CILEX Membership who are either not yet qualified to CILEX Lawyer status or do not hold a Practice Right and cannot practise independently and/or without supervision. All of these grades of membership are subject to regulation by CRL:
 - Chartered Paralegal
 - Trainee CILEX Lawyer
 - CILEX Paralegal
 - CILEX Advanced Paralegal now discontinued (see para 10 above).
 - CILEX Student
 - CILEX Affiliate
 - CILEX Companion
- 14. Unauthorised persons do not currently pay a PCF in order to practise and they are not permitted to carry out Reserved Legal Activities independently.

Reserved Legal Activities and Practice Rights

- 15. As indicated above, CILEX Fellows (or Chartered Legal Executives) are Commissioners for Oaths and must hold a separate Practice Right, in order to qualify as an Authorised Person to provide Reserved Legal Activities.
- 16. We have summarised below the Reserved Legal Activities as defined by the LSA and in the second column, we have given examples of the CILEX Regulated activity or professional:

| | Reserved Activity | CILEX Professionals |
|----|-------------------------------------|---|
| a) | The exercise of a right of audience | Advocates |
| b) | The conduct of litigation | Civil litigation / Criminal litigation / Family litigation |
| c) | Reserved Instrument activities | Conveyancing |
| d) | Probate activities | Administering Trusts and Grant of Probate |
| e) | Notarial activities | CILEX and CRL do not currently regulate notarial activities |
| f) | The administration of oaths | CILEX Fellows |

- 17. CRL also regulates the practice area of Immigration. Whilst Immigration is not a Reserved Activity, CRL undertakes the regulation of Immigration Practice Rights holders. Only CILEX Fellows, CILEX Chartered Legal Executives and eligible Non-Members may apply to either qualify and/or hold an Immigration Practice Right.
- 18. There are other grades of CILEX Membership as well as non-CILEX Members who can be defined as an Authorised Person to provide Reserved Legal Activities which are those who hold a "Practice Right" in two specific areas of law (conveyancing & probate only). A

- supplemental Practice Right Fee is payable to CRL which is a source of non-PCF Income for CRL.
- 19. Eligible grades of Paralegal may only hold a standalone Practice Right in two specific areas of law (conveyancing & probate). Eligible Non-Members may also apply to hold and maintain a Practice Right:
 - (a) CILEX Practitioners with Practice Rights (including eligible Paralegals)
 - (b) and non-CILEX Members holding Practice Rights.
- 20. As at 31 March 2025, there are currently 425 Practice Rights holders.

What is the PCF?

- 21. The Practising Certificate Fee is the annual fee payable by Individual CILEx Members and Non-CILEX Members defined as <u>Authorised Persons</u> under Section 18(1) of the LSA.
- 22. The two grades of CILEX Membership that are contributing towards payment of the PCF, are:
 - (a) CILEX Fellows (Chartered Legal Executives); and
 - (b) CILEX Associate Prosecutors.
- 23. The total of PCF Funds are distributed between CILEX and CRL based on their requirement to achieve break-even budgets in their delivery of Core Regulatory functions and Strategic Objectives through the Permitted Purposes.
- 24. The PCF funds:
 - the majority of CRL's activities;
 - some activities of CILEX;
 - the cost of the Legal Services Board, Legal Ombudsman; and
 - other Stakeholder and Regulatory levies imposed upon both CILEX and CRL.
- 25. Further information on CRL's activities can be found from page 11 onwards.

How is the PCF calculated and apportioned between CILEX and CRL?

- 26. CRL submits its budget for the following year to the CRL Board for approval every July. CRL's budget provides detail of its anticipated income to be generated from the PCF ("PCF Income") and the other sources of income it expects to receive ("Non-PCF Income") for example, fees paid by entities and by individuals applying to be authorised.
- 27. Please see below a summary of CRL's budget for PCF and non-PCF income in 2025 and 2026:

| | 2025 | 2026 | Percentage Increase |
|----------------|------------|------------|------------------------|
| PCF Income | £1,653,241 | £1,798,760 | 8.8% |
| Non-PCF Income | £343,475 | £468,230 | 36.3% |
| Totals | £1,996,716 | £2,266,990 | 13.5% |

- 28. The PCF rate must take into account the regulatory levies of the Legal Services Board. In the Legal Services Board's consultation of its business plan for 2025/26, they have increased their levy by 11% and stated that their proposed budget reflects the resources they need to meet the scale of the challenges facing the legal sector. Please refer to the following link to the LSB's website.
- 29. In 2025, CRL's agreed share of the PCF, payable by an Authorised Person, was 58.7% of the full fee. Our proposal for 2026 will see CRL's share of the PCF reduce to 57.8%. The CRL increase in rate is proportionately less than the increases for CILEX and the LSB's levies.
- 30. The distribution percentages between CILEX and CRL of the proposed PCF Fee to be charged to Authorised Persons is as follows:

CILEX Fellows PCF rate £403

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| Total PCF | £286 | £298 | +£12 (4.2%) |

Other Fees Charged by CRL (non-PCF Income)

Practice Rights Fees

- 31. CRL charges an annual Practice Right fee to CILEX Fellows (Chartered Legal Executives holding Practice Right(s)) and to other grades of CILEX Membership who qualify to hold a Practice Right in their chosen area of law and are therefore qualified in the provision of Reserved Legal Activities. All grades of Paralegal may currently only hold a standalone Practice Right in two specific areas of law (conveyancing & probate). Eligible Non-Members may also apply to hold and maintain a Practice Right:
 - (a) CILEX Practitioners with Practice Rights (including Paralegals)
 - (b) and non-CILEX Members holding Practice Rights.

