

**TELECONFERENCE of the
Board of Directors of CILEx Regulation Ltd
on Wednesday 16 October 2024
via Teams between 13:00 and 14:00**

[Click here to join the meeting](#)

Richard Hood
Email: richard.hood@cilexregulation.org.uk

John Barwick
Chief Executive

AGENDA

ITEM		Action	LEAD
WELCOME			
1.	Apologies		Chair
2.	General Update	Noting & Discussion	Chair/CEO
3.	2025-2027 Corporate Strategy Attachments: 03.01 Consultation responses 03.02 LSCP consultation response 03.03 Revised Strategy document -	Approval	CEO
4.	Strategic Risk Committee remit Attachments 04.01 –SRC Rules 04.02 - Current Terms of Reference 04.03 - Amended Terms of Reference	Approval	Chair/CEO
5.	Remuneration Committee Attachments 05.01 – Terms of Reference	Noting	Chair/CEO
6.	AML Supervision Report 2023/24	Approval	DoR
7.	Any other business		

Remaining 2024 Dates

Date	Name of Board meeting	Timings
14/11/2024	CRL Full Board	09:30-16:00
05/12/2024	Board Teleconference	13:00-14:00

Date	16 October 2024
Item	3.0
Title	2025-2027 Corporate Strategy
Author	John Barwick, Chief Executive
Purpose	This paper sets out the outcomes of the consultation on CRL's proposed corporate strategy for 2025-2027, and a proposed final version which reflects the feedback received.
Recommendation	The Board is asked to APPROVE the publication of CRL's Corporate Strategy for 2025-2027.
Timing	Publication in November 2024. The Corporate Plan for 2025 based on the new strategy will be published in January 2025. The current EDI strategy will be reviewed as part of 2025 Corporate Plan.
Impact assessment	Having a published strategy provides assurance to stakeholders, including consumers, that CRL is focused on delivering its core regulatory objectives and is operating in the public interest. For CRL staff, the strategy provides a clear road map setting out CRL's direction of travel. The strategy provides the basis for the setting of team and individual objectives. In light of the uncertainty caused by the CILEX proposals, the strategy helps insulate staff from the distractions of the proposals by clearly setting out what they should be focussing on and helps to ensure regulatory continuity. The strategy also underpins the management of CRL's strategic risks.
Impact on Regulatory Objectives	The strategy provides assurance that CRL is focussed on delivering the nine regulatory objectives.
Implications for Resources	The Budget for 2025 and the 2025 PCF application reflects the strategic objectives set out in the new strategy.
Impact on Consumer Empowerment	Access to justice and consumer empowerment are a strategic objective and remain a key focus for CRL.
Impact on Ongoing Competence	The standards and public trust strategic objective reflects that CRL will continue to meet the LSB's requirements regarding ongoing competence.
Publication Status	For publication
Appendices	Annex 1 – Consultation responses Annex 2 - LSCP Consultation Response Annex 3 – Corporate Strategy 2025-2027 for approval

Background

1. CRL's current strategy expires at the end of 2024. At its strategy meeting in May 2024, the Board considered the strategic themes for CRL's next three-year strategy, running from 2025-2027, and horizon scanning of the main strategic influencers within the sector. This involved looking at the strategic issues affecting legal services regulation through the lens of: the Legal Services Board, Government/Ministry of Justice, CILEX members and the regulated community and consumers including the Legal Services Consumer Panel (LSCP). Although the Board acknowledge the current uncertainties around the future of regulation, they resolved to ensure CRL continued to focus on delivering

forward-looking regulation, operating in the public interest, and to advance the core issues affecting the legal sector. In order to achieve this, the Board felt it was important for CRL to have a forward-looking strategy.

2. Informed by the Board discussion, a draft strategy consultation [document](#) was developed by the CRL Chair and CEO and informed by feedback from two webinars and an all staff meeting held in early July 2024. The strategy builds on CRL's achievements from the current strategy which focused on High Standards, Consumer empowerment and Equality, diversity and inclusion. Moving forwards, four key strategic objectives were proposed in the consultation document:
 - Standards and public trust
 - Access to justice and consumer empowerment
 - Independence and sustainability
 - Be an authoritative, inclusive and capable organisation
3. A range of engagement and consultation events on the proposed new strategy were held with the regulated community, CRL staff and other stakeholders. These included:
 - Two webinars held in July with over 100 CILEX members and entities attending
 - Publication of Questions and Answers from each session
 - Recording of [one webinar](#) which was published on CRL's You Tube channel. The recording received over 22,000 views
 - Presentation and discussion of the proposed strategy at an all staff in person meeting held in July
 - A formal consultation which took place between July and September 2024.
 - The consultation was actively promoted through the CRL website, newsletter and CRL's social media channels.

Summary of Consultation findings

4. 45 individual responses were received. The detailed responses can be found at **Annex 1**. One organisation response was received from the Legal Services Consumer Panel (LSCP). This can be found at **Annex 2**.
5. In summary, the proposed strategy was positively received by consultees. This was reflective of the positive engagement and comments received during the webinars.

Q1: Do you agree that CRL should continue to provide specialist independent regulation for all CILEX professionals serving the public?	91.1% either strongly agreed or agreed. 8.89% neither agreed or disagreed
Q2: Do you agree with the proposed mission statement?	77.78% either strongly agreed or agreed. 20% neither agreed or disagreed. 2% (1 respondent) strongly disagreed
Q3: Do you agree with our purpose statement?	73.33% either strongly agreed or agreed. 22.22% neither agreed or disagreed. 2% (1) disagreed and 2% (1) strongly disagreed
Q4: In our draft strategy we have identified three core activities – regulation, learning and innovation. Do you think these are the right activities?	82.22% either strongly agreed or agreed. 13.33% neither agreed

	or disagreed. 4% (2) disagreed
Q5: We have proposed four strategic priorities to be the focus of CRL's efforts over the next three years – do you consider these are clear, understandable and appropriate?	73.33% either strongly agreed or agreed. 22.22% neither agreed or disagreed. 2% strongly disagreed
Q6: If you had to choose just one, what would be the most important priority that you would want CRL to focus on for the next three years?	This was a free response questions. Learning, education & training and independent regulation were the most common themes.
Q7: Do you think CRL's current values are fit for purpose and underpin CRL's proposed strategic priorities?	84.09% either strongly agreed or agreed. 13.64% neither agreed or disagreed. 2%(1) strongly disagreed.
Q8: What values do you think should underpin CRL's work?	This was a free response question. Common themes included: integrity, fairness, efficiency and openness/transparency
Q9. What further steps can we take to improve our openness and responsiveness & Q10 -	This was a free response question. Suggestions included improving communication with the profession and enhancing the reputation and independence of CILEx regulation.
Q10. Do you consider there are any aspects of our proposals that could result in equality or diversity implications for groups or individuals based on one or more of the following protected characteristics as defined by the Equality Act 2010?	See Annex 1

6. The additional comments provided by respondents were generally supportive of the strategy. The Board's particular attention is drawn to the comments relating to Q1 which were supportive of CRL continuing to provide specialist independent regulation, with concerns raised about the suitability of the SRA to regulate CILEX members.
7. The draft strategy was considered at an in-person All Staff meeting held on 11 July. Following presentations from the CRL Chair and CEO, colleagues discussed the strategy in groups, with a particular focus on CRL's corporate values. Feedback included:
 - General agreement with the strategic priorities
 - CRL needs to have a meaningful dialogue with consumers
 - Focus shouldn't just be on protecting consumers but enabling them
 - Emphasis on the importance of having detailed work plans to support the delivery of the strategy
 - Current corporate values are basic and what you'd expect from any organisation
 - Need to consider values which sets CRL apart.
8. The only organisation consultation response was received was from the Legal Services Consumer Panel (LSCP) and can be found at **Annex 2**. The LSCP's response was generally positive with agreement on the proposed mission and purpose statements,

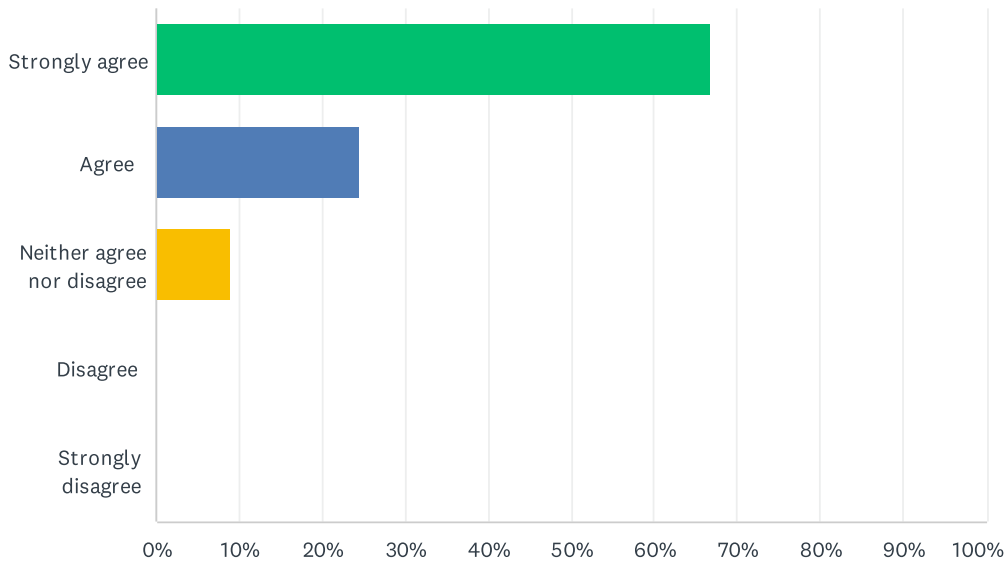
core activities and strategic priorities. The following helpful reflections provided:

- Agreement with the proposed mission but emphasised that the statutory regulatory objective covers both protecting and promoting the interests of consumers. A similar point was highlighted by CRL staff.
- Suggestion that consumer interests be highlighted in the Purpose statement as they do not always neatly align with the public interest.
- The learning and improvement cycle should be applied to achieve better consumer outcomes.
- Innovation should not be limited to new technologies. Innovative and creative policies couple with the use of regulatory levers can contribute to improved access to justice.
- Targeted action is needed on access to justice is needed.
- The strategic objective of being an authoritative, inclusive and capable organisation should include data to track equality actions and specially how equality actions are affecting consumers.
- Access to justice, rule of law and protecting and promoting the consumer interest should be explicitly referenced .

9. The Board is asked to **APPROVE** for publication the proposed Corporate Strategy for 2025-2027 which has been revised considering the comments received through the consultation and can be found at **Annex 3**. Following approval, a designed version of the strategy document will be prepared for publication on the CRL website.

Q1 1. Do you agree that CRL should continue to provide specialist independent regulation for all CILEX professionals serving the public?

Answered: 45 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	66.67%	30
Agree	24.44%	11
Neither agree nor disagree	8.89%	4
Disagree	0.00%	0
Strongly disagree	0.00%	0
TOTAL		45

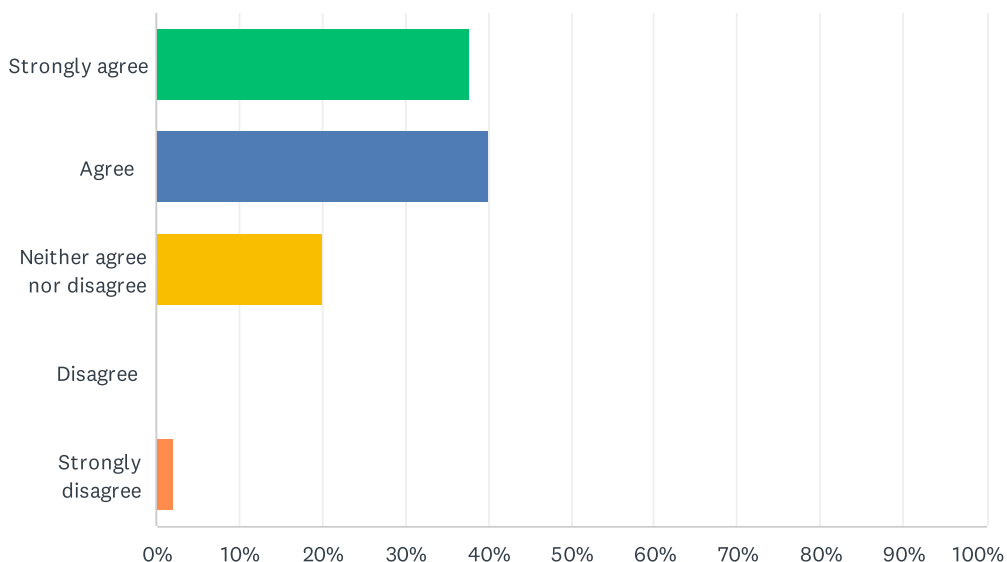
#	PLEASE GIVE REASONS FOR YOUR ANSWER	DATE
1	The SRA's regulations make it extremely difficult for competent professionals to get qualified.	9/13/2024 4:49 PM
2	They are independent from the rest of the legal profession	9/12/2024 4:45 PM
3	well established professional alternative regulator to SRA	9/11/2024 6:46 PM
4	Because Independent without Pressure	9/10/2024 10:23 PM
5	Because it's better to be individually recognised	9/10/2024 8:13 PM
6	Cilex has been well established as a respectable institution to enforce and monitor compliance and regulations.	9/10/2024 6:09 PM
7	CRL or alternative, should independently regulate our sector	8/30/2024 3:06 PM
8	Ensuring that CILEX members are not the subject of regulations inappropriate to our qualification	8/27/2024 6:13 PM
9	It protects the public to whom we provide services	8/17/2024 4:52 PM

CILEx Regulation Corporate Strategy 2025-2027 Consultation

10	They have specialist experience	8/13/2024 8:03 PM
11	It would be a mistake to hand this responsibility to an alternative Regulator who has no knowledge of where CILEX came from or where it intends to head to.	8/13/2024 8:35 AM
12	Vital that legal executives are independently regulated to ensure they do not fall behind in comparison to our solicitor colleagues	8/12/2024 7:23 PM
13	by doing so it ensures that high standards are maintained to serve the public	8/5/2024 9:26 AM
14	Cilex Regulation protects the interests of the public and understands the routes to qualify and status of Cilex professionals.	8/4/2024 1:44 PM
15	Independent regulation provides greater transparency and trust	7/29/2024 12:37 PM
16	Never had an issue so why change	7/29/2024 10:36 AM
17	Best to understand the requirements of our profession	7/22/2024 4:45 PM
18	CILEX is independent from the SRA and therefore should have its own regulatory body. There is no suggestion that CRL cannot undertake and perform at the same level as the SRA.	7/22/2024 4:11 PM
19	We are different from solicitors	7/22/2024 3:54 PM

Q2 2. Do you agree with our proposed mission statement?

