

## Protocols between the Chartered Institute of Legal Executives (“CILEx”) and CILEx Regulation Ltd (“CILEx Regulation”) (“Protocols”)

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### General

These Protocols provide the framework for CILEx and CILEx Regulation’s compliance with the Legal Services Board’s (“LSB”) Internal Governance Rules (“IGRs”) and the requirements of the Legal Services Act 2007 (“Act”).

CILEx and CILEx Regulation will work together to:

- enhance public respect for, and confidence in, CILEx members, CILEx Practitioners and entities and the work they carry out;
- ensure continuing compliance with the requirements of the Act; and
- promote and maintain high quality standards of practice.

These Protocols may be reviewed at any time at the request of either CILEx or CILEx Regulation, and will, in any event, be reviewed annually (see **P1.2**).

Once agreed, these Protocols, and any amendments to them, will be published on CILEx and CILEx Regulation’s websites as soon as reasonably practicable.

In accordance with **IGR 15**, CILEx and CILEx Regulation have considered the guidance issued by the LSB under Section 162 of the Act when developing these Protocols.

### Form of Protocols

CILEx and CILEx Regulation have included all IGRs in these protocols and immediately beneath each IGR have set out their Protocol for compliance with that IGR.

### Definitions

CILEx and CILEx Regulation expressly incorporate the definitions contained in the IGRs into these Protocols. The following are additional definitions for the purpose of these Protocols.

<b>Act</b>	The Legal Services Act 2007
<b>IGRs</b>	Internal Governance Rules 2019, published 24 July 2019 by the Legal Services Board
<b>LSB</b>	Legal Services Board

#### **IGR 1. THE OVERARCHING DUTY**

- 1) Each approved regulator has an overarching duty to ensure that the exercise of its regulatory functions is not prejudiced by any representative functions it may have.
- 2) In particular, each approved regulator must have arrangements in place to:
  - a. separate its regulatory functions from any representative functions it may have; and
  - b. maintain the independence of its regulatory functions as effectively as is reasonably practicable and consistent with Section 28 of the Act.
- 3) Each approved regulator must periodically review and, if reasonably practicable, improve its arrangements under sub-rule (2).

#### **Protocol**

P1.1 CILEx has delegated the exercise of its regulatory functions to CILEx Regulation, a separate legal entity.

P1.2 CILEx and CILEx Regulation will have a formal mechanism through which it will review its arrangements in accordance with **IGR 1(3)** on an annual basis, or sooner if requested or required.

P1.3 For the purposes of accountability:

P1.3.1 the Chief Executive Officer of CILEx Regulation is accountable to the CILEx Regulation Board;

P1.3.2 CILEx Regulation employees are solely accountable to the Chief Executive Officer of CILEx Regulation; and

P1.3.3 The Chair of the CILEx Regulation Board is accountable to the LSB for the exercise of CILEx Regulation's regulatory functions.

SEPARATION AND ASSURANCE

**IGR 2. DUTY TO DELEGATE**

- 1) Each approved regulator with both representative and regulatory functions must delegate the discharge of its regulatory functions in compliance with Section 28 of the Act to a separate body ('regulatory body').
- 2) After delegating its regulatory functions, the approved regulator must only retain a role to the extent that this is reasonably necessary to be assured that regulatory functions are being discharged in compliance with Section 28 of the Act or as otherwise required by law ('residual role').
- 3) An approved regulator must promptly inform its regulatory body if the approved regulator makes or intends to make a decision, plan, communication or other arrangement which may reasonably be considered likely to undermine the discharge of regulatory functions in compliance with Section 28 of the Act. CRL will maintain a log of these, which CILEx will be able to access on request.

**Protocol**

- P2.1 In addition to the matters set out in **IGR 2(2)**, CILEx retains a role in regulatory functions as required by the Money Laundering Regulations 2017, as in the *Anti-money Laundering Protocol* at Annexure A.
- P2.2 CILEx and CILEx Regulation have agreed to act in accordance with the *Information Sharing Protocol* at Annexure B.

**IGR 3. PROVISION OF ASSURANCE TO APPROVED REGULATOR**

- 1) Each regulatory body shall provide sufficient information to the approved regulator with a residual role as is reasonably required for the approved regulator to be assured of the regulatory body's compliance with Section 28 of the Act.
- 2) The approved regulator with a residual role:
  - a. may only require further information from the regulatory body if it has reasonable grounds to do so;
  - b. must not require the regulatory body to provide information which may reasonably be considered likely to undermine the regulatory body's independence or effectiveness; and
  - c. must not use the information it receives for the representation, protection or promotion of the interests of the persons it represents unless and until it receives that information for that purpose or that information is made publicly available.