| Fee Type | Member Grade/Non- Member | Fee Charge 2025 | Proposed Fee Charge 2026 |
|---------------------------------|---|-----------------|---|
| Practice Rights top up | CILEX Fellow with additional practice rights (per right) | £60 | £62 (increase at same 2.6% rate as PCF increase) |
| Practice Rights top up | Other CILEX members with additional practice rights (per right) | £60 | £62 (increase at same 2.6% rate as PCF increase) |
| Practice Rights | Non-Member with Practice Rights | £453 | £453 no increase |
| ACCA-Probate Practice Rights | Non-Member with Practice Rights | £100 | £103 (increase at same 2.6% rate as PCF increase) |

Application Fees (Individual Members & Non-Members)

32. CRL charges fees to CILEX Members and non-Members wishing to become Authorised Persons as follows. Any increase to the fees shown below received Board approval at the <u>Board Meeting of 15 April 2025</u>. The Board believes that fees charged should move towards full cost recovery where possible.

| Fee Name | Fee Charge 2025 | Fee Charge 2026 | Increase/Review |
|--|--------------------|--------------------|--|
| Work Based Learning (Legacy Standards) | £336 | £450 | Increased wef 1 July 2025 with Board approval |
| Certificate of Eligibility | £110 | £300 | Increased wef 1 July 2025 with Board approval |
| Specialist Pathway | £336 | £450 | Increased wef 1 July 2025 with Board approval |
| Qualifying Experience | £89 | £92 | (increase at same 2.6% rate as PCF increase) |
| Advocacy Certificate Renewal (CILEX Fellow Members only) | £150/£151 | £155/£156 | (increase at same 2.6% rate as PCF increase) |
| Foreign Lawyer Application | £300 | £309 | (increase at same 2.6% rate as PCF increase) |

Entity Annual Practice Fees

33. CRL currently regulates 21 firms and 40 CILEX-ACCA firms. The application charges and annual renewal fees are based on a firm's turnover and whether any client money is held. Further information on Annual Practice Fees charged to CILEX Regulated entities can be found on our website. These fees have not been increased for several years and we therefore propose to increase these fees at the same rate of the PCF increase (2.6%).

| CILEX Entity | 2025 Fee Charge | | at same 2.6% rate as PCF) | |
|---------------------|-----------------|--------|---------------------------|-----------------------------|
| Turnover | · · | | CRL (Client Money) | CRL (No Client Money) |
| £0 - £100,000 | £1,109 | £616 | £1,138 | £632 |
| £100,001 - £250,000 | £1,361 | £923 | £1,396 | £947 |
| £250,001 - £500,000 | £1,613 | £1,210 | £1,655 | £1,241 |
| £500,001 - £1m | £3,226 | £2,419 | £3,310 | £2,482 |
| £1m - £3m | £4,838 | £3,427 | £4,964 | £3,516 |
| £3m + | £6,461 | £4,445 | £6,629 | £4,561 |

CILEX-ACCA Entities and Practitioners (Probate only)

| CILEX-ACCA Annual Practice Fees | Fee Charge 2025 | Fee Charge 2026 |
|-----------------------------------|-----------------|-------------------|
| | | (increase at same |
| | | 2.6% rate as PCF |
| | | increase) |
| CILEX Practitioner (ACCA-Probate) | £100 | £103 |
| CILEX-ACCA Probate firms | £200 | £206 |

Entity Compensation Fund Contributions

- 34. CRL is responsible for maintaining a Compensation Fund to which all of its regulated entities contribute on an annual basis. Further information on compensation fund contributions can be found on our website.
- 35. It was agreed at the recent Strategy Meeting of the CRL Board in May 2025, that a review of the Compensation Fund fees and arrangements was required. This project is to commence in October 2025 with both internal and external advice to be sought and we have asked the CRL Strategic Risk Committee for their review and input.

| Turnover | Client Money | No Client Money | | |
|----------------------------|----------------------------|-----------------|--|--|
| Litigation and Immigration | Litigation and Immigration | | | |
| Up to £250,000 | £700 | £500 | | |
| £250,001 - £500,000 | £1,400 | £1,000 | | |
| £500,001 to £1M | £2,100 | £1,500 | | |
| £1M + - £3M | £3,500 | £2,500 | | |
| £3M + | £5,075 | £2,538 | | |
| Probate and Conveyancing | Probate and Conveyancing | | | |
| Up to £250,000 | £750 | £500 | | |
| £250,001 - £500,000 | £1,500 | £1,000 | | |
| £500,001 to £1M | £2,500 | £1,500 | | |
| £1M + - £3M | £4,000 | £2,500 | | |
| £3M + | £6,090 | £2,538 | | |

Other Entity Charges

36. CRL charges the following annual entity fees:

| Fee Type | Fee Charge 2025 | Fee Charge 2026 | Increase/Review |
|---------------------------------|-----------------|-----------------|--|
| CILEX-ACCA Application Fee | £200 | £206 | (increase at same 2.6% rate as PCF increase) |
| AML Supervision Application Fee | £150 | £155 | (increase at same 2.6% rate as PCF increase) |
| AML Supervision Renewal Fee | £100 | £103 | (increase at same 2.6% rate as PCF increase) |