Answered: 45 Skipped: 0

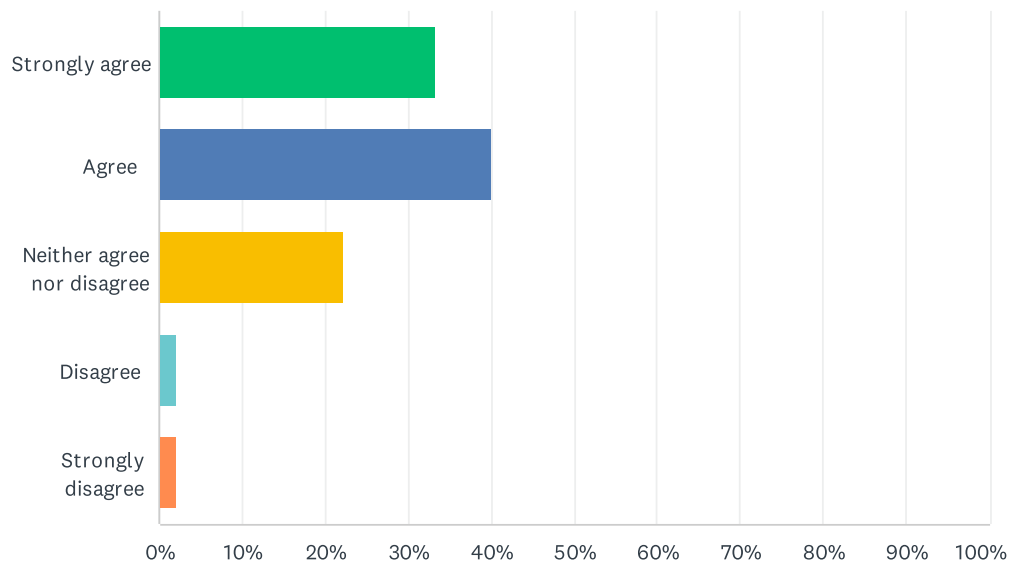


ANSWER CHOICES	RESPONSES	
Strongly agree	37.78%	17
Agree	40.00%	18
Neither agree nor disagree	20.00%	9
Disagree	0.00%	0
Strongly disagree	2.22%	1
TOTAL		45

#	PLEASE PROVIDE COMMENTS	DATE
1	evolving regulation	9/11/2024 6:46 PM
2	Mission statement is clear and focused for the purpose of Cilex.	9/10/2024 6:09 PM
3	Yes forward thinking strategies	8/13/2024 8:03 PM
4	I cannot see the point of Mission Statements. They are anathema to all right thinking people. What do they achieve except to give a list of pre-prepared reasons to fail?	8/13/2024 8:35 AM
5	Yes I agree with the mission statement - No further comment needed	8/5/2024 9:26 AM
6	The mission statement provides key objectives that matter to the public and to members	7/29/2024 12:37 PM
7	CILeX is not focusing on fixibg where it is broken	7/23/2024 3:57 PM
8	I believe that CRL has a strong mission statement which can be dealt with	7/22/2024 4:11 PM
9	There are always more than one point of view	7/22/2024 3:54 PM

Q3 3. Do you agree with our proposed purpose statement?

Answered: 45 Skipped: 0

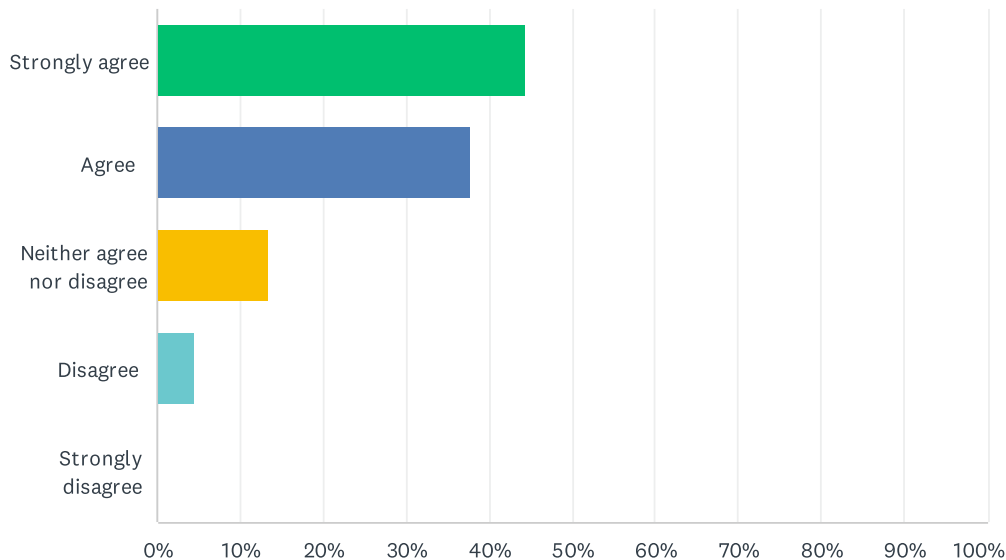


ANSWER CHOICES	RESPONSES	
Strongly agree	33.33%	15
Agree	40.00%	18
Neither agree nor disagree	22.22%	10
Disagree	2.22%	1
Strongly disagree	2.22%	1
TOTAL		45

#	PLEASE PROVIDE COMMENTS	DATE
1	It is well thought for all professional angles	9/10/2024 6:09 PM
2	Yes, as before	8/13/2024 8:03 PM
3	as above I agree no further comment needed	8/5/2024 9:26 AM
4	The purpose statement appears to embody the identity of CILEX	7/29/2024 12:37 PM
5	As above.	7/22/2024 4:11 PM
6	I've put disagree as I think this is being rushed through	7/22/2024 3:54 PM

Q4 4. In our draft Strategy we have identified three core activities – regulation, learning and innovation. Do you think these are the right activities?

Answered: 45 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	44.44%	20
Agree	37.78%	17
Neither agree nor disagree	13.33%	6
Disagree	4.44%	2
Strongly disagree	0.00%	0
TOTAL		45

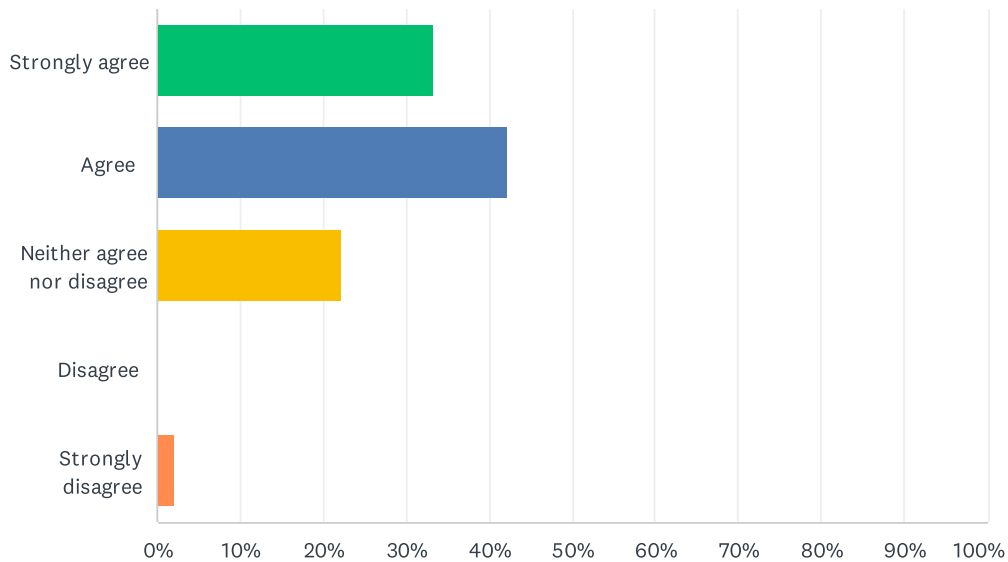
#	PLEASE PROVIDE COMMENTS	DATE
1	A good start	9/11/2024 6:46 PM
2	Probably the best so far.	9/11/2024 9:12 AM
3	It is draft and appropriate for the near short and mid term policies.	9/10/2024 6:09 PM
4	Regulation paramount and then continuing learning	8/13/2024 8:03 PM
5	CILEX is a business when all is said and done. It has changed markedly from what it was when it was ILEX but we need to ensure it is fit for purpose and that it competes with those organisations who regulate other types of lawyers. I personally feel that allowing SRA to regulate us is akin to giving the fox the keys to the henhouse...	8/13/2024 8:35 AM
6	Yes regulation and learning are important to foster innovation	8/5/2024 9:26 AM
7	This appears to address what matters to the public and members	7/29/2024 12:37 PM

CILEx Regulation Corporate Strategy 2025-2027 Consultation

8	CILEX has innovated the legal sector. CILEX should remain at the forefront of innovation.	7/22/2024 4:11 PM
9	Self-explanatory	7/22/2024 3:54 PM

Q5 5. We have proposed four strategic priorities to be the focus of CRL's efforts over the next three years – do you consider these are clear, understandable and appropriate?

Answered: 45 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	33.33%	15
Agree	42.22%	19
Neither agree nor disagree	22.22%	10
Disagree	0.00%	0
Strongly disagree	2.22%	1
TOTAL		45

#	PLEASE PROVIDE COMMENTS	DATE
1	It's irrelevant if tCILEX get their way and move regulation to the SRA	9/12/2024 4:45 PM
2	Very	9/11/2024 9:12 AM
3	because it is a joint unanimous decision at present.	9/10/2024 6:09 PM
4	Clear future plan to progress membership status with the general public	8/13/2024 8:03 PM
5	Business speak that serves only to send the reader to sleep...zzzzzz	8/13/2024 8:35 AM
6	They clearly set out the plan	7/29/2024 12:37 PM
7	Nothing further to comment: they are clear and realisable.	7/22/2024 4:11 PM

Q6 6. If you had to choose just one, what would be the most important priority that you would want CRL to focus on for the next three years?

Answered: 37 Skipped: 8

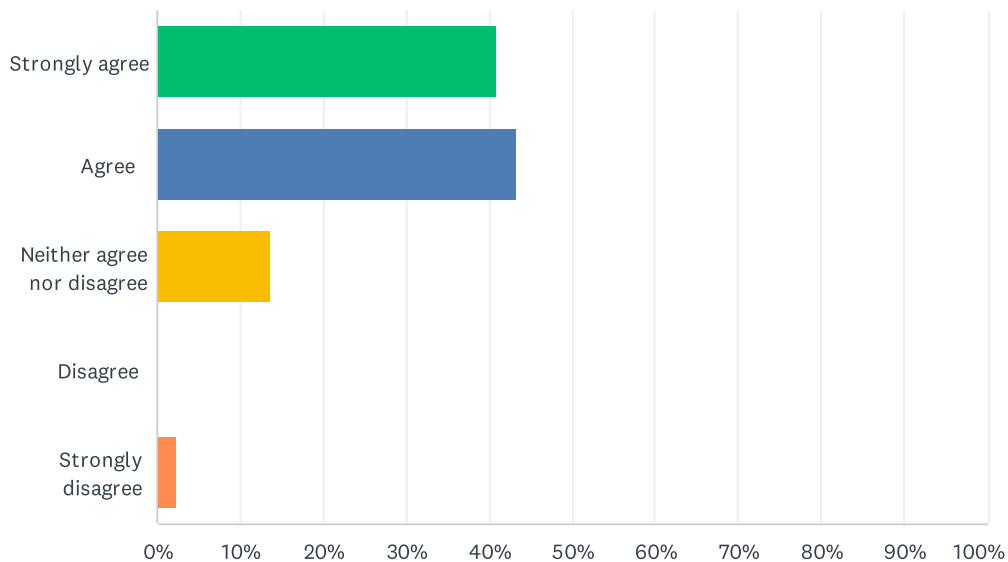
#	RESPONSES	DATE
1	n/a	9/13/2024 4:49 PM
2	Learning for CILEx members of all levels	9/13/2024 9:56 AM
3	Learning	9/12/2024 4:52 PM
4	independence	9/12/2024 4:45 PM
5	.	9/12/2024 9:39 AM
6	greater focus on CILEX regulation and development of members	9/11/2024 6:46 PM
7	Regulation	9/11/2024 11:09 AM
8	Independency	9/11/2024 9:12 AM
9	Independent regulation for Lawyers	9/10/2024 10:23 PM
10	Learning development	9/10/2024 8:13 PM
11	Government and public awareness that Cilex members are professional	9/10/2024 6:09 PM
12	Remaining independent	9/10/2024 4:18 PM
13	Standards and public trust for regulators of the legal profession must be a priority given recent issues for other regulators and to communicate to the public the effective regulation by CrL.	9/9/2024 12:08 PM
14	Be an authoritative, inclusive and capable organisation	9/9/2024 11:06 AM
15	Ethics	8/30/2024 3:06 PM
16	Standards and public trust	8/27/2024 6:13 PM
17	support for members	8/17/2024 4:52 PM
18	Regulation	8/16/2024 8:37 AM
19	Innovation	8/14/2024 11:46 AM
20	Regulation	8/13/2024 8:03 PM
21	learning	8/13/2024 9:06 AM
22	Regulation	8/13/2024 8:35 AM
23	LOWER FEES	8/13/2024 7:51 AM
24	Independent regulation	8/12/2024 7:23 PM
25	DK	8/12/2024 7:16 PM
26	Education and training	8/12/2024 5:44 PM
27	Standards and public trust	8/5/2024 9:26 AM
28	Standards and public trust	8/4/2024 1:44 PM
29	Innovation - we are facing a tidal wave of change with the advent of AI and the legal world needs to be in front of this , working with other institutions to deliver services differently	7/29/2024 12:37 PM
30	Be an authoritative, inclusive and capable organisation	7/29/2024 10:36 AM

CILEx Regulation Corporate Strategy 2025-2027 Consultation

31	learning & development	7/28/2024 5:25 PM
32	Please just answer the phone.	7/23/2024 3:57 PM
33	Innovation	7/22/2024 8:09 PM
34	Trust	7/22/2024 4:45 PM
35	Innovation.	7/22/2024 4:11 PM
36	Quality and this can be done by agreement with the solicitors without giving up our regulations	7/22/2024 3:54 PM
37	Independency	7/22/2024 3:53 PM

Q7 7. Do you think CRL's current values are fit for purpose and underpin CRL's proposed strategic priorities?

