

PLEASE CONTACT CILEX REGULATION FOR FURTHER GUIDANCE WHEN CLOSING YOUR PRACTICE

THE ORDERLY CLOSURE OF YOUR PRACTICE GUIDANCE

Introduction:

CILEX Regulation will need to be satisfied that you have effectively dealt with the orderly winding down of your practice. This means that that you will need to have completed the following:

- Be closed to the public with all signs removed from buildings, the website taken down and telephone lines no longer in operation.
- Written to all clients regarding ongoing matters.
- Dealt with all client monies.
- Notified CILEX Regulation that you have closed.
- Taken out run-off cover.
- Paid for the run-off premium within three months (it is important that you do this otherwise run-off cover will be revoked by the insurer).
- Informed CILEX Regulation where files are stored.

CILEX Regulation will expect you to have achieved all of the above within three months of the date of closure. To help you with your closure CILEX Regulation has produced the following checklist:

Who to notify:

You may need to contact some or all of the organisations listed below to inform them of the closure of your practice. This list is meant as a guide only, and is not exhaustive.

- Your accountants.
- Your bank/building society.
- Companies or LLPs using your office as a registered address.
- Counsel's chambers.
- Court offices/court records.
- Crown Prosecution Service/the Police.
- Directories – professional/telephone.
- Information Commissioner (data protection).
- Introducers with whom you have an arrangement.
- Land Charges Registry (key number).
- Landlord.
- Land Registry (re: current matters).
- Legal Services Commission.
- Local authority (business rates).
- *CILEX Journal* and the *London Gazette* and one other newspaper (not

necessary for mergers).

- Mortgage lenders where you are on the panel.
- Tax authorities.

You must not:

- Practise through your entity once it has closed as to do so will, amongst other things, invalidate your run-off insurance.

You must:

- Inform clients and seek their instructions.
- Inform CILEx Regulation of:
 - your practice's closure date;
 - the whereabouts of client files and documents; and
 - any change in your practice details (e.g. if you will be joining a new entity or the date on which you cease to practise).
- Notify your insurers and pay the run-off premium within three months.
- Deal with monies outstanding in your client account in accordance with the CILEx Accounts Rules.
- Continue to deliver yearly accountant's reports whilst you continue to hold client money.
- Submit a final accountant's report within 6 months of ceasing to hold client money.
- Identify any records which you are required to retain by law or under the rules of conduct, and ensure their safekeeping.
- Amend your notepaper to make it clear that you are not practising.
- Decide, in matters where you are a trustee or personal representative, whether to continue in a professional capacity or not and take the necessary steps.

You should:

- Notify CILEx Regulation of the date on which you cease to hold client money.
- Consider what arrangements to make in respect of old files and any deeds and documents you are holding.
- Notify former clients for whom you are holding deeds and documents or other items.
- Consider what other persons or bodies should be notified about your practice's closure.
- Identify any undertakings given which remain outstanding and take any necessary action to comply with them.
- If you are selling your practice:
 - check the identity of the buyers;
 - obtain confirmation from the relevant professional body/bodies that the buyer is entitled to practise and is not precluded from running an entity;
 - obtain confirmation from the buyers as to who will regulate the

- practice; and
- inform CILEx Regulation in advance of completing the sale and provide information concerning the new owners, including their contact details.

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