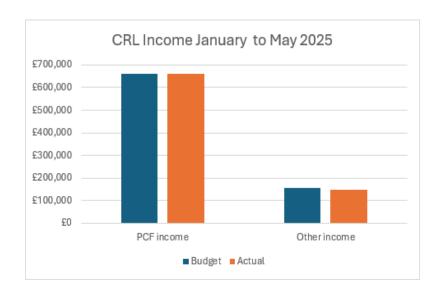
January to May 2025, CRL's Regulated Community at a glance:

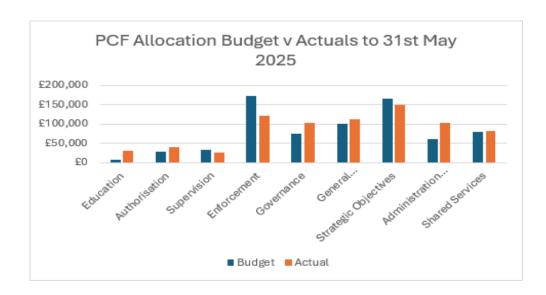
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|------------------|--|--|
| | > 16,272 CILEX members | |
| #\I\#\I \ | > 7,541 Fellows | |
| | > 123 Associate Prosecutors | |
| | 23 non-Fellow CILEX Practitioners | |
| | 227 CILEX Member Practice Rights Holders (conveyancing) 7 Non-Member Member Practice Rights Holders (conveyancing) 98 CILEX Member Practice Rights Holders (probate) 8 Non-Member Practice Rights Holders (probate) 74 Non-Member Practice Rights Holders (ACCA-Probate) 84 CILEX Member Practice Rights Holders (civil litigation) 19 CILEX Member Practice Rights Holders (criminal litigation) 12 CILEX Member Practice Rights Holders (immigration) | |
| | 27 Paralegals with Practice Rights: 7 Paralegals with Practice Rights (probate) 20 Paralegals with Practice Rights (conveyancing) | |
| | > 171 Advocates (CILEX Members with Rights of Audience) | |
| | We provide regulation across 21 firms. Those firms conduct Litigation, Conveyancing, Probate and Immigration services. | |
| MMM | Within those 21 regulated firms, there are 17 Authorised Persons who pay an individual PCF to CILEX/CRL. There are a further 25 Approved Managers within those firms. | |
| | We also regulate 37 ACCA-Probate firms. Within those firms there are 74 non-Members who hold a Practice Right in Probate only. | |
| <u> </u> | We have reviewed the new CILEX qualification routes and have started assessing portfolios under the new pathways. | |
| <u> </u> | We have collaborated with CILEX on a consultation regarding stand- alone litigation Practice Rights. | |
| Œ Ò | We have received 204 work-based learning applications We have received 230 qualifying employment applications We have received 38 practice rights applications | |
| | We have worked with 677 CILEX members to bring them into compliance with their CPD obligations | |
| © | We have received 202 new prior conduct declarations, 83 of which were cancelled leaving 119 substantive cases. We have received 48 reports of misconduct | |
| | We have conducted: 2 Disciplinary Tribunals 1 Appeals Panel Hearing 2 Admissions and Licensing Committees 1 Strategic Risk Committee; and 4 Prior Conduct Panel Hearings | |

PCF Spending January to May 2025 – CILEx Regulation Limited

- 37. Overall, CRL's budget against actuals for 2025 are performing as anticipated and CRL's operations are predicted to breakeven at the end of 2025.
- 38. CRL continues to experience increases in VAT (loss of relief) and increases to external audit fees. Entity applications and renewals continue to be lower than anticipated (largely owing to issues with access to PII and compensation arrangements).
- 39. In addition to CRL's performance against its budget, CRL has utilised some of its operating reserves during 2025 to fund a number of projects including research into the unregulated market and further funding for the legal and regulatory issues following CILEX's announcement on the future of regulatory arrangements (Case for Change). CRL's reserves remain within its reserves policy.

2024 budget to actuals for 2025





CRL's performance in 2025 under the Corporate Plan and Strategic Objectives

Core Regulatory Objectives to 31 May 2025

40. <u>CRL's Corporate Plan</u> was published in January 2025 and we have summarised our progress below. More information can be found in the <u>Corporate Plan Deliverables Progress Report</u>, updated and presented to the Board in April 2025. CRL's work on its core regulatory activities accounts for an approximate spend of 64.1% of PCF funds received.

| Enforcement 18.2% of PCF Allocation | Business Planning, Risk Management & Compliance 15.4% of PCF Allocation | General Management 16.9% of PCF Allocation |
|--|---|--|
| Recruitment of Lead Investigating Officer and two Investigation & Enforcement Officers in early 2025 | Development of the Regulatory Performance Assessment Action Plan for 2025 (published in 15th July 2025 Board Pack | Clean audit for 2024 accounts and improved cash collection through additional electronic member notifications. |
| Misconduct cases have increased but are at a lower rate than at the end of 2023 | Stakeholder engagement with LSB Business Plan, PERL and FTCH | Development of 2026 budget and overhaul of PCF application process/timetable. |
| Panel Training Day held in June 2025 and a further Training Day scheduled for November 2025 | Board Member and Panel Member recruitment drives in early 2025 | Pay and grading reviews in April 2025 |
| Authorisation 6% of PCF Allocation | Supervision 3.9% of PCF Allocation | Education 4.5% of PCF Allocation |
| Development of Internal PAS Training Manual and Training Sessions for staff and managers | Implementation of new Transparency requirements for regulated firms | Consultation on stand alone litigation practice rights (now closed) |
| Recruitment of additional administrator in early 2025 and new PAS Manager to start in August 2025 | Development of Risk Assessment and AML Supervision provisions and recruitment of new AML Officer in May 2025 | LSB Approval received for the alternations to the Probate Specialist Pathway regulatory arrangements |
| Qualifying Employment and Work Based Learning portfolios continue to be assessed and proceeded in line with KPIs | Completion of OPBAS Assessment in March 2025 and completion of CPD Sampling exercise. | Procurement of additional training providers to bolster specialist training courses on advocacy |