Answered: 44 Skipped: 1



ANSWER CHOICES	RESPONSES	
Strongly agree	40.91%	18
Agree	43.18%	19
Neither agree nor disagree	13.64%	6
Disagree	0.00%	0
Strongly disagree	2.27%	1
TOTAL		44

#	PLEASE PROVIDE COMMENTS	DATE
1	Developing the future	9/11/2024 6:46 PM
2	SRA and Cilex are known respectable institutions serving and protecting customers.	9/10/2024 6:09 PM
3	No further comment	8/27/2024 6:13 PM
4	Yes but the description of CILEX is constantly evolving so change required for future growth	8/13/2024 8:03 PM
5	They appear to cover the important issues to the public and its members	7/29/2024 12:37 PM
6	I think CILEX needs to ensure that CRL are treated on the same level as SRA and BSB. We are unique organisation that offers opportunity to people who may not have had this and we should be proud of this fact.	7/22/2024 4:11 PM

Q8 8. What values do you think should underpin CRL's work?

Answered: 32 Skipped: 13

#	RESPONSES	DATE
1	n/a	9/13/2024 4:49 PM
2	All	9/12/2024 4:52 PM
3	proper monitoring of CILEX	9/12/2024 4:45 PM
4	.	9/12/2024 9:39 AM
5	ensuring memberships are well-supported and encouraged to develop	9/11/2024 6:46 PM
6	Integrity & Professionalism	9/11/2024 9:12 AM
7	An Experienced & International/Overseas Lawyers consider to Join.	9/10/2024 10:23 PM
8	Confidence	9/10/2024 8:13 PM
9	Clients protection and satisfaction.	9/10/2024 6:09 PM
10	Existing	9/10/2024 4:18 PM
11	Efficiency and effectiveness should underpin CRL's work demonstrating standards that are trusted.	9/9/2024 12:08 PM
12	Integrity Independence Accountability Competence Fairness Consumer Protection Transparency Innovation and Adaptability Professionalism	9/9/2024 11:06 AM
13	Ethics, professionalism, being kind	8/30/2024 3:06 PM
14	Continue to provide opportunities without barriers to ensure that everyone can have access to progress should they wish to	8/27/2024 6:13 PM
15	Providing the public with confidence in our services	8/17/2024 4:52 PM
16	Integrity	8/14/2024 11:46 AM
17	Regulation and ensuring all members have continuing training on new changes in the law for their particular discipline	8/13/2024 8:03 PM
18	Honesty and Integrity	8/13/2024 8:35 AM
19	LOWER FEES (not charging practice rights fees separately)	8/13/2024 7:51 AM
20	The unique and separate nature of chartered legal executives and the need for them to be independently regulated	8/12/2024 7:23 PM
21	Integrity	8/12/2024 7:16 PM
22	Integrity	8/12/2024 5:44 PM
23	fairness, firmness and efficiency whilst staying flexible	8/5/2024 9:26 AM
24	Independence, transparency and collaboration	8/4/2024 1:44 PM
25	Public Trust and understanding Independent regulation Innovation Training and Mentorship	7/29/2024 12:37 PM
26	I agree with the current values.	7/29/2024 10:36 AM
27	honesty and integrity	7/28/2024 5:25 PM
28	I think that CILeX needs to take a hard look at whether or not it is fit for purpose	7/23/2024 3:57 PM
29	Efficiency, fairness, openness	7/22/2024 8:09 PM
30	trustworthy and knowledgeable	7/22/2024 4:45 PM

CILEx Regulation Corporate Strategy 2025-2027 Consultation

31	Innovation Learning Regulation Self improvment	7/22/2024 4:11 PM
32	Quality	7/22/2024 3:54 PM

Q9 9. What further steps can we take to improve our openness and responsiveness?

Answered: 30 Skipped: 15

#	RESPONSES	DATE
1	n/a	9/13/2024 4:49 PM
2	None	9/12/2024 4:52 PM
3	a higher profile	9/12/2024 4:45 PM
4	.	9/12/2024 9:39 AM
5	establish the way forward for members and provide greater support and tracking	9/11/2024 6:46 PM
6	Apprenticeships	9/11/2024 9:12 AM
7	An Experienced & International/Overseas Lawyers openness to Join. Make it global hub for Lawyers.	9/10/2024 10:23 PM
8	Transparent	9/10/2024 8:13 PM
9	enhance among public more aware about Cilex services.	9/10/2024 6:09 PM
10	Unknown	9/10/2024 4:18 PM
11	More public materials raising awareness of CRL's work within the legal services regulatory system through media outside legal journals.	9/9/2024 12:08 PM
12	Most of these may already be implemented, however, here are some steps (maybe not further): Enhanced Communication Channels: Establish and maintain multiple, accessible channels for stakeholders to communicate, including online platforms, public forums, and regular newsletters. Regular Reporting: Publish regular and detailed reports on activities, decision-making processes, and outcomes to keep stakeholders informed. Feedback Mechanisms: Implement robust systems for collecting and addressing feedback from both legal professionals and the public, ensuring that concerns and suggestions are reviewed and acted upon. Transparency in Decision-Making: Clearly document and share the rationale behind regulatory decisions and actions to provide insight into the decision-making process. Public Consultations: Engage in regular consultations with the public and legal professionals to gather input on proposed changes to regulations and policies. Open Meetings: Hold open meetings or webinars where stakeholders can attend, ask questions, and provide feedback on ongoing regulatory matters. Accessibility of Information: Ensure that all regulatory documents, guidelines, and policies are easily accessible and written in clear, understandable language. Stakeholder Engagement: Actively engage with stakeholders through focus groups, surveys, and forums to better understand their needs and concerns. Timely Responses: Ensure that inquiries, complaints, and feedback are acknowledged and responded to in a timely manner. Training and Education: Provide training for staff on best practices for communication and responsiveness to improve their interactions with stakeholders.	9/9/2024 11:06 AM
13	More engagement/surveys?	8/30/2024 3:06 PM
14	No comments	8/27/2024 6:13 PM
15	Good as it is	8/17/2024 4:52 PM
16	Don't know	8/14/2024 11:46 AM
17	I don't think there is a great deal more to do to appeal to all status of members	8/13/2024 8:03 PM
18	One needs to be careful not to accept every new innovation as the way forward. Adherence to core values needs to be at the heart of what CRL do. Doing things a different way is not always the best way forward.	8/13/2024 8:35 AM

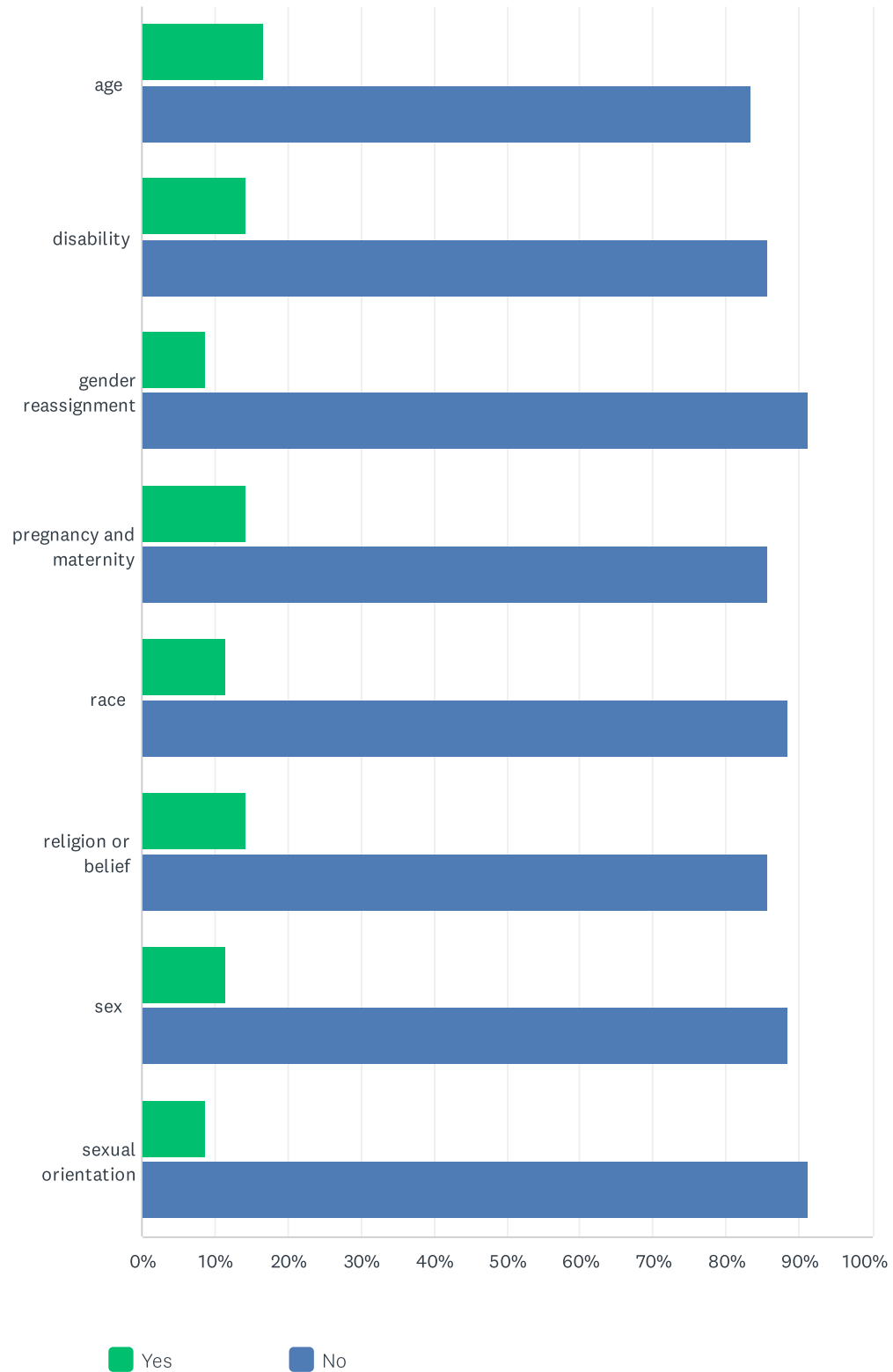
CILEx Regulation Corporate Strategy 2025-2027 Consultation

19	LOWER FEES (not charging practice rights fees separately)	8/13/2024 7:51 AM
20	See above	8/12/2024 7:23 PM
21	DK	8/12/2024 7:16 PM
22	Continue to enhance the reputation and independence of regulating Cilex professionals	8/4/2024 1:44 PM
23	I consider members have been adequately informed	7/29/2024 12:37 PM
24	From my standpoint I have never had an issues with your openness and responsiveness so more of the same.	7/29/2024 10:36 AM
25	communicate more with the profession and the public	7/28/2024 5:25 PM
26	Actually be responsive. Answer the phone. Answer emails. I hate having to deal with CILeX. Its a complete nightmare.	7/23/2024 3:57 PM
27	Unsure	7/22/2024 8:09 PM
28	Publicity regarding what a CILEx is	7/22/2024 4:45 PM
29	There should be an annual meeting inclusive of in person and videolink to raise all issues. Further an anonymous email account to raise any issues and whistle blow.	7/22/2024 4:11 PM
30	Not sure	7/22/2024 3:54 PM

Q10 10. Do you consider there are any aspects of our proposals that could result in equality or diversity implications for groups or individuals based on one of more of the following protected characteristics as defined by the Equality Act 2010?