**Protocol**

P3.1 CILEx and CILEx Regulation have agreed to act in accordance with the *Information Sharing Protocol* at Annexure B.

REGULATORY AUTONOMY

IGR 4. REGULATORY AUTONOMY

- 1) The regulatory body must independently determine the most appropriate and effective way of discharging its functions in a way which is compatible with the regulatory objectives and having regard to the better regulation principles.
- 2) In particular, the regulatory body must determine:
  - a. its own governance, structure, priorities and strategy; and
  - b. whether any amendment to the regulatory arrangements is necessary and, if so, what form that amendment should take.
- 3) The approved regulator with a residual role:
  - a. may only seek to influence these determinations in the exercise of its representative functions; and
  - b. must not prejudice the independent judgement of the regulatory body.

**Protocol**

P4.1 CILEx Regulation will determine, independently of CILEx, its own governance and structure, priorities and strategy and any amendments required to regulatory arrangements.

P4.2 CILEx Regulation will, from time to time, publish Board papers and any other documents it considers are likely to ensure and increase transparency and the achievement of regulatory independence.

P4.3 CILEx Regulation will, from time to time, publish its service standards to increase transparency of its performance as a regulatory body under the Legal Services Act 2007.

**Commented [LF1]:** Based on feedback from the CILEx Chair and NEDs would it be possible to add a 3rd protocol here P4.3 that states "CILEx regulation will, from time to time, publish its service standards to increase transparency of its performance as a regulatory body under the LSA."  
This would then satisfy the issue of wanting standards around those things CRL does on behalf of CILEx without breaching IGR!

**Commented [SD2R1]:** NEDs Steering Group agreed

**IGR 5. PROHIBITION ON DUAL ROLES**

No person, whether remunerated or not, who is involved in decisions relating to regulatory functions may also be involved in the representative functions of the approved regulator, unless that person's role is within a shared service in accordance with Rule 11.

**Protocol**

P5.1 CILEx and CILEx Regulation have undertaken an assessment to identify whether there are any individuals holding any roles across the organisations who make regulatory decisions and also have a representative function role. This assessment can be found on the list of influencers for IGR on CRL's website.

P5.2 CILEx and CILEx Regulation will, on an annual basis or sooner if required, review this assessment to ensure it is accurate and meets the requirements of IGR 5.

*An assessment may be required sooner where a new role is introduced to CILEx or CILEx Regulation.*

*CONDUCT AND RESPONSIBILITY*

**IGR 6. INDIVIDUAL CONDUCT**

Each approved regulator must ensure that any individual, whether remunerated or not, with a role:

- a. in the exercise of regulatory functions; or
- b. which may otherwise reasonably be considered likely to affect regulatory functions

is aware of and complies with these Rules and the arrangements in place under Rule 1.

**Protocol**

- P6.1 CILEx and CILEx Regulation are individually responsible for compliance training of their staff and non-executive directors to ensure each individual staff member is aware of, and compliant with their obligations under these Protocols, the IGRs and the Act.
- P.6.2 Staff Job Descriptions and NED Role Profiles will cover the responsibility to be IGR compliant
- P.6.3 HR procedures and relevant Board governance instruments cover that it is a serious breach and potentially a disciplinary matter to breach the IGR. Those should cover the ability to remove staff and NEDs for breaching the IGR.

GOVERNANCE

**IGR 7. GOVERNANCE: LAY COMPOSITION**

The board or equivalent body which makes decisions about how to exercise regulatory functions must be comprised of a majority of lay persons and the chair of that body must be a lay person.

**Protocol**

See **IGR 8** and **P8.1 – P8.3**, *The regulatory board: appointments and terminations*



**IGR 8. THE REGULATORY BOARD: APPOINTMENTS AND TERMINATIONS**

- 1) The regulatory body must independently determine and carry out its procedures for appointing, re-appointing and terminating members of its board or equivalent decision-making body including the chair, assessing their remuneration and carrying out appraisals.
- 2) The approved regulator with a residual role:
  - a. may only seek to influence these determinations in the exercise of its representative functions; and
  - b. must not prejudice the independent judgement of the regulatory body.