Strategic Objectives (22.7% of PCF income to 31 May 2025)

41. In November 2024, CRL published a new three-year <u>Strategy for 2025-2027</u>, and CRL have been delivering on the following areas within that Strategy over the past six months. Further information can be found in the <u>Corporate Plan Deliverables Progress Report</u>, published in April 2025:

| Standards and Public Trust | Access to Justice and Consumer empowerment | Independence and Sustainability | Be an authoritative, inclusive and capable organisation |
|---|---|--|--|
| CRL hosted a Roundtable Event in February 2025 with other Regulators and Stakeholders to discuss the Unregulated legal sector and Commissioned an external report, which can be found on our website. CRL noted the Directions of the LSB following their investigations into the Axiom Ince. A review of the advocacy qualification scheme is under way. CRL has engaged with the LSB on its "Professional Ethics and the Rule of Law" (PERL) project | First Tier Complaints Handling - Consultation on new complaint handling rules launched in June 2025 Implementation of new transparency rules Legal Choices and Regulatory Information Service (RIS) moved into delivery phase Digital exclusion research with Bar Standards Board, CLC and ICAEW – interim findings Collaboration with the Legal Services Consumer Panel ("LSCP") regarding access to justice research Consumer focussed regulation – Board self-assessment and external Board effectiveness review underway | CRL continue to challenge the lawfulness of CILEX's plans for regulatory redelegation Resource strategy approved by the board to increase capacity and capability – includes appointment of new Policy and AML roles and additional Finance, Enforcement and PAS resource | Draft EDI strategy for 2025-2028 discussed at May Board meeting including alignment and input from CILEX Publication of biennial diversity data report scheduled for publication in autumn 2025 Continue to work with the Bridge Group on barriers to professional progression |

42. CRL will continue to deliver on its Corporate Plan and current Strategy for the remainder of 2025 and into 2026.

CRL's budget for 2026

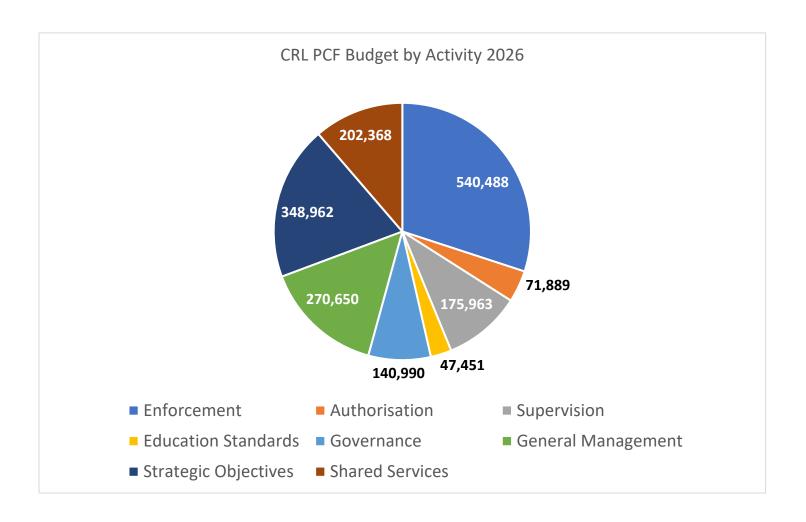
- 43. Our total budget for 2026 is £2,266,990, up £270,274 (13.5%) on 2025. The total practising certificate fee budget for 2026 is £1,798,760 an increase of £145,519 (8.8%). The increase is explained as follows:
 - Maintaining activity levels of 2025;
 - Reflecting an increase in Work Based Learning Fee of 34% to maintain acceptable margin on the back of assessor fee increases of 100%;
 - An increase in fee paying membership of 461 (6.3%), accounting for £107,874 (72.0%) of the practising certificate fee increase;
 - Direct costs rates increases for assessors and panel members as well as including holiday pay rates for external assessors and panel members;
 - Increase in staff costs over 2025 budget of £140,266 (11.2%) reflecting an in-year increase for 2026 of 2.63% as well as budgeting for an increase of 3.6 FTE (16.3%) over 2025 budget. This negates the need to continue to use agency staff;
 - The 2026 budget also reflects the Employer's National Insurance Increase of 15% applied from April 2025;
 - Board costs up £6,983 on 2025 budget (8.64%) reflecting a 2025 in-year nonexecutive remuneration increase; and
 - Increase of 5.3% in Shared Services costs.

How CRL use our budget

- 44. As a smaller regulator, with 25.6 FTE staff, 80.6% of the PCF income is spent on our day-to-day regulatory activities (comprising education, authorisation, supervision, enforcement, governance, services we share with CILEX (e.g. IT support)), and general management activities. The remaining 19.4% of the PCF income is spent on activities which flow from our strategic objectives.
- 45. Our budget for 2026 is partly funded by the PCF paid by Chartered Legal Executives and Associate Prosecutors and partly funded by the fees paid by others we regulate (including CILEX Practitioners, CILEX firms and ACCA individuals and firms, as well as from application fees we receive).

CRL's budget for 2026 (cont.)