Answered: 36 Skipped: 9

CILEx Regulation Corporate Strategy 2025-2027 Consultation



CILEx Regulation Corporate Strategy 2025-2027 Consultation

	YES	NO	TOTAL	WEIGHTED AVERAGE
age	16.67% 6	83.33% 30	36	1.83
disability	14.29% 5	85.71% 30	35	1.86
gender reassignment	8.82% 3	91.18% 31	34	1.91
pregnancy and maternity	14.29% 5	85.71% 30	35	1.86
race	11.43% 4	88.57% 31	35	1.89
religion or belief	14.29% 5	85.71% 30	35	1.86
sex	11.43% 4	88.57% 31	35	1.89
sexual orientation	8.82% 3	91.18% 31	34	1.91

#	IF YES, PLEASE EXPLAIN WHAT COULD BE DONE TO CHANGE THIS?	DATE
1	n/a	9/13/2024 4:49 PM
2	.	9/12/2024 9:39 AM
3	need to cater for varying beliefs	9/11/2024 6:46 PM
4	some lawyers keep practicing to very old age USA president Joe Biden is seen too fragile	9/10/2024 6:09 PM
5	I dont know.	7/23/2024 3:57 PM
6	Seeing the point of view of everyone	7/22/2024 3:54 PM

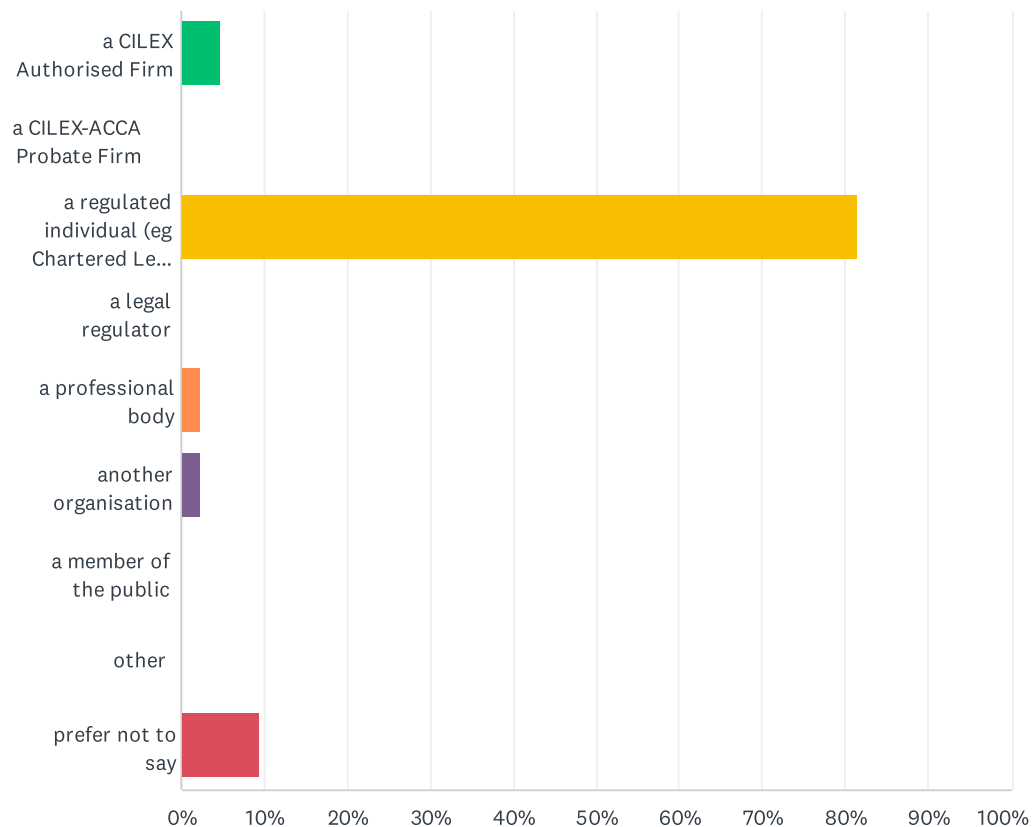
Q11 11. Do you have any other comments about the draft Corporate Strategy for 2025-2027?

Answered: 21 Skipped: 24

#	RESPONSES	DATE
1	n/a	9/13/2024 4:49 PM
2	No	9/12/2024 5:07 PM
3	No	9/12/2024 4:52 PM
4	pointless at the moment unless CILEX withdraw from it's intention to move regulation to the SRA	9/12/2024 4:45 PM
5	.	9/12/2024 9:39 AM
6	not at this time	9/11/2024 6:46 PM
7	No	9/10/2024 4:18 PM
8	I hope that the changes will mean that the public has raised awareness that CILEX and Solicitors are a parallel qualification, ie that we do the same job to the same level as Solicitors	8/27/2024 6:13 PM
9	No	8/17/2024 4:52 PM
10	No	8/14/2024 11:46 AM
11	None all clear and concise and stating all relevant facts	8/13/2024 8:03 PM
12	No	8/13/2024 8:35 AM
13	Lower fees and do more to emphasis the benefits to service providers over the SRA alternative	8/13/2024 7:51 AM
14	N/A	8/12/2024 7:23 PM
15	No	8/12/2024 7:16 PM
16	no	8/5/2024 9:26 AM
17	n/a	7/29/2024 12:37 PM
18	None.	7/29/2024 10:36 AM
19	No but look forward to you continuing to be the regulator for CILEx professionals.	7/28/2024 5:25 PM
20	Please stop abandoning those that are looking to qualify using CILeX	7/23/2024 3:57 PM
21	None	7/22/2024 4:11 PM

Q12 These questions are to help us get a better understanding of your response. They do not form part of the consultation itself. Are you responding to this consultation as:

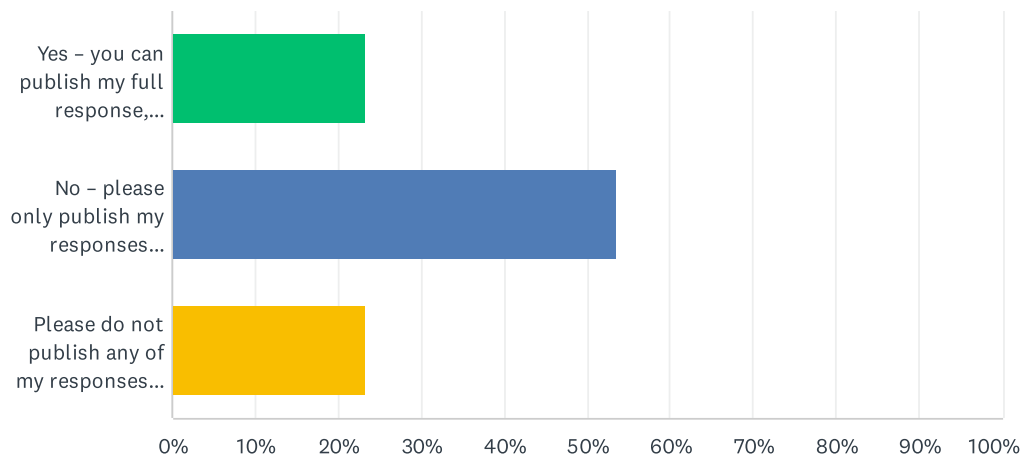
Answered: 43 Skipped: 2



ANSWER CHOICES	RESPONSES	
a CILEX Authorised Firm	4.65%	2
a CILEX-ACCA Probate Firm	0.00%	0
a regulated individual (eg Chartered Legal Executive, CILEX Practitioner, member of CILEX, solicitor, barrister)	81.40%	35
a legal regulator	0.00%	0
a professional body	2.33%	1
another organisation	2.33%	1
a member of the public	0.00%	0
other	0.00%	0
prefer not to say	9.30%	4
TOTAL		43

Q13 CILEx Regulation may publish the responses to this consultation. We usually do this anonymously; however, at times it may be necessary to identify where the responses have come from. Are you happy for your full response, including your organisation's name and your position to be published?

Answered: 43 Skipped: 2

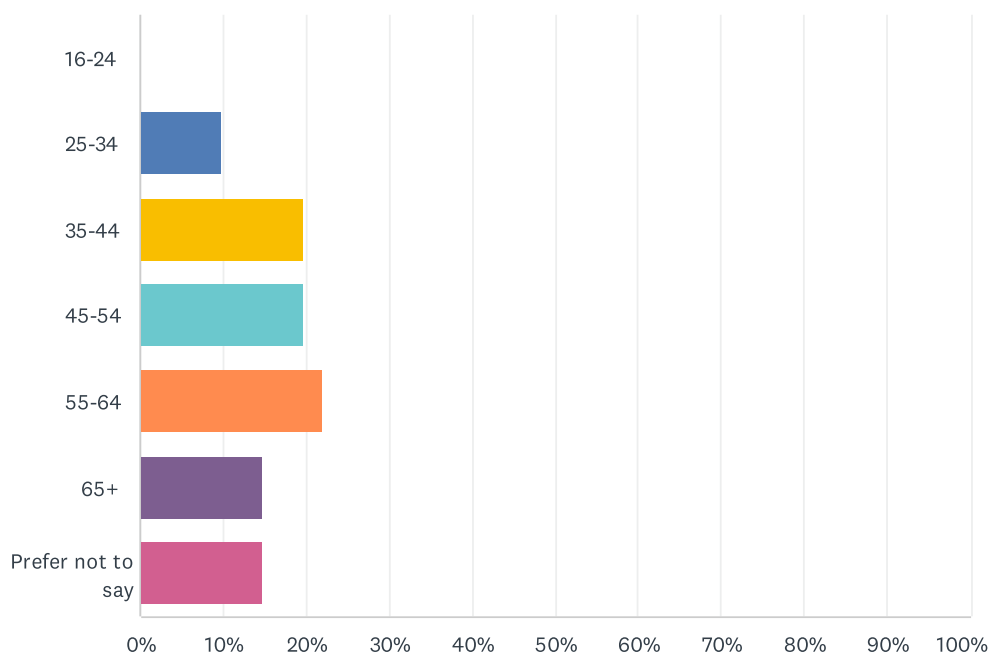


ANSWER CHOICES		RESPONSES	
Yes – you can publish my full response, including my organisation's name and my position (please add this information below)		23.26%	10
No – please only publish my responses anonymously		53.49%	23
Please do not publish any of my responses or name		23.26%	10
TOTAL			43

#	D	
1		
2		
3		

Q14 Introduction IF YOU ARE AN INDIVIDUAL, WE WOULD LIKE YOU TO COMPLETE THIS QUESTIONNAIRE - if you are responding on behalf of an organisation or regulated firm please scroll through and click to submit your responses. We are asking individuals responding to our consultation to complete this optional diversity questionnaire to help us better understand the composition of those responding and any differential impacts that the proposed changes to our rules may have on protected groups. Your answers to this questionnaire will be anonymised. If you do not feel comfortable answering any of the questions you have the option to select 'prefer not to say' within the questionnaire. Whilst the questionnaire is voluntary, we hope you are able to complete it and answer as many of the questions as possible. Age1. Which age category are you currently in?

Answered: 41 Skipped: 4

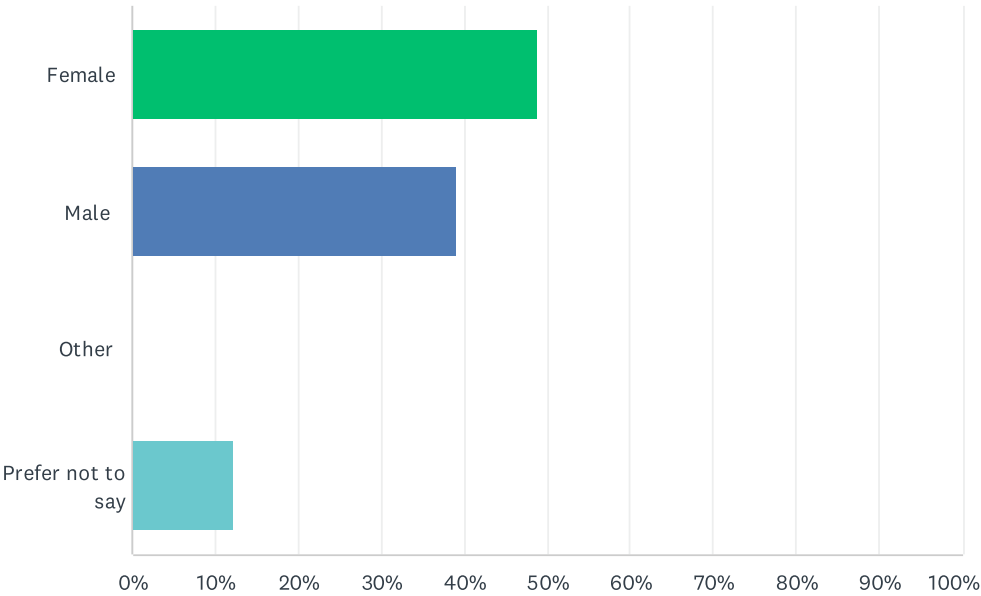


CILEx Regulation Corporate Strategy 2025-2027 Consultation

ANSWER CHOICES	RESPONSES	
16-24	0.00%	0
25-34	9.76%	4
35-44	19.51%	8
45-54	19.51%	8
55-64	21.95%	9
65+	14.63%	6
Prefer not to say	14.63%	6
Total Respondents: 41		

Q15 Gender2. Which gender do you identify with?