**Protocol**

P8.1 CILEx Regulation will, independently of CILEx, determine the procedures it has in place for the appointment, reappointment and termination of its Chair and members of the CILEx Regulation Board in accordance with the requirements of **IGR 7**.

P8.2 Remuneration of the Chair and members of the CILEx Regulation Board will be determined solely by CILEx Regulation, independently of CILEx.

P8.3 Within the limits of **IGR 8(2)**, CILEx may seek to influence the appointment, reappointment and termination of the Chair and members of the CILEx Regulation Board.

P8.4 CRL will set out its governance procedures for appointment and termination on its website.

BUDGET AND RESOURCES

IGR 9. REGULATORY RESOURCES

Each approved regulator must provide such resources as are reasonably required for its regulatory functions to be efficiently and effectively discharged.

**Commented [SD3]:** CILEx agreed to these changes Luisa Fulci (CRL Board member) suggested

**Protocol**

- P9.1 In accordance with the requirement of IGR 10 to ~~set~~formulate its own annual budget, ~~as well as producing a three year budget plan.~~ CILEx Regulation will maintain its own ~~resource~~ reserves. ~~These measures are intended to minimise the likelihood of CILEx Regulation needing to request additional resources from CILEx.~~
- P9.2 CILEx and CILEx Regulation recognise that ~~exceptional financial circumstances, such as significant~~ non-budgeted expenditure ~~or unexpected revenue shortfalls,~~ may result in the ~~resource~~ reserves, which CILEx Regulation maintains, ~~not covering CILEx Regulation's needs being exceeded~~ in any given year, ~~whilst maintaining an adequate going concern reserve.~~
- ~~P9.3 CILEx Regulation will be responsible for assessing and reviewing its need for it to request from CILEx any additional resources. In the exceptional circumstances where additional resources are necessary, CILEx Regulation will set out why any additional resources are reasonably required for its regulatory functions to be efficiently and effectively discharged. Nothing in these protocols fetter CRL's statutory rights under Section 30 of the Legal Services Act 2007, which take precedence.~~
- P9.4 CILEx Regulation agrees to inform CILEx of its resource requirements in accordance with the *Information Sharing Protocol* at Annexure B.

**IGR 10. REGULATORY BODY BUDGET**

- 1) The regulatory body shall independently:
  - a. formulate its own budget in accordance with its priorities and strategy under Rule 4; and
  - b. determine the allocation of its resources.
- 2) The approved regulator with a residual role:
  - c. may only seek to influence these determinations in the exercise of its representative functions; and
  - d. must not prejudice the independent judgement of the regulatory body.

**Protocol**

P10.1 Each year, CILEx Regulation will prepare a budget for its income and expenditure detailing its proposed allocation of resources for the following three years and share it with CILEx in accordance with the *Information Sharing Protocol* at Annexure B.

P10.2 CILEx and CILEx Regulation have agreed to act in accordance with the *Information Sharing Protocol* at Annexure B.

P.10.3 CILEx has no role in CRL budget approval

## IGR 11. SHARED SERVICES

- 1) An approved regulator with a residual role and its regulatory body may only share a service if they are in agreement that:
  - a. this will not undermine, and could not reasonably be seen to undermine, the separation of regulatory and representative functions;
  - b. this is effective and appropriate for the regulatory body to discharge its regulatory functions; and
  - c. this is necessary to be efficient and reasonably cost-effective.
- 2) Any services shared between the approved regulator with a residual role and the regulatory body under Rule 11(1) must be provided to the regulatory body on a basis no less favourable than to the approved regulator with a residual role.

Commented [SD4]: P11.4 – LSB request

### Protocol

P11.1 CILEx and CILEx Regulation will maintain a service level agreement, or equivalent, in respect of the provision to CILEx Regulation of services which are necessary to enable CILEx Regulation to carry out its regulatory functions. These ~~will~~may include, but are not limited to the following areas:

- (a) finance;
- (b) membership;
- (c) awards;
- (d) information technology;
- (e) marketing and communications;
- (f) procurement;
- (g) facilities;
- (h) CILEx Journal; ~~and~~
- (i) human resources services; and
- (j) Qualifications/education.

P11.2 A service level agreement for shared services will only be entered into where it complies with **IGR 11**.