46. For 2026, our budget by activity breaks down as follows:



CRL Planned programme of activity for 2026

Core Regulatory Activities

| Enforcement 30.0% of PCF Allocation | Business Planning, Risk Management & Compliance 7.8% of PCF Allocation | General Management 15.0% of PCF Allocation |
|--|--|--|
| Continue process improvements to reduce the overall case load and length of time to conclude cases | Respond to consultations including LSB and LeO annual business plans | Preparation for 2027 budget, PCF and compensation applications |
| Publication of updated enforcement guidance | LSB Regulatory performance assessment | Strategic Risk Committee review of the CRL compensation arrangement |
| Implement revised KPIs and develop a performance monitoring dashboard for misconduct cases | Implement strategic communications plan Corporate complaints reporting | CRL learning and development plan including preparation for new Employment Rights act |
| Review and update enforcement rules and handbooks to reflect the introduction by CILEX of the Chartered Paralegal membership title. | Implement recommendations from external Board effectiveness review Committee member recruitment | Explore with CILEX opportunities to develop the existing CRM to improve business processes and customer experience |
| Authorisation 4.0% of PCF Allocation | Supervision 9.8% of PCF Allocation | Education 2.6% of PCF Allocation |
| Process the Qualifying Experience and Work Based Learning authorisation applications in line with agreed KPIs | Design and implementation of 2025/2026 CPD sampling strategy including randomly selected members, non-compliant CPD members and those CILEX practitioners scoring 17 or above in the risk matrix | Implementation of standalone litigation advocacy rights (subject to LSB approval) |
| Complete review and update of application forms and public facing web content to streamline the authorisation process and make user friendly | Review risk assessment of CRL firms bases on annual returns submitted by CRL entities in 2025 | Review of new education standards to ensure they are accessible and remain rigorous |
| Informed by the outcomes of the pilot, implement Egress document sharing software | AML compliance | Implementation of internal and external Quality Assurance strategy. |

Strategic Objectives (19.4% of PCF income)

| Sta | andards and Public Trust | Access to Justice and Consumer empowerment | Independence and Sustainability | Be an authoritative, inclusive and capable organisation |
|-------|--|---|---|---|
| A A A | Thematic review of enforcement practice Action plan in response to LSB's statement of policy on Professionalism and ethics Continue to enable the development of innovative approaches to service in legal regulation through the adoption of AI and new technology. Engagement through the LSB Innovation and Technology Forum and engagement with the regulated community Implement actions from lessons learnt review of LSB's report into the SRA's handling of Axiom Ince. | Implementation of First tier complaints handling rule changes and common First tier complaints resolution procedure in collaboration with LeO Implement actions from Board consumer focussed regulation self-assessment including: research and data gap analysis and use of LSCP tracker data Continue to contribute to the development of Legal Choices Support the delivery of the Regulatory Information Service(RIS) Continued monitoring of compliance with CRL's revised transparency rules Respond to the outcomes of the joint research with BSB, CLC and | Dupdate resources plan to ensure CRL continues to invest in those areas of operation which are most important to consumers, the regulated community and regulated entities. Seek clarification of the lawfulness of CILEX's proposals to redelegate regulation to the SRA in the public interest | Launch and Implementation of EDI strategy for 2025-2028 discussed at May Board meeting including alignment and input from CILEX Commission a stakeholder engagement and perception survey Implement action plan in response to the Beyond Buzzwords research Develop a CRL research plan |
| | | ICAEW into digitally excluded consumers | | |



Section 2 - CILEX CILEX Limited PCF Consultation 2026

- 47. The purpose of Section 2 of the Consultation is to provide some background information on CILEX.
- 48. We will also outline how CILEX has allocated its share of the PCF in the first 5 months of 2025 and to set out its proposals for the 2026 PCF.
- 49. In addition, CILEX and CRL have provided full and accurate information on all of the Fees it charges and whether those fees are subject to review, increase or both.

About CILEX Limited ("CILEX"):

50. CILEX believes in creating more accessible opportunities to build careers in the legal profession. By providing a range of flexible routes to qualification, campaigning for better working permissions for CILEX legal professionals, as well as ongoing support and representation for members post-qualification, CILEX is working to build a more inclusive legal sector which ultimately delivers a better service for clients

CILEX stands tall as a trailblazer and innovator in the legal world, establishing elevated benchmarks for professionalism and ethics. An advocate for diversity, CILEX propels positive change within the profession, enriching society as a whole. The focus of CILEX-qualified professional lies in the meticulousness of their training, the versatility of their practical skillset and the depths of their specialised experts. In essence, they are not just practitioners, they are champions of excellence.

January to May 2025, CILEX's Regulated Community at a glance:



Total Members 17,413

Made up of:

Fellows (incl. Legal Accountancy Fellows) – 8,888 Associate Prosecutors – 141

Mombore 5.712

Members – 5,713 Students – 2.001

Students – 2,001 Affiliates - 670

| | CILEX members work in over 3900 employers nationwide. Members are supported by over 20 different education providers. 8 Recognised degrees at universities across the country. |
|-----------|--|
| ab | CPQ Foundation Stage – 1,416 exams sat, pass rate 81.07% CPQ Advanced Stage – 594 exams sat, pass rate 86.53% CPQ Professional Stage – 59 exams sat, pass rate 96.61% |
| | 583 exams were sat within the Level 6 Single Subject Certificate/Professional Higher Diploma in Law and Practice/Graduate Fast Track Diploma. Average pass rate across 21 units was 66%, with 5 units achieving 100% |
| | Apprenticeships on programme – 189 Apprenticeships completed in the period - 12 |
| © | 9 consultations responded to in the period 5 outstanding consultations to respond to in coming months |
| | 78 Referrals to the regulator in the period |