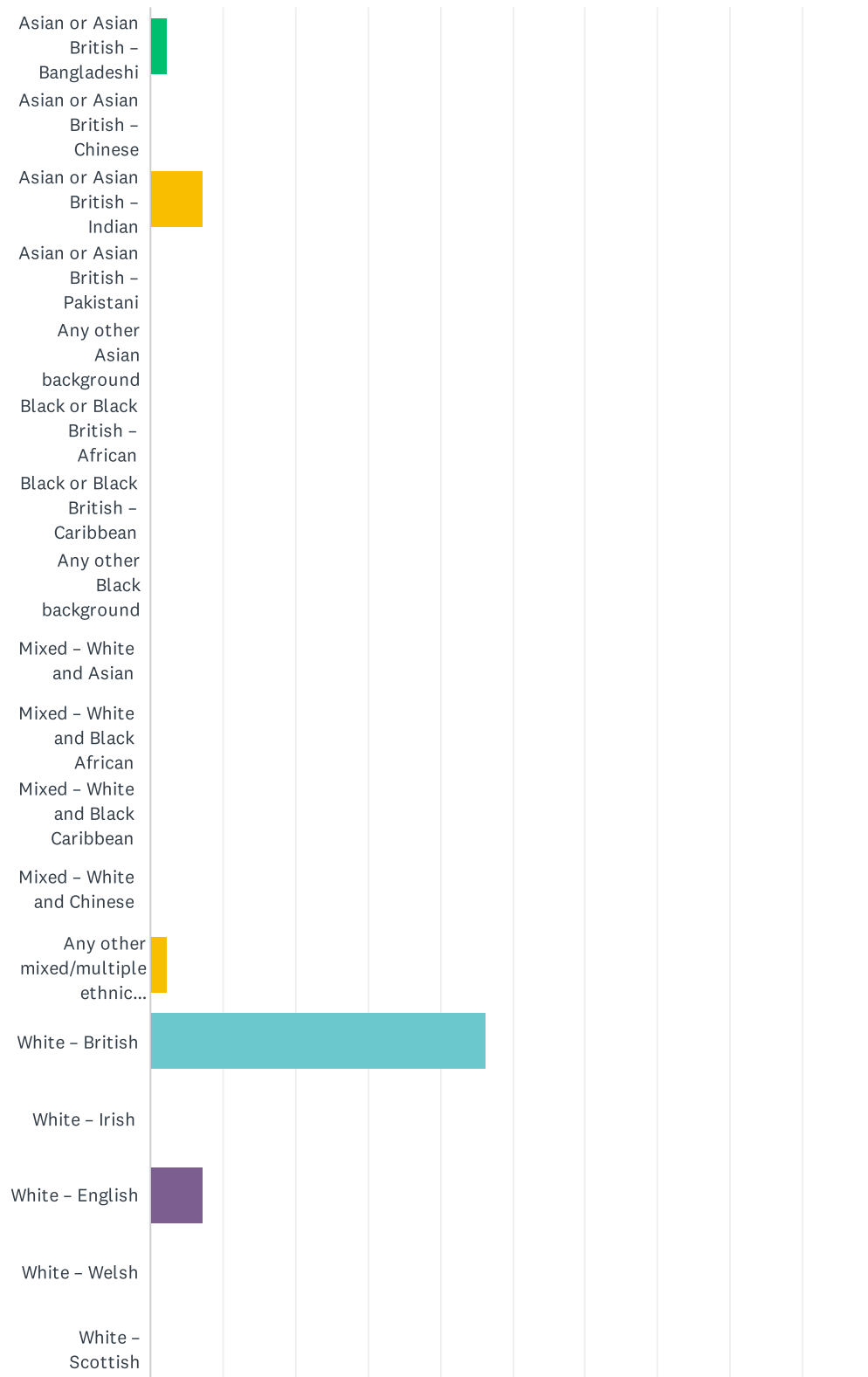
Answered: 41 Skipped: 4



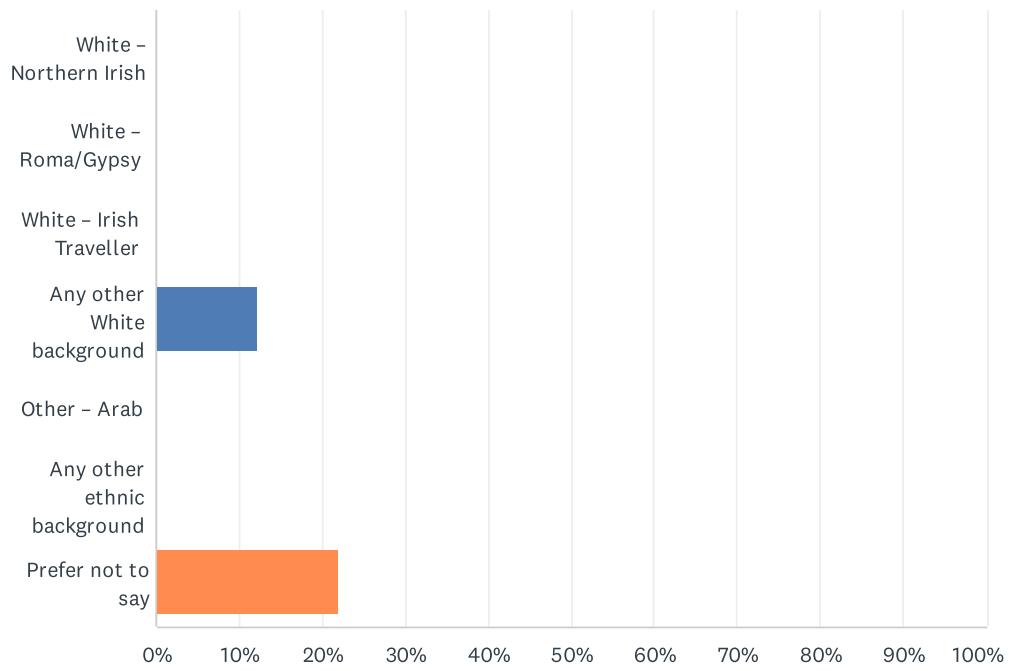
ANSWER CHOICES	RESPONSES	
Female	48.78%	20
Male	39.02%	16
Other	0.00%	0
Prefer not to say	12.20%	5
Total Respondents: 41		

Q16 Ethnicity4. What is your ethnic group? Please select the most appropriate option.

Answered: 41 Skipped: 4



CILEx Regulation Corporate Strategy 2025-2027 Consultation



CILEx Regulation Corporate Strategy 2025-2027 Consultation

ANSWER CHOICES	RESPONSES	
Asian or Asian British – Bangladeshi	2.44%	1
Asian or Asian British – Chinese	0.00%	0
Asian or Asian British – Indian	7.32%	3
Asian or Asian British – Pakistani	0.00%	0
Any other Asian background	0.00%	0
Black or Black British – African	0.00%	0
Black or Black British – Caribbean	0.00%	0
Any other Black background	0.00%	0
Mixed – White and Asian	0.00%	0
Mixed – White and Black African	0.00%	0
Mixed – White and Black Caribbean	0.00%	0
Mixed – White and Chinese	0.00%	0
Any other mixed/multiple ethnic background	2.44%	1
White – British	46.34%	19
White – Irish	0.00%	0
White – English	7.32%	3
White – Welsh	0.00%	0
White – Scottish	0.00%	0
White – Northern Irish	0.00%	0
White – Roma/Gypsy	0.00%	0
White – Irish Traveller	0.00%	0
Any other White background	12.20%	5
Other – Arab	0.00%	0
Any other ethnic background	0.00%	0
Prefer not to say	21.95%	9
Total Respondents: 41		



CILEx Regulation
Kempston Manor
Kempston, Bedford
MK42 7AB

Sent by email only to consultations@cilexregulation.org.uk

20 September 2024

Dear Policy Team,

RE: Consultation on 2025 – 2027 Corporate Strategy

The Legal Services Consumer Panel (Panel) welcomes the opportunity to comment on CILEx Regulation's proposed 2025–2027 corporate strategy. The Panel is pleased that CILEx Regulation has strived to consult a wide range of stakeholders on this strategy, going further than it has in the past. The Panel is also pleased that CILEx Regulation sees the Panel as a key strategic influencer, as referenced in CILEx Regulation's consultation webinar, and hopes that the comments below are helpful.

While the Panel agrees that CILEx Regulation requires a strategy regardless of the current proposals being put forward for the Solicitors Regulation Authority (SRA) to become the new regulator of professionals currently regulated by CILEx Regulation, it does not want to comment on those proposals here. Nevertheless, as CILEx Regulation's webinar did cite the Panel's statement that there is insufficient evidence of the consumer benefits of these proposals, it is wise to put this statement into the context of the Panel's published position that it agrees with simplification of the regulatory landscape in legal services in principle but that individual proposals must be supported by clear and specific evidence of how consumers will benefit.

Reflection on Consultation Questions

1. Do you agree that CRL should continue to provide specialist independent regulation for all CILEX professionals serving the public?

Beyond what is stated above, the Panel does not have any further comment.

2. Do you agree with our proposed mission statement?

The Panel agrees that the proposed mission is suitable and is pleased that consumers are mentioned. In particular, it is good that CILEx Regulation aims to be a 'high performing and

responsive' regulator with emphasis on being evidence-led. It is worth noting, however, that the statutory regulatory objective covers both protecting and *promoting* the interests of consumers which does arguably go further than just protecting them. The Panel believes adopting the fuller wording of the statutory regulatory objective will help put things in perspective for CILEx Regulation, especially with regards to working towards empowering consumers with the information they need to choose an appropriate provider and to using regulation to improve access to justice.

3. Do you agree with our proposed purpose statement?

Again, the purpose is suitable. Ideally, the Panel would also like to see consumer interests mentioned here as well as they do not always align neatly with the public interest.

4. In our draft Strategy we have identified three core activities – regulation, learning and innovation. Do you think these are the right activities?

Again, the Panel agrees with these three core activities because they capture the day-to-day job that regulators do, including actually regulating professionals and entities, learning and working to better themselves, regulation and the delivery of legal services as well as the constant need to apply this learning to innovating better ways of doing things. Most importantly, the strategy should apply the learning and improvement cycle to trying to achieve better consumer outcomes; both this aim and improved diversity, equity and inclusion requires robust data collection and analysis. This data does not always have to mean CILEx Regulation commissions new research and could include collaborating with partners on studies, ensuring all useful data is already collected from current systems and looking to use relevant external sources of data.

In addition, innovation should be interpreted to include, but is by no means limited to, new technologies. CILEx Regulation plans to foster innovation to improve service delivery including access to justice. While improved and new methods of service delivery can increase access to justice, innovative and creative policies and the use of regulatory levers should also be explored as independent efforts to find as many ways as possible to contribute to access to justice. As one third of legal needs are currently unmet in England and Wales,¹ every avenue of potential improvement must be pursued. Accordingly, the Panel's research on how regulation can improve access to justice, due to be published later this financial year, will be of interest to CILEx Regulation.

5. We have proposed four strategic priorities to be the focus of CRL's efforts over the next three years – do you consider these are clear, understandable and appropriate?

Generally, the four strategic priorities are helpful, subject to the comments below. In order to make the standards and public trust goal of helping individual professionals and entities adapt to changes in service delivery to meet consumer needs, specific attention needs to be paid to creating standards which truly do meet consumer needs. This is not easy and requires research, proper market surveillance and in-depth policy work. It should also be remembered that innovative ways of improving service delivery do not have to include technology though they may do so. But it is important to also keep the needs of those who are digitally excluded or limited and their needs in focus as well. Finally, the risks associated with technology should also be clearly identified and managed appropriately.

¹ LSB and Law Society, Individual Legal Needs Survey (2024)

<<https://reshapinglegalservices.org.uk/2024/06/21/key-findings-from-the-largest-survey-examining-the-legal-needs-and-experiences-of-consumers-in-england-and-wales-in-2023/>>.

The Panel is pleased to see access to justice and consumer empowerment as a strategic priority. However, it notes that providing consumers with quality information is important but unlikely to make a big difference to the large amounts of people who cannot access justice. Even though the price transparency plans CILEx Regulation consulted on recently could help those consumers who think engaging legal service providers is too expensive², real commitment and targeted action on access to justice is needed given the high levels of unmet legal need. The Panel encourages CILEx Regulation to plan for this work and look out for the research on how regulation can improve access to justice that the Panel is working on and which will be published later this financial year.

The Panel does not have any comment on the independence and sustainability strategic objective.

Finally, the strategic objective of being an authoritative, inclusive and capable organisation should include using data to track equality actions and specifically how equality actions are affecting consumers. Such thinking about monitoring and evaluation should help ensure that DEI initiatives also improve consumers' experience. This strategic objective should also include how to collect more consumer data and explain how CILEx Regulation will champion fair access for all in the legal services market, a stated aim under this heading.

6. If you had to choose just one, what would be the most important priority that you would want CRL to focus on for the next three years?

Though measurable gains for consumers from CILEx Regulation's work on consumer empowerment are still some time away, at least some efforts have been focussed on this goal here. Therefore, the most important priority is access to justice because the Panel feels it has not received adequate attention or action from regulators. Rather than seeing access to justice as something that improves along with other aims such as ensuring the legal profession is diverse, the time has come for regulators to look for direct ways to contribute to access to justice.

7. Do you think CRL's current values are fit for purpose and underpin CRL's proposed strategic priorities?

The Panel believes that the organisational values - being efficient, firm, fair, flexible and focussed - are positive underpinnings of the proposed strategic objectives. We do note that the explanation of being focussed could be improved because it states that "the needs of our regulated community, colleagues and stakeholders guide everything we do". The Panel feels strongly that consumers should be the first and guiding principle for CILEx Regulation to focus itself on and this is elaborated on in the answer to the next question.

8. What values do you think should underpin CRL's work?

Unsurprisingly, the Panel would like to see consumer focused regulation and all the expectations that encompasses underpin CILEx Regulation's work. Consumer focused regulation requires strong governance, a strategy targeting the improvement of consumer outcomes, enough data and ongoing engagement to create a robust evidence base, solid policy development – implementation – monitoring and evaluating and applying learning insight cycles, a consistent approach to consumer protection and responsive regulation.³ Being consumer focused affects everything the regulator does and helps ensure regulation

² See Individual Legal Needs Survey, *ibid*.