P11.3 CILEx Regulation will obtain quotes on comparable services to demonstrate whether or not a service is being shared on the basis set out at **IGR 11(1)** and **IGR 11(2)** (i.e. that sharing the service is necessary for efficiency and cost-saving). CILEx will assist CRL in obtaining these quotes.

P11.4 Where services are shared between CILEx and CILEx Regulation, both CILEx and CILEx Regulation will ~~need to~~ be equal parties to any contract (or any other agreement) for services to ensure that each party has the right to enforce the terms of that contract (or any other agreement).

*COMMUNICATION AND CANDOUR WITH THE LEGAL SERVICES BOARD*

**IGR 12. COMMUNICATION BY PERSONS INVOLVED IN REGULATION**

- 1) Each approved regulator must have arrangements in place for persons involved in the exercise of its regulatory functions to communicate directly with the Legal Services Board, Consumer Panel, OLC and other approved regulators.
- 2) In particular these arrangements must enable individuals to notify the Legal Services Board directly if they consider that the independence or effectiveness of regulatory functions is being or will be prejudiced.

**Protocol**

P12.1 Without the consent, approval or assistance of CILEx, CILEx Regulation may directly contact and communicate with the LSB, Consumer Panel, OLC, other approved regulators and regulatory bodies and any other person.

**IGR 13. CANDOUR ABOUT COMPLIANCE**

- 1) Each approved regulator must respond promptly and fully to all requests for information by the Legal Services Board made for the purposes of assessing and assuring compliance with these Rules.
- 2) Each approved regulator must ensure that any issue in relation to compliance with these Rules which cannot be or has not been remedied within a reasonable period is reported in writing to the Legal Services Board, whether this information is requested or not.

**Protocol**

P13.1 CILEx and CILEx Regulation have agreed to act in accordance with the *Information Sharing Protocol* at Annexure B.

P.13.2 CILEx and CILEx Regulation commit to abide by these Protocols and the IGR.

#### IGR 14. DISPUTES AND REFERRALS FOR CLARIFICATION

- 1) If an approved regulator has been unable to resolve any point arising under or in connection with these Rules, it may refer that point to the Legal Services Board for clarification.
- 2) In the event of a dispute between an approved regulator with a residual role and its regulatory body in relation to any point arising under or in connection with these Rules, the dispute must be referred to the Legal Services Board before any further action is taken.
- 3) Any response provided by the Legal Services Board shall be determinative unless expressly indicated otherwise.

**Commented [SD5]:** P14.2 amended at the request of the LSB, who are keen to avoid unnecessary referrals to the LSB or regulators seeking to use the LSB for legal advice

##### Protocol

P14.1 CILEx and CILEx Regulation will use their best endeavours to resolve any dispute which arises between them.

P14.2 If a dispute arises between CILEx and CILEx Regulation in relation to any point arising under or in connection with the IGRs which cannot be resolved informally between the CEO of CILEx and the Chief Executive of CILEx Regulation ~~within 15 business days~~, then the dispute resolution process should be followed (see dispute resolution annex). Unless delaying referring the matter to the LSB would cause significant or irreparable harm, the matter should only be referred to the LSB once the dispute resolution process has been exhausted and it has not proven possible to resolve the matter mutually. CILEx and CILEx Regulation agree, where this is possible, to defer any decision-making in relation to the disputed matter until the matter is either mutually resolved or the LSB has ruled on the matter. ~~must refer the dispute to the LSB before taking any further action.~~

P14.3 Where other disputes arise which fall outside the scope of **IGR 14**, CILEx and CILEx Regulation will attempt to resolve them through discussions between the Chief Executives of CILEx and CILEx Regulation, ~~the Chair of CILEx's Board and the Chair of the CILEx Regulation Board,~~ and follow the dispute resolution process.

GUIDANCE

**IGR 15. GUIDANCE**

In seeking to comply with these Rules, each approved regulator must have regard to any guidance issued by the Legal Services Board under Section 162 of the Act.

P15.1 CILEx and CILEx Regulation will have regard to guidance issued by the LSB.

SAVING PROVISIONS

**IGR 16. SAVING PROVISIONS**

- 1) No approved regulator shall be in breach of these Rules if the action or omission, which would otherwise constitute the breach, is:
  - a. in relation to an approved regulator with a residual role, reasonably necessary to satisfy its residual role;
  - b. required by primary legislation; or
  - c. carried out with the prior written authorisation of the Legal Services Board.
- 2) In the event of a dispute as to whether any of these Saving Provisions apply, the matter must be referred to the Legal Services Board before any action is taken and any response will be determinative in accordance with Rule 14.