How CILEX has used its share of the 2025 practising fee between January and May 2025:

- CILEX's share of the practising fee can only be used to fund activities which are permitted under the Legal Services Act. CILEX uses these funds to provide the following services to chartered legal executives:
 - Operations (including Education)
 - Policy and Governance
 - Communications
 - Central Resources and Admin
- 51. Please see below a summary of CILEX's budget for PCF and non-PCF income in 2025:

| | 2024 £k | 2025 £k |
|----------------|---------|---------|
| PCF Income | £829 | £928 |
| Non-PCF Income | £8,959 | £8,519 |
| Totals | £9,788 | £9,447 |

Nature of activities to be used by CILEX by category

The CILEX share of the PCF as allocated to each of these activities is as follows:

| Area of activity | Actions | |
|--|--|--|
| Membership/Sales & | Supporting Chartered Legal Executives and Associate Prosecutors by: | |
| Development/Operations (including Education) | Provision of customer service function: Liaising with regulated members to provide advice and guidance on application and renewal, and requirements and obligations relating to regulatory requirements and practising certificate | |
| | Support Fellows to understand and apply for regulatory authorisation | |
| | Practice advice and support for Fellows | |

| | Cumparting those earling to become Chartered Large Frequency | |
|-----------------------|--|--|
| | Supporting those seeking to become Chartered Legal Executives by: Providing support to assure the quality of the academic qualifications; Ensuring training and assessment leading to authorisation is fit-for-purpose; Providing assessment results for candidates by centre and learner; Providing relevant committee meeting minutes for quality assurance; Liaison with Ofqual (including, providing details of alleged misconduct, attending stakeholder meetings, and attending professional institute forums) Qualification: regulation, compliance, development activities; Accreditation of training providers and courses provision Regulatory work Maintaining the Fellow, Associate Prosecutor, and member database, Issuing the PCF invoices and reminder notices, Issuing practising certificates, Maintaining CPD records, Providing information to CILEx Regulation about Authorised Persons and members. Providing information to CILEx Regulation about Authorised Persons and members. Providing information to CILEx Regulation about Authorised Persons and members. Providing information to CILEx Regulation about Authorised Persons and members. Providing information to CILEx Regulation about Authorised Persons and members. Providing information to CILEx Regulation about Authorised Persons and members. Provides and provides a | |
| Policy and Governance | Supporting Chartered Legal Executives and Associate Prosecutors by: | |
| | Providing representation for authorised persons amongst key stakeholders and forums; | |
| | Liaison and support in the areas of law reform, policy, lobbying, equality and | |
| | diversity, pro bono and judicial appointments; Regulatory work | |
| | Managing the relationship with the LSB, OPBAS, other Approved | |
| | Regulators and government. | |
| Communications | Supporting Chartered Legal Executives and Associate Prosecutors by: | |
| | Providing the Journal online | |
| | Editorial support | |
| | Publication of educational articles, case studies and guidance documents | |
| | Direct mailings to Authorised Persons | |
| | Press releases | |
| | Publication of the newsletter | |
| | Regulatory work | |
| | CILEx Regulation publications | |
| | Journal publication of disciplinary decisions | |
| Central Resources and | Regulatory work | |
| Admin | Proportion of contribution of overhead costs including Board and Senior | |
| | Leadership resource spent on activities as Approved Regulator | |
| | | |

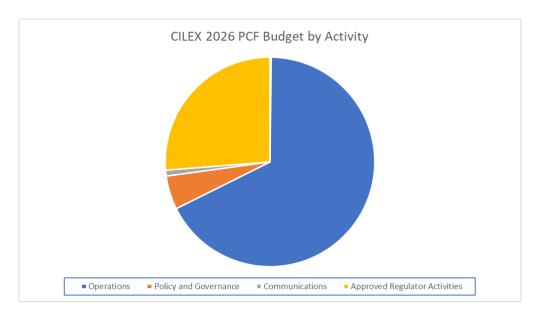
CILEX's budget for 2026

- Our total budget for 2026 is projected to be £12.326m; In addition to the PCF, CILEX receives income from other sources (e.g., the Law School, sale of assessments etc.).
- Our total practising certificate fee budget for 2026 is £1,010k, an increase of £82k (9%).
 The increase reflects the following key factors:
 - costs of running CPQ and legacy qualifications concurrently
 - roll-out and delivery of new Charter lawyer Apprenticeships and work required to change delivery of apprenticeships to meet new funding rules.
- CILEX's share of the 2025 practising fee was £130. In light of the increase explained above, CILEX's proposal for 2026 is to increase its share of the fee to £137.