³ See LSCP, Consumer Focused Regulation in Legal Services (2023) at <<https://www.legalservicesconsumerpanel.org.uk/wp-content/uploads/2023/06/Consumer-focused-regulation-report-FINAL.pdf>>.

is suited to the needs of consumers and not just those of the regulated community. It will also drive everyone in the regulator to be concerned with consumer outcomes.

9. What further steps can we take to improve our openness and responsiveness?

CILEx Regulation could improve its openness and responsiveness as a regulator if it tries to expand its evidence base even if it means doing so in creative ways. These may include collaborating with research partners, analysing exiting data sets such as the Tracker Survey or committing to trying to better understand different consumer segments.

10. Do you consider there are any aspects of our proposals that could result in equality or diversity implications for groups or individuals based on one of more of the following protected characteristics as defined by the Equality Act 2010?

Unfortunately, the Panel does not have any information on potential equality effects on the consumers of CILEx lawyers because the Tracker Survey does not specifically track the use of CILEx lawyers, something to be looked at in the next iteration.

11. Do you have any other comments about the draft Corporate Strategy for 2025-2027?

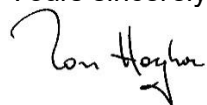
After the purpose, there is a section that explains that CILEx Regulation achieves this (mission and purpose) by setting out the things it does. Many of the statutory regulatory objectives are listed in the last catch-all subheading “supporting regulatory objectives”. While the intention may be that “enhancing the accessibility of legal services” covers off access to justice, it could provide clarity to ensure that access to justice, rule of law and protecting and promoting the consumer interest are also explicitly included.

In addition, supporting regulatory objectives is also different from treating them as an aim of regulation itself and revising the language to reflect this could encourage all CILEx Regulation employees and Board members to take ownership of these objectives and strive to make a difference in each.

Finally, in delivering the strategy, the Panel would like to see more on measuring outcomes achieved and tracking progress, specifically on consumer outcomes.

We hope the CILEx Regulation finds the Panel’s comments useful. Should you have any questions pertaining to this consultation response, please contact Heidi Evelyn, Consumer Panel Associate at [REDACTED] with any enquiries.

Yours sincerely,



Tom Hayhoe
Chair
Legal Services Consumer Panel

CORPORATE STRATEGY

2025-2027

CILEx Regulation Limited
Corporate Strategy 2025-2027
Consultation Document

Foreword, Jonathan Rees, Chair of CILEx Regulation

I am delighted to set out CILEx Regulation's Strategy for the next three years. The announcement by CILEX of its intention to redelegate regulation of CILEX members to the Solicitors Regulation Authority at the beginning of 2022 has inevitably caused uncertainty for both CRL staff and the community we regulate. Despite this unwelcome uncertainty CRL has made significant progress in delivering its 2022-24 strategy, including progress with our ambitious EDI agenda, successful approval to authorise higher rights of access, and a strong risk-based approach to continuing professional development and ongoing competence.

Although the future remains uncertain, CRL's approach is to continue to focus on delivering forward-looking legal regulation which protects the interests of consumers and advances the core issues affecting the legal services sector such as harnessing the benefits of technology and AI, supporting better access to justice, enabling consumers to make informed choices and upholding the highest standards of professional and ethical behaviour of those we regulate.

We are also determined to do this in close partnership with those we regulate, and collaboration with fellow regulators, those representing consumers and other stakeholders.

Introduction

CILEx Regulation Limited (CRL) provides independent regulation of CILEX's 7,600 authorised members, as well as around 9000 paralegals and other non-authorised members.

We are proud of the high standard of focused regulatory services that we deliver to CILEX and its members. We are also proud of our robust governance, independent and cost-effective operational structure, and productive engagement with our regulated community.

Our mission and purpose

Our **mission** is to be a high performing and responsive regulator that protects and promotes consumers' interests through strong evidence-based regulation.

Our **purpose** is to ensure high standards of professional conduct and competence, protecting and promoting the public and consumer interests, enhancing respect and understanding for CRL qualifications and maintaining the integrity and trust of the legal profession.

CRL achieves this by:

Regulating CILEx Members (including non-authorised members eg paralegals) and Firms:

- CRL oversees the professional conduct of CILEx members, ensuring they adhere to established standards and ethical guidelines. This includes setting and enforcing rules, handling complaints, and taking disciplinary actions when necessary.

Protecting the Public:

- By ensuring that CILEx professionals and firms operate with integrity and competence, CRL aims to protect consumers of legal services. This involves ensuring that legal services are delivered competently, ethically, and in a manner that upholds public trust.

Promoting High Standards:

- CRL sets and maintains rigorous standards for education, training, and ongoing professional development for CILEx members. This helps ensure that members are well-qualified and up-to-date with the latest legal practices and regulations.

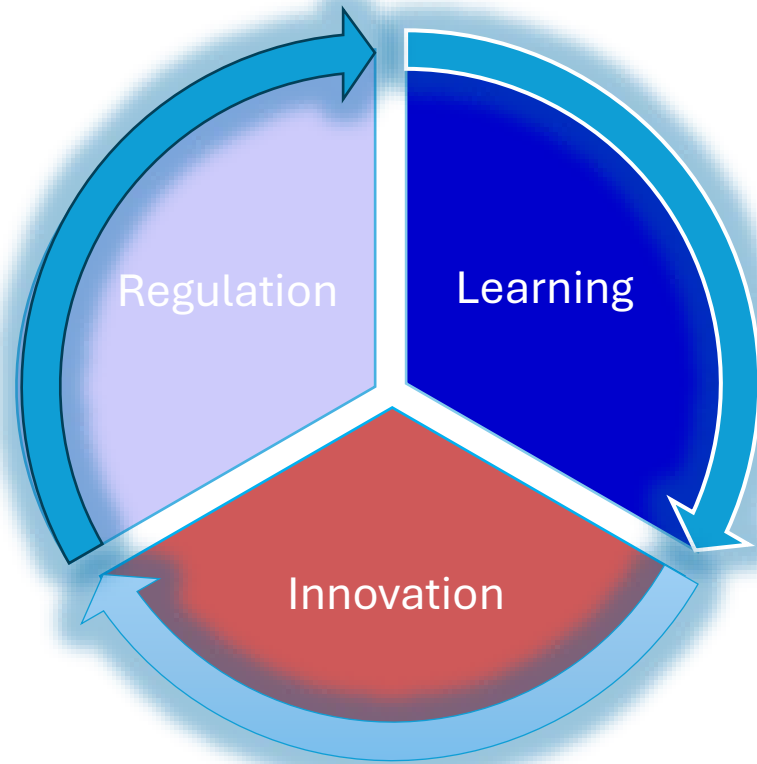
Enhancing Accessibility to Legal Services:

- CRL works to make legal services more accessible to the public, advocating for practices and policies that reduce barriers to obtaining legal assistance.

Supporting Regulatory Objectives:

- CRL supports broader regulatory objectives such as promoting competition in the legal market, encouraging an independent, strong, diverse, and effective legal profession, and increasing public understanding of the citizen's legal rights and duties.

CRL's Core activities



Regulation	Learning	Innovation
• Oversee the education, qualification, and ongoing competence of the people and entities we regulate. • Set appropriate standards, oversee compliance with those standards and investigate allegations of non-compliance – taking action where we need to.	• Use our data to have informed insights about the impact of regulation, with a specific focus on Equality, diversity and Inclusion impacts, and apply that learning to improve our regulatory activity and achieve better consumer outcomes.	• Seek opportunities to foster innovation to improve the delivery of legal services, including access to justice, as well as CRL's own performance. • Use creative policies and our regulatory levers to find ways to improve access to justice.

Delivering the Corporate Strategy

The 2025-2027 strategy seeks to build on the achievements of the 2022-2024 previous three-year strategy. This strategy had three key strategic objectives, High standards, consumer empowerment and Equality, Diversity and Inclusion.

Key achievements include:

High standards

- **Higher Rights of Audience** – Legal Services Board approved CRL to authorise CILEx practitioners with litigation and advocacy rights and chartered legal executive advocates with Higher Rights of Audience.
- **Continuing Professional Development** - significant improvement in Continuing Professional Development compliance and making good progress with the Ongoing Competence Action Plan submitted to the Legal Services Board.
- **Assessment routes** offered by the University of Law for Fellows to gain practice rights are embedding, with 140 Fellows applying.

Consumer empowerment

- **Development of the Legal Choices website** (a comprehensive online resource for consumers) leading to a 23% increase to 1.6 million visits during the 12 months to 31 October 2023, substantially exceeding the target of 1.25 million visits.
- **Regulatory Information Service** - collaborating with other regulators to progress the development of a Regulatory Information Service in line with the LSB's Statement of Policy on Empowering Consumers. This includes recently approving a discovery phase to create a single digital portal through which consumers can access multiple data sets for each front-line regulator.
- **Transparency** – consultation on amendments to our transparency rules and regulations for firms in line with the LSB's statement of policy on consumer empowerment. Publication of CRL Board papers.
- **Consumer facing web content** – development of more consumer facing web content including 'I am a member of the public' section.

Equality, diversity and inclusion

- Publication of CRL's first ever EDI strategy.

- Publication of CRL's biennial Diversity Data Survey Report, drawing on data from 16,757 members – nearly four times the data available compared to the 2017 survey.
- Publishing an expanded diversity reported related specifically to Enforcement activities.
- Recast qualifying employment rules and qualifying experience to eliminate barriers to qualification.

Strategic Priorities 2025-2027

To deliver CRL's core work of protecting consumers' interests and promoting the nine regulatory objectives¹ we have developed **four** key strategic objectives for the next three years, our aims for these areas of work and where we expect to be at the end of the three-year period.

Standards and public trust

Aim

We will promote high quality professional practice that enables the individuals and entities that we regulate to meet our standards, so they are able to adapt to changes in the delivery of legal services and utilise the benefits of innovation and law tech which meet the needs of consumers.

Where we expect to be in 2027

- Our regulatory standards, policies and guidance help the individuals and entities we regulate to adapt to the changing legal services market, so they meet the needs of consumers.
- Our approach to continuing professional development improves professionalism, champions high standards and reduces incidents of poor conduct and unethical behaviour. CRL's approach is recognised as a beacon of good practice.
- Developed and enhanced innovative approaches to service in legal regulation and enabled the adoption of new technology, including AI, to improve legal services delivery

¹ The nine regulatory objectives are: Protecting and promoting the public interest; Supporting the constitutional principle of the rule of law; Improving Access to Justice; Protecting and promoting the interests of consumers; Promoting competition in the provision of services; Encouraging an independent, strong, diverse and effective legal profession; Increasing public understanding of the citizen's legal rights and duties; Promoting and maintaining adherence (by authorised persons) to the professional principles and Promote the prevention and detection of economic crime.

and our internal processes.

- CRL is recognised for its innovative approach to the delivery of legal services regulation.

Access to justice and consumer empowerment

Aim

We will champion fair access to all in the legal services market. We will continue to improve the information available to consumers to improve accessibility to legal services, so they are able to make informed choices and have confidence in the legal professionals they engage with.

Where we expect to be in 2027

- Through the development of the *Legal Choices* website and establishing the Regulatory Information Service (Single Digital Register) and further development of Quality indicators, consumers have the high quality information they need to choose good legal representation.
- Subject to the outcome of the CILEX proposals, have supported CILEX members to make it easier and more cost-effective to start up a law firm ('Law Firm in a Box'), providing greater choice to consumers within diverse communities.
- Consumers have an increased understanding of the consumer protections available in the legal services sector and gaps that exist with the unregulated sector are highlighted.

Independence and sustainability

Aim

Promote the value and importance of independent, specialist regulation, ensuring CRL is able to work without fear or favour and its independence is protected.

Where we expect to be in 2027

- Through our contribution to the LSB's review of the Internal Governance Rules (IGRs), CRL is able to exercise its powers freely and independently, without interference from the approved regulator.
- The organisation continues to be financially sustainable and achieves full financial independence, enabling us to invest in those areas of our operation which are most

important to consumers and regulated members and entities.

- Developed and begun to implement an internal Corporate Social Responsibility programme, working with stakeholders on reducing our environmental impact.

Be an authoritative, inclusive and capable organisation

Aim

The organisation is resilient and has the capacity and capability to quickly adapt to changes in the external environment. Continue to champion fair access for all in the legal services market.

Where we expect to be in 2027

- Reviewed and improved our operational performance monitoring resulting in a reduction of the length of time to conclude conduct complaints.
- Further improved the transparency and accessibility of our services so we respond quickly and effectively to requests.
- Continue to work collaboratively on research to expand CRL's evidence base, including collecting more consumer data
- Using Data effectively to set goals to measure impact, chart progress and track the effectiveness of equality actions so we can understand the outcomes for consumers and the regulated community.
- Understood and sought to address barriers to career progression within the CILEX regulated community.
- Invested in our people, providing a caring environment with equal opportunities for colleagues to develop.
- Built capability to ensure we have the right skills and competencies to drive our current and future performance.

Values

The delivery of CRL's strategy is underpinned by CRL's values which provide the framework for how we approach everything we do.

Integrity - We are honest and take responsibility for our decisions. We listen to the regulated community and other stakeholders but remain independent.

Excellence – we are a learning organisation, committed to improvement and innovation.

Fairness – we respect people and treat them without prejudice.

Transparency – we are open about how we work and how we reach decisions.

Efficiency – we keep things simple, timely and cost effective.

Our approach to implementing the Corporate Strategy

Our strategy sets out our mission and priorities for the next three years and where we want to be at an end. The successful delivery of the strategy will be dependent on our continued collaboration with our fellow regulators and other stakeholders across the sector. Wherever possible we will seek to co-produce key deliverables with the regulated community. We will also continue to ensure our decision making is transparent through the publication of Board papers and decisions and consultation.

