

Financial Conduct Authority

FCA regulated fees and levies: Rates proposals 2020/21  
Consultation Paper  
CP20/6\*\* April 2020

A response by  
CILEx Regulation

7 May 2020

## **Introduction**

This response represents the views of CILEx Regulation, the regulatory body for Chartered Legal Executives, CILEx Practitioners and legal entities. Chartered Legal Executives (Fellows) are members of the Chartered Institute of Legal Executives (CILEx). CILEx Practitioners are authorised by CILEx Regulation to provide reserved legal activities. CILEx is the professional body representing around 20,000 members and is an Approved Regulator under the Legal Services Act 2007 (LSA). Fellows and CILEx Practitioners are authorised persons under the LSA. CILEx Regulation regulates all grades of CILEx members.

CILEx Regulation is also a regulator of entities through which legal services are provided. It authorises entities based upon the reserved and regulated activities.

CILEx Regulation and CILEx provide an alternative route to legal qualification and practice rights allowing members and practitioners, who do not come from the traditional legal route to qualify as lawyers and own their own legal practice. With the implementation of the practice and entity rights, CILEx Regulation has demonstrated its emphasis on economic growth, as it aims to capture a wider range of individuals and entities within its regulatory remit.

CILEx became an approved supervisory authority for money laundering on 6 February 2015. Its authorised entities are supervised by CILEx Regulation as the independent regulator of CILEx members, CILEx Practitioners and entities.

CILEx Regulation is a member of the Legal Sector Affinity Group and the AML Supervisors forum. We support the aims of reinforcing a risk-based approach across all sections of the anti-money laundering and counter-terrorist finance regime.

Its authorised entities and a small number of individuals working as sole practitioners are supervised for money laundering compliance.

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#### **Response to the FCA consultation**

1. Since its formation, we have engaged with OPBAS on any fee setting proposals and continue to believe that the model on which the fees are based needs to be both straightforward and fair.
2. We are submitting a response to just question two as this relates to the status of the Chartered Institute of Legal Executives as a Professional Body Supervisor under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Our response is as follows.

#### **Questions**

##### **Q2: Do you have any comments on the proposed FCA 2020/21 minimum fees and periodic fee rates for fee payers other than authorised firms?**

3. Whilst the position of the FCA remains not to publish details of costs and use of resources for OPBAS, then it is difficult to make any meaningful comment on the proposed variable fee for 2020/21.
4. As stated previously, our position remains that there should be a transparency on costs and understanding of the ongoing plans for OPBAS. As a legal services regulator we are required to account for the costs of regulation and supervision to the membership of our professional body, as well as to the Legal Services Board.
5. We believe that it is important that there is clarity on costs especially in view of wider discussions around long term funding of other activities that are associated in addressing economic crime.

6. We support the proposal to maintain the minimum fee at £5,000 and welcome the reduction in the variable fee rate.
7. Whilst it is not explicit in the consultation, we also welcome the proposal in 4.29 – 4.31 to extend the period for payment of fees by two months to 90 days and to extend this to cover professional body supervisors.
8. Any questions relating to this consultation response can be directed to David Pope, Entity Authorisation & Client Protection Manager (david.pope@cilexregulation.org.uk).