CILEX's share of the PCF as a percentage of its total income is as follows:

| 2025 CILEX Income Projection | £k |
|--------------------------------------|--------|
| Income to be generated excluding PCF | 11,316 |
| PCF (8.19% of total income) | 1,010 |
| Total income | 12,326 |

How we use our PCF budget at CILEX



| Area of activity | Actions | Benefit |
|---|--|---|
| Membership/Sales & Development/Operations (including Education) | Supporting Chartered Legal Executives and Associate Prosecutors by: Provision of customer service function: Liaising with regulated members to provide advice and guidance on application and renewal, and requirements and obligations relating to regulatory requirements and practising certificate Support Fellows to understand and apply for regulatory authorisation Practice advice and support for Fellows Supporting those seeking to become Chartered Legal | Giving of practical support, and advice about practice management, in relation to practices carried on by such persons Education and Training that meets regulatory standards Preventing any |
| | Executives by: Providing support to assure the quality of the academic qualifications; Ensuring training and assessment leading to authorisation is fit-for-purpose; Providing assessment results for candidates by centre and learner; Providing relevant committee meeting minutes for quality assurance; Liaison with Ofqual (including, providing details of alleged misconduct, attending stakeholder meetings, and attending professional institute forums) Qualification: regulation, compliance, development activities; Accreditation of training providers and courses provision Regulatory work | person who is not a relevant authorised person and/or does not hold a current relevant practising certificate, purporting to be such a person or to hold such a certificate • Authorised persons are aware of and meet professional standards and maintain effective records • Data relied upon by CRL is accurate & available. |

| | Ministration of the American | 1 |
|-----------------------------|---|---|
| | Maintaining the Fellow, Associate Prosecutor, and member database, Issuing the PCF invoices and reminder notices, Issuing practising certificates Maintaining CPD records, Providing information to CILEx Regulation about | |
| Policy and Governance | Authorised Persons and members. Supporting Chartered Legal Executives and | Participation of |
| Folicy and Governance | Associate Prosecutors by: Providing representation for authorised persons amongst key stakeholders and forums; Liaison and support in the areas of law reform, policy, lobbying, equality and diversity, pro bono and judicial appointments; Regulatory work Managing the relationship with the LSB, OPBAS, other Approved Regulators and government. | Participation of approved regulator in law reform and legislative process Establishment and maintenance of effective relationship between the approved regulator and relevant national or international bodies, governments or the legal professions of other jurisdictions Provision of required information to relevant bodies including LSB, OPBAS and MoJ |
| Communications | Supporting Chartered Legal Executives and Associate Prosecutors by: Providing the Journal online Editorial support Publication of educational articles, case studies and guidance documents Direct mailings to Authorised Persons Press releases Publication of the newsletter Regulatory work CILEx Regulation publications Journal publication of disciplinary decisions | Increased public understanding of the citizen's legal rights and duties Increased awareness of legal and regulatory requirements affecting authorised persons Regulatory information is communicated in an accessible format and in a timely fashion. |
| Central Resources and Admin | Regulatory work Proportion of contribution of overhead costs including Board and Senior Leadership resource spent on activities as Approved Regulator | Participation by the approved regulator in matters of law reform, legislative process & LSB, MoJ & OPBAS interactions. Access to relevant expertise, system & technical support. |

CONSULTATION QUESTIONS

FOR CHARTERED LEGAL EXECUTIVES AND ASSOCIATE PROSECUTORS SUMMARY OF PROPOSALS, QUESTIONS, AND THE FEE FOR 2026:

The proposal is to **increase** the practising fee for 2026 to **£403**, the allocation of the fee for 2026 is as follows:

CILEX Fellows PCF rate £403

| RECIPIENT | COST OF PCF 2025 (% of PCF) | COST OF PCF 2026 (% of PCF) | MOVEMENT & % INCREASE |
|-------------------|--------------------------------|--------------------------------|--------------------------|
| CILEx Regulation | £227 (58.7%) | £233 (57.8%) | +£6 (2.6%) |
| CILEX | £130 (33.6%) | £137 (34.0%) | +£7 (5.4%) |
| Regulatory Levies | £30 (7.7%) | £33 (8.2%) | +£3 (10.0%) |
| Total PCF | £387 | £403 | +£16 (4.1%) |

CILEX Associate Prosecutors PCF rate £298

The proposal is to **increase** the practising fee for 2026 to **£298**, the allocation of the fee for 2026 is as follows:

| RECIPIENT | COST OF PCF 2025 (% of PCF) | COST OF PCF 2026 (% of PCF) | MOVEMENT & % INCREASE |
|-------------------|--------------------------------|--------------------------------|--------------------------|
| CILEx Regulation | £169 (58.7%) | £172 (57.8%) | +£3 (1.8%) |
| CILEX | £96 (33.6%) | £101 (34%) | +£5 (5.2%) |
| Regulatory Levies | £21 (7.7%) | £25 (8.2%) | +£4 (19.0%) |
| Total PCF | £286 | £298 | +£12 (4.2%) |

Do you agree with the proposed CRL share of the practising fee for 2026?
 Yes/N

Please give reasons for your answer

2. Do you agree with the proposed CILEX share of the practising fee for 2026?

Yes/No

Please give reasons for your answer

3. Do you agree with the increase of £16 to the proposed PCF Fee for 2026?

Yes/No

Please give reasons for your answer

FOR CHARTERED LEGAL EXECUTIVE ADVOCATES and CILEX PRACTITIONERS HOLDING PRACTICE RIGHTS

4. Do you agree that CRL should increase the Practice Rights fee for 2026 at the same 2.6% rate as the PCF?

Yes/No Please give reasons for your answer

| Fee Type | Member Grade/Non- Member | Fee Charge 2025 | Proposed Fee Charge 2026 |
|---------------------------------|---|-----------------|---|
| Practice Rights top up | CILEX Fellow with additional practice rights (per right) | £60 | £62 (increase at same 2.6% rate as PCF increase) |
| Practice Rights top up | Other CILEX members with additional practice rights (per right) | £60 | £62 (increase at same 2.6% rate as PCF increase) |
| Practice Rights | Non-Member with Practice Rights | £453 | £453 |
| ACCA-Probate Practice Rights | Non-Member with Practice Rights | £100 | £103 (increase at same 2.6% rate as PCF increase) |

FOR CILEX AUTHORISED ENTITIES

Entity Annual Practice Fees

It is proposed that the 2026 Entity Annual Practice Fees are increased for the first time in several years and at the same 2.6% rate as the PCF.