Further detail about how and when we will deliver the strategy will be provided in our annual Corporate Plan which will be published at the beginning of each year and will be supported by our **Equality, Diversity and Inclusion Strategy**.

Date	16 October 2024
Item	4.0
Title	Strategic Risk Committee
Author	John Barwick, Chief Executive
Purpose	This paper sets out proposals to extend the remit of the Strategic Risk Committee (SRC) to cover oversight of CRL's corporate strategic risks.
Recommendation	The Board is asked to APPROVE the proposals to extend the remit of the SRC to consider CRL's strategic risks including the amended Terms of Reference at Annex 3 to include provision for a CRL Board member to attend the SRC as an observer.
Timing	SRC to meet in to consider 2025 Corporate Plan and Risk Appetite statement prior to the February 2025 Board meeting.
Impact assessment	Having independent oversight and scrutiny of CRL's strategic risk register will help ensure the Board focuses on those risks that are critically important and to consider the effectiveness of mitigations. This will further enhance transparency and confidence in CRL's governance and support the active management of risk including timely horizon scanning
Impact on Regulatory Objectives	Extending the SRC's remit to consider CRL's strategic risks will provide additional assurance that CRL is actively managing risks associated with the delivery of its regulatory objectives.
Implications for Resources	There will be no additional cost as the costs associated with operating the SRC are included in the budget.
Impact on Consumer Empowerment	Enhanced risk management arrangements will help ensure CRL pays appropriate attention to consumer protection objectives and expectations.
Impact on Ongoing Competence	Enhanced risk management arrangements will help ensure CRL pays appropriate attention to the LSB's requirements regarding ongoing competence.
Publication Status	For publication
Appendices	Annex 1 - SRC Rules Annex 2 - SRC Terms of Reference (Current) Annex 3 – SRC Terms of Reference (Revised)

Background

1. The Strategic Risk Committee (SRC) comprises members, Fellows and independent members. It operates as an advisory committee and reports to the CILEx Regulation Board. It is established under the Strategic Committee Rules (**see Annex 1**).
2. The Committee carries out the following functions:
 - Advises the CRL Executive on the development and monitoring of risk in relation to the authorisation and supervision functions at CILEx Regulation for both regulated individuals and authorised entities (including ABS).
 - Review risk frameworks to ensure that they continue to reflect risk, taking into account data provided by the Executive.

- As set out in the Strategic Risk Committee Rules (**See Annex 1**), review and endorse where appropriate decisions made by the Executive.
 - Provide an Annual Report to the CILEx Regulation Board on its work during the preceding calendar year and make such recommendations as it thinks fit concerning the operation of the risk framework falling within its remit.
3. The Committee receives the following information in order to assist them with their duties:
 - Data from CILEx Regulation in relation to its operations
 - Summaries on risk assessments drawn from the wider legal services market
 4. The Strategic Risk Committee comprises a minimum of 3 members made up of:
 - Fellows of CILEx; and
 - Independent members, at least one of whom shall have knowledge or experience of risk management.
 5. The appointment of independent members and Fellows is made by the CRL Board. Appointments are made for a period of five years. At the end of the five-year term the CRL Board may reappoint the member or make a new appointment.
 6. The rules require the SRC to meet at least once each year. Further detail is provided in the current Terms of Reference which can be found at **Annex 2**.

Proposals

7. A wealth of knowledge and expertise resides with the SRC. From discussions with the current SRC Chair, the SRC feels there is a mismatch between the SRC's Terms of Reference, and what the committee does. The SRC is also keen to add as much value as it can and welcomes a closer relationship with the Board. Part of the challenge for the SRC is that their key role on entities authorisation has not been that busy due to the drop off in new entities seeking authorisation. This is a consequence of the uncertainty caused by the CILEX regulatory re-delegation proposals. Therefore, there is an appetite by the SRC and scope to extend the remit of the SRC to consider the broader risks facing CRL.
8. At its February 2024 meeting the Board approved CRL's risk appetite statement and considered a new format for the reporting and monitoring of CRL's Strategic Risk Register (SRR). The SRR is reviewed and presented by the CEO to each Board meeting as part of his CEO Performance Report. The Board is committed to undertaking an annual 'deep dive' exercise into CRL's strategic risks at its November meeting.
9. Although the transparency of the monitoring and reporting of risks has improved, the time available for the Board to scrutinise and constructively challenge how the strategic risks are being managed is naturally limited by competing Board agenda items and the time available. Unlike many other regulatory bodies, CRL does not have a separate risk committee to consider risk management issues. Whilst the Board must retain overall responsibility for the oversight of CRL's risk management framework, there is an opportunity by extending the remit of the SRC to further improve the scrutiny and management of CRL's risk management framework by drawing on the expertise of the SRC membership which includes an independent dimension.
10. In summary, the following amendments to the SRC's Terms of Reference are proposed:
 - Review and provide advice on changes to CRL's risk appetite statement
 - Review any changes to CRL's Strategic Risk Register and advise on the adequacy of mitigation measures

- Advise the CRL Board on potential sectoral risks to inform CRL's annual business planning cycle.
11. As the current SRC Rules do not permit members of any governing body, Board or committee of the Chartered Institute of Legal Executives or the CILEX Regulation Board to be members of the SRC, it is proposed that a member of the CRL Board attends as an Observer. As an Observer, the Board member would not have 'voting rights' in relation to the SRC's authorisation functions. However, their attendance would provide an important link between the Board and the SRC. Alice Belcher has agreed to attend as an observer.
12. The Board is asked to APPROVE the proposals including the draft amended Terms of Reference at **Annex 3**.



STRATEGIC RISK COMMITTEE RULES

STRATEGIC RISK COMMITTEE RULES

1. CILEx Regulation shall establish a Strategic Risk Committee.
2. The Strategic Risk Committee shall:
 - oversee the application of CILEx Regulation risk based and outcomes focused regulatory strategy and its adaptation to meet changing market conditions;
 - review operation of the risk framework and update/supplement risk rating criteria;
 - determine how the framework should be applied across impact and probability scoring ranges;
 - receive and review data from CILEx Regulation risk operations and receive summaries on risk data assessments on the wider market for legal services;
 - consider and decide whether to endorse decisions made by Operational Risk Group Managers to reject authorisation;
 - consider and decide whether to endorse decisions made by Operational Risk Group Managers to revoke authorisation;
 - consider and decide whether to endorse decisions made by Operational Risk Group Managers to reject designation as an Approved Manager or CILEx Practitioner (ACCA-Probate);
 - consider and decide whether to endorse decisions made by Operational Risk Group Managers to withdraw designation as an Approved Manager or CILEx Practitioner (ACCA-Probate);
 - consider and decide whether to endorse decisions made by Operational Risk Group Managers to:
 - refuse to grant a licence;
 - impose special licence conditions upon a licence;
 - revoke or suspend a licence;
 - refuse an application for approval to be an owner, designated officer or manager of a licensed body; or
 - withdraw approval to be an owner, designated officer or manager of a licensed body.

3. A person or organisation (the applicant) affected by any decision by CILEx Regulation to:

- (1) reject an application for authorisation;
- (2) revoke authorisation;
- (3) reject an application for Approved Manager or CILEx Practitioner (ACCA-Probate) designation; or
- (4) withdraw Approved Manager or CILEx Practitioner (ACCA-Probate) designation;

may appeal against that decision to the Appeals Panel constituted under Part IV of the CILEx Regulation Enforcement Rules.

4. A person or organisation (the applicant) affected by any decision by CILEx Regulation to:

- (1) refuse to grant a licence;
- (2) impose special licence conditions upon a licence;
- (3) revoke or suspend a licence;
- (4) refuse an application for approval to be an owner, designated officer or manager of a licensed body; or
- (5) withdraw approval to be an owner, designated officer or manager of a licensed body

may appeal against that decision under Part 10 of the CILEx Regulation Licensing Rules.

5. The Strategic Risk Committee shall report annually to the CILEx Regulation Board on its work during the preceding calendar year and make such recommendations as it thinks fit concerning the operation of the risk framework falling within its remit.

6. The Strategic Risk Committee will comprise:

- Fellows of CILEx; and
- Independent members, at least one of whom shall have knowledge or experience of risk management

who shall not be members of any governing body, Board or committee of the Chartered Institute of Legal Executives or the CILEx Regulation Board and provided that the independent members are in the majority.

7. A Fellow who is a member of CILEx Regulation's Professional Conduct, Disciplinary or Appeals Panel shall not be eligible to serve as a member of the Strategic Risk Committee.
8. Appointments of independent members and Fellows shall be made by the CILEx Regulation Board.
9. Each independent member and Fellow will be appointed to the Strategic Risk Committee by CILEx Regulation for a period of five years. Upon the termination of the five-year period of their appointment the Board may reappoint them or make a new appointment.
10. No Fellow or independent member may serve more than two consecutive terms as a member of the Strategic Risk Committee. Where they fail without good reason to fulfil their duties set out in these Rules CILEx Regulation may terminate their appointment whether or not they have completed their current term of office.
11. Where necessary the Strategic Risk Committee may seek advice on matters under its consideration from other persons or sources.
12. At least three members of the Strategic Risk Committee must be present at a meeting to constitute a quorum.
13. The Strategic Risk Committee will appoint one of its members as Chair. The Chair will be appointed for a period of one year. The Chair will be eligible for reappointment but may not serve as Chair for more than three consecutive years.
14. Decisions of the Strategic Risk Committee will be reached by a majority vote. In the case of an equality of votes the Chair shall have a casting vote.
15. The Strategic Risk Committee shall meet at least once each year. Subject to this, where the Committee deems it appropriate it may perform its functions by way of a postal agenda or telephone conference.
16. CILEx Regulation shall have the power to pay fees to members of the Strategic Risk Committee and shall from time to time, determine the amount and basis of payments of such fees.
17. These rules came into force on 5th January 2015 and were subject to changes on 13th August 2019 and 25 October 2021.

STRATEGIC RISK COMMITTEE TERMS OF REFERENCE

The Strategic Risk Committee comprises members Fellows and Independent members. It operates as an advisory committee to the Authorisation and Supervision Directorate.

Duties

The Committee shall carry out the following functions:

- Advise the office on the development and monitoring of risk in relation to the authorisation and supervision functions at CILEx Regulation for both regulated individuals and authorised entities (including ABS).
- Review risk frameworks to ensure that they continue to reflect risk, taking into account data provided by the office.
- As set out in the Strategic Risk Committee Rules, review and endorse where appropriate decisions made by the office.
- Provide an Annual Report to the CILEx Regulation Board on its work during the preceding calendar year.

The Committee will receive the following information in order to assist them with their duties:

- Data from CILEx Regulation in relation to its operations
- Summaries on risk assessments drawn from the wider legal services market

Membership

The Committee shall comprise:

A minimum of 3 members, made up of Fellows and Independent members and will have a minimum of 1 professional member and 1 independent member. The Committee will appoint a Chair, who will have the casting vote where necessary.

The Working Group will be served by an Officer from CILEx Regulation.

STRATEGIC RISK COMMITTEE TERMS OF REFERENCE

The Strategic Risk Committee comprises members Fellows and Independent members. It operates as an advisory committee to the Authorisation and Supervision Directorate.

Duties

The Committee shall carry out the following functions:

- Advise on the development and monitoring of risk in relation to the authorisation and supervision functions at CILEx Regulation for both regulated individuals and authorised entities (including ABS).
- Review risk frameworks to ensure that they continue to reflect risk, taking into account data provided by the office.
- As set out in the Strategic Risk Committee Rules, review and endorse where appropriate decisions made by the CRL Executive.
- Review and provide advice on changes to CRL's risk appetite statement.
- Review any changes to CRL's Strategic Risk Register and advise on the adequacy of mitigation measures.
- Provide 'horizon scanning' advice to the CRL Board on potential sectoral risks to inform CRL's annual business planning cycle.
- Provide an Annual Report to the CILEx Regulation Board on its work during the preceding calendar year.

The Committee will receive the following information in order to assist them with their duties:

- Data from CILEx Regulation in relation to its operations
- Summaries on risk assessments drawn from the wider legal services market

Membership

The Committee shall comprise:

A minimum of 3 members, made up of Fellows and Independent members and will have a minimum of 1 professional member and 1 independent member. The Committee will appoint a Chair, who will have the casting vote where necessary.

A member of the CILEx Regulation Board may attend as an observer but does not have voting rights in respect of the Committee's authorisation functions.

The Committee will be served by an Officer from CILEx Regulation.

Date	16 October 2024
Item	5.0
Title	Remuneration Committee
Author	John Barwick, Chief Executive
Purpose	This paper provides an update on establishing a Remuneration Committee including a proposed terms of reference.
Recommendation	The Board is asked to NOTE the update and the proposed Terms of Reference at Annex 1 .
Timing	The intention is to coincide the first Rem Comm meeting with the next full Board meeting in November. This is subject to availability.
Impact assessment	Establishing a remuneration committee with independent membership strengthens the transparency and independence of CRL's decision making in relation to Board and CEO remuneration and provides the opportunity to draw on external expertise.
Impact on Regulatory Objectives	N/A
Implications for Resources	There will be a modest cost c £800 to for engagement of an independent HR consultant. There is no cost associated with the Independent Member's participation.
Impact on Consumer Empowerment	N/A
Impact on Ongoing Competence	N/A
Publication Status	Not for publication
Appendices	5.01 Annex 1 – Remuneration Committee Terms of Reference

Background

1. At its September 2024 meeting, the Board agreed to put in place a process to provide independent input into the determination of remuneration for Board Members. The Board approved that a Remuneration Committee be established with advice provided by at least one independent member.
2. CRL's CEO approached the Director of People at the Bar Standards Board who has agreed to act as an independent member on the committee. They have a wealth of experience having previously been the Director of HR at the Commonwealth Secretariat and Director of Human Resources with the Health and Care Professions Council. An independent HR consultant will initially act as a second independent member.
3. A proposed Terms of Reference is provided at Annex 1
4. The Board is asked to NOTE the update including the proposed Terms of Reference at **Annex 1**.