**Protocol**

P16.1 CILEx and CILEx Regulation acknowledge that CILEx may act in a way which would otherwise constitute a breach of the IGRs, but only where primary legislation takes precedence over the IGR and CILEx has obtained prior approval from the LSB ~~considers it reasonably necessary to do so in accordance with IGR 16(1).~~

P16.2 Should any dispute arise as to whether **IGR 16** applies, CILEx and CILEx Regulation agree to act in accordance with **P14.1** and **P14.2**.



## Annexure A – Anti-money Laundering Protocol

### Annexure A – Anti-Money Laundering Protocol

**A1** This Protocol provides the framework for CILEx and CILEx Regulation's compliance with the Legal Services Board's ("LSB") Internal Governance Rules ("IGRs") and the requirements of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 ("the Regulations"), as expressed in the OPBAS Sourcebook for professional body anti-money laundering supervisors.

It is premised on the basis that all parts of the main Protocol, and annexures, apply also to the context of joint compliance with Anti-Money Laundering requirements.

This Protocol sets the principles that will apply to the relationship between CILEx and CILEx Regulation as they discharge their respective operations and functions. It reinforces the commitment of the Senior Management of CILEx and CILEx Regulation to the highest standard of supervision for compliance with the Regulations.

#### **A2 Allocation of responsibility**

- A2.1** Regulation 49(1)(a) of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 requires a professional body supervisor to make arrangements to ensure that their supervisory functions are exercised independently of any of their other functions which do not relate to disciplinary matters.
- A2.2** Under IGR 1 (P1.1 of the main Protocol), CILEx has delegated the exercise of its regulatory functions to CILEx Regulation, a separate legal entity. CILEx Regulation therefore has responsibility for the authorisation, supervision and enforcement of those directly supervised, including individuals and entities, in accordance with the Regulations.
- A2.3** CILEx Regulation is responsible for ensuring compliance by its entities and sole practitioners who come under the Regulations and persons owning or managing them and ensuring owners, managers and employees comply with those standards of compliance.
- A2.4** CILEx Regulation is responsible for ensuring CILEx members and those working in its entities comply with those standards.
- A2.5** Under IGR 2.2 (P2.1 of the main Protocol), CILEx, as the Approved Regulator, only retains any role in regulatory functions as required by the Regulations.
- A2.6** CILEx will, within its representative role, therefore support CILEx Regulation in the discharge of those regulatory functions by complementary activity and information/best practice guidance provision to those regulated, to the extent that it complies with IGR 1 (The Overarching Duty), IGR 3 (Provision of Assurance to Approved Regulator) and IGR 4 (Regulatory Autonomy). CILEx and CRL will also jointly participate in and with the members of relevant information-sharing fora and affinity groups and their members.
- A2.7** In accordance with IGR 3 (Provision of assurance to approved regulator), CILEx Regulation will provide CILEx with the following information bi-annually, or at such other intervals as agreed by both parties:
- A2.7.1** The named offices who act as MLRO and Deputy MLRO respectively.
- A2.7.2** Such information as may be required for CILEx as the named professional body supervisor in the regulations to demonstrate compliance and/or liaise with OPBAS or any other relevant regulator. CILEx will also only use the information received in accordance with this rule to assure itself of CILEx Regulation's compliance with the Regulations and the IGRs.
- A2.8** This information will be shared by the MLRO at CILEx Regulation to the CILEx Compliance Team.
- A2.9** CILEx and CRL will also ensure that appropriate, proportionate and relevant training will be provided to members of its staff.
- A2.10** Regulation 49(2)(a) of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 requires a professional body supervisor to provide adequate resources to carry out the supervisory functions under these Regulations.
- A2.11** In accordance with IGR 9 (Regulatory Resources), CILEx will therefore also enable the provision of data resources necessary for CILEx Regulation to discharge its regulatory functions, as relate to the supervision of CILEx members and entities for AML compliance purposes efficiently and effectively.
- A2.12** In accordance with IGR 13 (Candour about compliance) both CILEx and CILEx Regulation will respond promptly and fully to all requests for information by HM Treasury and OPBAS made for the purposes of assessing and assuring compliance with these Rules.A3.1
- A2.13** CILEx and CRL will deal with any issues related to reporting, escalation and conflict through the existing Group policies.