5. Do you agree with CRL's proposal to increase Entity Annual Practice Fees at the same 2.6% rate as the PCF?

Yes/No Please give reasons for your answer

| CILEX Entity | 2025 Fee Ch | 2025 Fee Charge | | rge (increase rate as PCF) |
|---------------------|--------------------------|-----------------|--------|--------------------------------|
| Turnover | CRL (Client Money) | (Client Client | | CRL (No Client Money) |
| £0 - £100,000 | £1,109 | £616 | £1,138 | £632 |
| £100,001 - £250,000 | £1,361 | £923 | £1,396 | £947 |
| £250,001 - £500,000 | £1,613 | £1,210 | £1,655 | £1,241 |
| £500,001 - £1m | £3,226 | £2,419 | £3,310 | £2,482 |
| £1m - £3m | £4,838 | £3,427 | £4,964 | £3,516 |
| £3m + | £6,461 | £4,445 | £6,629 | £4,561 |

FOR CILEX-ACCA ENTITIES/ACCA PRACTITIONERS

It is proposed that the 2026 CILEX-ACCA Entity/Practitioner Annual Practice Fees are increased at the same 2.6% rate as the PCF.

| CILEX-ACCA Annual Practice Fees | Fee Charge 2025 | Fee Charge 2026 |
|-----------------------------------|-----------------|-----------------------|
| | | (increase at same % |
| | | rate as PCF increase) |
| CILEX Practitioner (ACCA-Probate) | £100 | £103 |
| CILEX-ACCA Probate firms | £200 | £206 |

6. Do you agree with CRL's proposal to increase CILEX-ACCA Entity/Practitioner Annual Practice Fees at the same 2.6% rate as the PCF?

Yes/No

Please give reasons for your answer

CRL Entity Fees

7. Do you agree with CRL's proposal to increase entity fees for 2026 at the same 2.6% rate as the PCF?

Yes/No Please give reasons for your answer

| Fee Type | Fee Charge 2025 | Fee Charge 2026 | Increase/Review |
|------------------------------------|-----------------|-----------------|--|
| CILEX-ACCA Annual Practice Fee | £200 | £206 | (increase at same 2.6% rate as PCF increase) |
| CILEX-ACCA Application Fee | £200 | £206 | (increase at same 2.6% rate as PCF increase) |
| AML Supervision Application Fee | £150 | £155 | (increase at same 2.6% rate as PCF increase) |
| AML Supervision Renewal Fee | £100 | £103 | (increase at same 2.6% rate as PCF increase) |

Compensation Fund Contributions

It is proposed that the 2026 compensation fund contributions paid by Entities are held at the same level as in 2025, pending a review of these contributions in 2026.

8. Do you agree that that the 2026 compensation fund contributions paid by Entities are held at the same level as in 2025 pending a review by CRL and any external experts?

Yes/No Please give reasons for your answer

| Turnover | Client Money | No Client Money | | | | |
|----------------------------|----------------------------|-----------------|--|--|--|--|
| Litigation and Immigration | Litigation and Immigration | | | | | |
| Up to £250,000 | £700 | £500 | | | | |
| £250,001 - £500,000 | £1,400 | £1,000 | | | | |
| £500,001 to £1M | £2,100 | £1,500 | | | | |
| £1M + - £3M | £3,500 | £2,500 | | | | |
| £3M + | £5,075 | £2,538 | | | | |

| Probate and Conveyancing | | | | |
|--------------------------|--------|--------|--|--|
| Up to £250,000 | £750 | £500 | | |
| £250,001 - £500,000 | £1,500 | £1,000 | | |
| £500,001 to £1M | £2,500 | £1,500 | | |
| £1M + - £3M | £4,000 | £2,500 | | |
| £3M + | £6.090 | £2.538 | | |

CRL Application Fees

9. Do you agree with CRL's proposed increase to application fees for 2026 at the same 2.6% rate as the PCF?

Yes/No Please give reasons for your answer

| Fee Name | Fee Charge 2025 | Fee Charge 2026 | Increase/Review |
|--|--------------------|--------------------|--|
| Work Based Learning (Legacy Standards) | £336 | £450 | Increased wef 1 July 2025 with Board approval |
| Certificate of Eligibility | £110 | £300 | Increased wef 1 July 2025 with Board approval |
| Specialist Pathway | £336 | £450 | Increased wef 1 July 2025 with Board approval |
| Qualifying Experience | £89 | £92 | (increase at same 2.6% rate as PCF increase) |
| Advocacy Certificate Renewal (CILEX Fellow Members only) | £150/£151 | £155/£156 | (increase at same 2.6% rate as PCF increase) |
| Foreign Lawyer Application | £300 | £309 | (increase at same 2.6% rate as PCF increase) |

How to respond

Once you have read the consultation document, to submit a consultation response, please select the survey link below relevant to your authorisation category:

- Chartered Legal Executives and CILEX Associate Prosecutors
- Chartered Legal Executive Advocates and CILEX Practitioners
- CILEX Authorised Entities
- CILEX-ACCA Probate Firms and Practitioners

Or, please email your response to CILEx Regulation - consultations@cilexregulation.org.uk.

Submission deadline

Please respond by Sunday 31st August 2025.