## Annexure B – Information Sharing Protocol

**B1** This *Information Sharing Protocol* applies to CILEx and CILEx Regulation’s operations and functions and, in particular, sets out how CILEx and CILEx Regulation will comply with the following Internal Governance Rules:

- IGR 2 – Duty to Delegate
- IGR 3 – Provision of assurance to approved regulator
- IGR 9 – Regulatory Resources
- IGR 10 – Regulatory Body Budget
- IGR 11 – Shared Services
- IGR 12 – Communication by persons involved in legal regulation
- IGR 13 – Candour About Compliance

### **B2 IGR 2 – Duty to Delegate**

- B2.1 CILEx agrees that it will notify CILEx Regulation where it makes or intends to make a decision, plan, communication, or other arrangement which may reasonable be considered likely to undermine CILEx Regulation’s ability to discharge its regulatory functions in accordance with section 28 of the LSA.
- B2.2 Where CILEx intends to make a decision, it will notify CILEx Regulation [it may be appropriate to provide details of a specific role for communications] of that intention as soon as practicable, but not more than five business days’ after the intention is formed and with reasonable time before the decision-making.
- B2.3 Where CILEx makes a decision, it will notify CILEx Regulation as soon as practicable, but not more than five business days’ after that decision is made.
- B2.4 CILEx Regulation will maintain a log of all such notifications it receives from CILEx, which CILEx will have access to review to confirm accuracy.

### **B3 IGR 3 – Provision of assurance to approved regulator**

- B3.1 CILEx Regulation will provide CILEx with the following information annually, or at such other intervals as agreed by both parties:
  - B3.1.1 Governance arrangements (board composition and office holders)
  - B3.1.2 Arrangements for financial management and control
  - B3.1.3 Systems and processes for risk management and internal audit
- B3.2 Where an issue of high or increasing risk is identified by either CILEx Regulation or CILEx through their respective risk management processes, and particularly where that risk is identified as being ‘reputational’, with the potential for causing adverse reputational damage to either party, both CILEx Regulation and CILEx undertake to share information about that risk immediately so that its mitigation can be jointly managed to prevent any detriment to either organisation.
- B3.3 This information will be shared by [CRL’s Director of Governance] to [CILEx’s Director of Governance].
- B3.4 Where it has reasonable grounds to do so, CILEx may require further information from CILEx Regulation to satisfy itself as to compliance with the Act and the IGRs.
- B3.5 CILEx will only seek and use the information received in accordance with this rule to assure itself of CILEx Regulation’s compliance with section 28 of the Act and the IGRs.
- B3.6 CILEx Regulation will respond to a reasonable request from CILEx within 15 working days of that request being received. Where that request is particularly complex, this time frame may be varied by mutual agreement.
- B3.7 If CILEx and CILEx Regulation disagree on what is reasonable, they will refer the question to the LSB in accordance with **IGR 14(2)**.
- B3.8 If any person shares information obtained for the purposes of **IGR 3**, for a reason other than those stipulated in **IGR 3**, they may be subject to disciplinary action in accordance with the relevant disciplinary procedure (i.e. CILEx Disciplinary Procedure for CILEx employees and CILEx Regulation Disciplinary Procedure for CILEx Regulation employees or Codes of Conduct for NEDs).

B3.9 This Information-sharing protocol annex sets out commitments at a high level. A more detailed supplementary information-sharing log will be developed and updated over time. CILEx and CILEx Regulation will cooperate in developing and maintaining this log. The log will set out specifically what is shared, when and how. By the log being a separate from the protocols, this provides the flexibility to add additional information that is appropriate for CILEx Regulation to share with CILEx in a timely manner without requiring approval changes to the Protocols first.

B3.10 The information-sharing log will abide by the principles set out in the IGR and in these protocols, which take primacy. The log will be published on CILEx Regulation’s website for transparency.

B3.11 If there is a dispute over what information should be included in the log, the dispute resolution and LSB referral process set out in P.14 applies.

**Commented [SD6]:** B3.9-13 added following LSB feedback. The LSB want some more explicit content about the assurance process ie the mechanism of what is shared, when and how; for transparency’s sake. This ties in with the change to bringing ARs into the Performance Assessment Framework focusing on Governance and Assurance. Simon and Stuart will start developing what sits in the

B3.12 Only CILEx Regulation-related information which is covered by the log should be provided by CILEx Regulation to CILEx, unless the information is publicly available or made publicly available. CILEx will only seek to obtain information from CILEx Regulation that is captured on the log or obtain agreement with CILEx Regulation for a new information item to be added to the log.

B3.13 CILEx should not obtain information from departments of CILEx providing support services to CILEx Regulation which hold CILEx Regulation information, unless the information is explicitly covered in the information-sharing protocol or log. If there is any doubt, prior written permission must be obtained from an Executive in CILEx Regulation.

**B4 IGR 9 – Regulatory Resources**

B4.1 CILEx may request information about required resources where it has reasonable grounds to do so and CILEx Regulation will respond to reasonable requests within 15 days of the request being received. Requests should be proportionate.

*An example of a reasonable request is where CILEx Regulation requests additional resources which were not forecast in its Budget for that year. E.g. an unanticipated legal challenge such as a judicial review. A further example is a significant unexpected revenue shortfall.*

**B5 IGR 10 – Regulatory Body Budget**

B5.1 CILEx may request further information about CILEx Regulation’s proposed budget where it has reasonable grounds to do so and CILEx Regulation will respond to reasonable requests within 15 days of the request being received. Where that request is particularly complex, this time frame may be varied by mutual agreement.

B5.2 Where it appears there will be a significant change in income and expenditure from the budgets agreed, CILEx Regulation will give CILEx notice of that change as soon as practicable and will respond to any reasonable request for further information within 15 days of receiving the request.

B5.3 CILEx Regulation’s Board of Directors will receive at every Board meeting reports on its financial performance. The CILEx Board will receive a report on CILEx Regulation finances at each CILEx Board meeting from the Chief Financial Officer for the purposes of assuring CILEx Regulation’s compliance with section 28 of the Act and the IGRs.

**B6 IGR 11 – Shared Services**

B6.1 For the purposes of IGR 11, CILEx and CILEx Regulation agree that either party may request information about the need for shared services from the other where the first party has reasonable grounds to do so and any reasonable request will be responded to within 15 days of the request being received.

**B7 IGR 13 – Candour about compliance**

B7.1 For the purposes of CILEx’s obligation under **IGR 13**, CILEx and CILEx Regulation agree to notify each other of any non-compliance with the Act or the IGRs as soon as practicable, but not more than five business days after the instance of non-compliance.

## Annexure C – Education Standards and Fitness to Practise

*The organisations will work together to promote and secure high standards of practice*

C1 CILEx Regulation is responsible for the assessment of competence of each individual seeking authorisation as an authorised person. It sets the fees for these applications (including applications for additional authorisation to conduct reserved/regulated legal activities).

Fees for underpinning qualifications are set by CILEx in accordance with the regulatory framework set by CILEx Regulation.

CILEx Regulation is responsible for setting the standards, rules and regulations (however they are described) relating to:

- C1.1 qualifications and experience;
- C1.2 study and training for CILEx qualifications; and
- C1.3 any other requirements, including the assessment of candidates,

which must be met in order for them to be authorised to carry on reserved or regulated activities so that they are fit for purpose and are capable of securing the threshold competence expected of Chartered Legal Executives/Fellows, CILEx Practitioners, Associate Prosecutors and all other CILEx members.

C2 CILEx Regulation is responsible for ensuring CILEx members, CILEx Practitioners, Associate Prosecutors and Compliance Managers in entities maintain the minimum standards of competence expected of them by means of Continuing Professional Development or other ongoing competence requirements as defined in the CILEx Regulation rules.

C3 CILEx Regulation is responsible for setting the standards for personal and professional conduct and continuing fitness to practise of Chartered Legal Executives/Fellows and other CILEx members, CILEx Practitioners and entities.

C4 CILEx Regulation is responsible for ensuring CILEx members comply with those standards and CILEx will, within its representative role, support CILEx Regulation in doing so.

C5 CILEx will not seek to challenge decisions properly made by any of the disciplinary or regulatory bodies subject to oversight by CILEx Regulation in respect of the conduct, competence or fitness to practise of individual CILEx members, CILEx Practitioners or the conduct or fitness to provide services of any organisation regulated by CILEx.

C6 CILEx Regulation is responsible for setting standards of conduct for the regulation of legal practices and alternative business structures permitted to provide legal services under the Act and persons owning or managing them and ensuring owners, managers and employees comply with those standards of conduct.