REMUNERATION COMMITTEE

Terms of Reference

1. **Membership**

- 1.1 The Committee shall comprise all Board directors and be chaired by the Board Chair. It will be assisted by an independent adviser.

2. **Secretary**

- 2.1 The Director of Governance, Policy and Legal, or their nominee, shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. **Quorum**

- 3.1 The quorum necessary for the transaction of business shall be the Chair and at least two Board Directors. Decisions will not be taken unless the independent adviser is present.

4. **Meetings**

- 4.1 The Committee shall meet at least once a year, and otherwise as required, with sufficient notice being given to the Committee members. The meeting will be minuted.

5. **Remit**

- 5.1 To review and determine the level of remuneration paid to Board Members in connection with their duties. Consideration will include information obtained from benchmarking of other similar organisations.
- 5.2 To review and determine the level of remuneration paid to the Chief Executive.
- 5.3 To maintain oversight of strategy relating to pay and reward within the whole CRL.

Date	16 October 2024
Item	6.0
Title	AML Supervision Report 2023-2024
Author	Simon Blandy, Director of Regulation
Purpose	This paper reports on CRL's AML and Economic Crime supervision activities 2023-2024.
Recommendation	The Board is asked to: (a) APPROVE the AML Supervision Report 2023-2024, and (b) if it considers appropriate, AGREE that the Terms of Reference of the Strategic Risk Committee (SRC) should be amended to assign to it operational oversight of CRL's Economic Crime and AML Supervision to include approval of the AML Supervision Report for 2024-2025 reporting year.
Timing	The Report is due to be submitted to HM Treasury and OPBAS by 1 November 2024
Impact assessment	The report sets out CRL's AML and Economic Crime activities 2023-2024 and summarises the level of AML compliance evidenced by CRL firms. OPBAS uses this as an importance source of evidence in assessing CRL's performance as an AML supervisor.
Impact on Regulatory Objectives	The Economic Crime objective came into force in October 2023. This requires the LSB, and the regulators it oversees (including CRL), to promote the prevention and detection of economic crime. The LSB intends to develop guidance on how regulators are expected to demonstrate they are acting in accordance with the new regulatory objective. The AML activities CRL supervises impact positively principally on the following regulatory objectives: public interest, rule of law and the interests of consumers
Implications for Resources	There will be no additional cost as the costs associated with the activities set out in the Report are included in the budget.
Impact on Consumer Empowerment	There is no direct impact on consumer empowerment
Impact on Ongoing Competence	The last area for development 2024/25 listed in the Report is to collaborate with CILEX in promoting the prevention and detection of economic crime to CILEX members, CRL firms and the wider community to include an awareness campaign and the provision of CPD courses and webinars focusing on AML and economic crime.
Publication Status	For publication
Appendices	Annex 1 - AML Supervision Report 2023-2024

Background

1. [Regulation 46A](#) of the Money Laundering Regulations 2017 requires a professional body supervisor to publish an annual report for the period 6 April to 5 April in each year containing prescribed information and data about its AML supervisory activities. The report must be sent to HM Treasury and OPBAS and published on the CRL website by 1

November each year¹. OPBAS encourages AML supervisors to use the Report as an opportunity to highlight its role and remit within the AML/CTF supervisory landscape and draw out the progress and outcomes delivered by its supervisory approach and overall effectiveness.

Proposals

2. The purpose in asking the CRL Board to approve the AML Supervision Report is to ensure that it has the information to understand the scope of CRL's responsibilities as AML Supervisor and the context in which the regular reports on Economic Crime and AML activities are provided to it.
3. The Report includes detail about operational activities which the Board may determine should be considered by a CRL committees. Given the range of functions the SRC is being tasked to carry out (see agenda item 4.0), subject to the Board's approval it is suggested that oversight of CRL's Economic Crime and AML activities might be assigned to the SRC. Whilst regular reports would continue to be made to the Board, the SRC could be tasked with oversight of these activities and therefore be well placed to approve the annual AML Supervision Report. After it had been approved, the Report would be presented to the Board for noting. This follows the process for agreeing all other [annual reports](#) (with the exception of the [CRL Annual Report](#)).
4. The Board is asked to:
 - (a) **APPROVE** the AML Supervision Report 2023-2024 at **Annex 1**, and
 - (b) if it considers appropriate, **AGREE** that the Terms of Reference of the SRC be amended to assign to it operational oversight of CRL's Economic Crime and AML Supervision to include approval of the AML Supervision Report for 2024-2025 reporting year.

¹ Para 11.2 [OPBAS Sourcebook](#)

CILEX REGULATION ANTI-MONEY LAUNDERING SUPERVISION REPORT 2023/24

CHAIRS FOREWORD – Jonathan Rees

This report explains CRL’s responsibilities in supervising those we regulate for Anti Money Laundering activities and the duty to promote the Economic Crime objective to a much wider audience.

Requiring each CRL practice the requirement to submit an AML Statement whether or not it falls strictly within the AML supervised population has enabled CRL more confidently to assess Financial Crime and AML Risk for the sector. As the report indicates, to date areas of weakness in AML compliance have been satisfactorily and proportionately resolved at an early stage by guidance. We note that no enforcement action has been necessary in this reporting year.

The Board takes this opportunity of reminding CRL firms and the broader CILEX community that everyone has a part to play in the prevention and reporting of economic crime, in addition to the more familiar responsibilities in combatting money laundering activities. In addition to its role as a regulator and AML supervisor, CRL is available to provide guidance and help you fulfil those responsibilities.

BACKGROUND

CILEX became an approved Anti-Money laundering (AML) supervisory authority in 2015 and is listed as a Professional Body in Schedule 1 of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs). In line with other regulatory functions CILEX delegates to CILEx Regulation (CRL) the AML supervisory activities and functions, including risk assessment, monitoring and enforcement, and these responsibilities are set out in the Internal Governance rules.

This report sets out the AML supervisory activity carried out by CRL for the period 6 April 2023 to 5 April 2024 and identifies areas for development for CRL’s AML supervision in 2024/25.

This assessment should also be taken into consideration when a supervised firm is drafting or updating its own [Regulation 18](#) Practice-wide Risk Assessment (PWRA). We recommend that firms not strictly falling within the scope of the MLR should carry out a PWRA to provide context in risk assessing individual client matters and inform the drafting of the firm’s policies and procedures.

This assessment should be incorporated into everyone’s annual AML training.

SCOPE OF SUPERVISION

The majority of the 16,500 CILEX members work in law firms or other companies and organisations who, if required, are supervised by other AML supervisors, including HMRC and the Financial Conduct Authority (FCA). The actual CRL AML supervised community, as set out in the table below, remains very small in relation to the total regulated CILEX population.

CRL has agreed with the Office for Professional Body Anti-Money Laundering Supervision (OPBAS) that its scope of AML supervision only extends to the following:

CILEX Authorised Entities	Unregulated sole practitioners (not operating through a Limited Company or LLP)
---------------------------	---

CRL does not supervise unregulated entities (Limited companies or LLP) as these entities are not members of CILEX. CRL firms only have offices in England & Wales, and in many cases are instructed by clients who are local to the firms and/or with whom they have well established relationships.

During 2023/24 the CRL supervised community comprised:

Supervised Community	2020/21	2021/22	2022/23	2023/24
No of relevant firms	4	4	5	7
No of relevant sole practitioners conducting regulated activities as Authorised Entities	19	21	13	14
No of sole practitioners conducting regulated activities operating as unregulated firms	3	3	3	3

Throughout the year CRL has direct contact with each of the practices it regulates and supervises. It has up to date information and data through the Annual Return about each of these practices which is carefully scrutinised. This is supplemented by the AML Statement which each CRL practice has for the first time been required to complete whether or not it falls strictly within the AML supervised population enabling CRL to assess Financial Crime and AML Risk for the sector.

CRL regulates its law firms by specialism. It had no firms or sole practitioners who act solely as a Trust & Company Service Provider, although four firms offered these types of service.

In addition to CILEX Authorised Entities, CRL authorises and regulates [CILEx-ACCA Probate Entities](#), which are linked to an ACCA accountancy firm. The legal services provided by these entities are limited to applying for a grant of probate. CRL does not permit them to 'receive, control or handle client money apart from what the client pays you for your services' (para 3.1(d) [CILEx Regulation-ACCA Handbook 2021](#), last updated September 2024). OPBAS has agreed with CRL that these firms do not fall under the scope of the MLRs. CRL has agreed with ACCA that responsibility for AML supervision for ACCA Accountancy firms should remain with ACCA for all activities.

Within the AML supervised community CRL had the following total number of beneficial owners, officers or managers:

	April 2018	April 2019	April 2020	April 2021	April 2022	April 2023	April 2024
Total number of beneficial owners, officers, or managers within firms supervised by CRL (" BOOMS ") Reg 26 MLR	15	20	29	34	40	26	12

As the majority of CRL firms hold client money, CRL recommends that even if they do not fall within the scope of the regulations, they put in place policies and procedures, including a risk assessment for the firm, so they can tackle the risks of being targeted by criminals, and comply with the requirements of the [Proceeds of Crime Act 2002](#) and [Terrorism Act 2000](#).

CILEX continues to have an important role in raising awareness of individuals obligations under the regulations and ensuring that individuals and firms are correctly directed to the supervision and guidance that is appropriate to their circumstances.

OFFICE FOR PROFESSIONAL BODY ANTI-MONEY LAUNDERING SUPERVISION

The key objective of the [Office for Professional Body Anti-Money Laundering Supervision](#) (OPBAS) is to reduce the harm of money laundering and terrorist financing by:

1. ensuring a robust and consistently high standard of supervision by the PBSs overseeing the legal and accountancy sectors
2. facilitating collaboration and information and intelligence sharing between PBSs, statutory supervisors and law enforcement agencies

During 2023-2024 CRL has provided OPBAS with regular updates on progress as detailed in this report. OPBAS also discussed with CRL the outcomes of the Legal Services Board [investigation](#) into the dispute between CILEX and CRL.

GOVERNANCE & RESOURCES

The supervisory activities of CRL are carried out under the guidance of the Money Laundering Reporting Officer (MLRO) and the Executive Team (ET).

At each of its meetings in 2023/24 the CRL Board was provided with updates on its AML activities, supervisory actions related to the financial sanctions regime and in promoting the economic crime objective. These can be found in the Director of Operations report (now Director of Regulation report) which has a section on the work relevant to the proposed new regulatory objective on Economic Crime. An example can be found [here](#).

The Director of Regulation is the MLRO and the Single Point of Contact for the Shared Intelligence Service (SIS), OPBAS, other supervisory authorities, law enforcement authorities and overseas authorities. The post holder has [overall responsibility](#) for regulatory authorisation, supervision and enforcement. The Entity Authorisation and Supervision Officer is the Deputy MLRO.

The Director of Regulation can flex resource within teams to meet short term pressures and this would apply to AML compliance were it necessary. CRL demonstrated the ability to respond to the demands of increased work related to financial sanctions and has fully engaged with all stakeholders on any strategic changes related to AML.

The Strategic Risk Committee (an independent committee providing oversight of CRL's risk frameworks for individual and firm supervision) continued to provide additional oversight on CRL's AML supervision.

CRL continues to monitor the risks of knowledge being held within single individuals and has actively addressed this for AML by widening the experience of other staff, through involvement in sector meetings where greater knowledge of risks can be obtained. CRL incorporates AML supervision within its other regulatory work. In addition, to assist it in re-assessing the risk related

to the CRL AML supervised population, CRL required all CRL firms to complete and return an AML Statement.

Meetings are held with CILEX to discuss key operational issues that affect both the professional body and the regulatory body related to AML and sanctions.

INFORMATION PROVIDED TO THE SUPERVISED COMMUNITY

CRL's Economic Crime page explains the scope of [Economic Crime](#) and links to additional resources on [Financial Sanctions](#) and [Anti-Money Laundering](#), all of which are regularly updated.

Emails were sent to all supervised firms covering topics such as:

- CRL AML Sectoral Risk Assessment,
- CRL Financial Sanctions Risk Assessment,
- SARS,
- UKFIU communications,
- OPBAS reports,
- Changes to the financial sanctions regime, including new licences, webinars, and trust services.
- Companies House changes
- Changes to Guidance issued by the Legal Sector Affinity Group (LSAG)
- Guidance on funds from China

The CRL newsletter circulated to AML supervised entities, BOOMs, authorised and non-authorised CILEX members included the following:

July 2023	HMT AML consultation on structural reform of AML supervision
Oct 2023	Publication of CRL's 2022/23 AML Supervision Report link to AML page
Nov 2023	Enactment of Economic Crime and Corporate Transparency Act 2023 with links to Factsheets published by the Government
Dec 2023	Updated LSAG Guidance
Jan 2024	Re-launch of the Economic Crime webpage
Feb 2024	Update on domestic PEP Guidance

Updates and news items in the CRL newsletter are followed up with Social Media posts to maximise engagement. In the 2023-2024 year 1,478 page views on the CRL website were recorded for CRL AML related content.

CRL's [AML Sectoral Risk Assessment](#) was updated in May 2023 to include sections on Proliferation Financing¹ and the risks in dealing with Remote Clients with a link to the Financial Action Task Force (FATF) [Guidance on Digital ID](#). The sectoral risk assessment included evidence of risks that CRL had observed from its supervisory activities supplemented by intelligence shared by other supervisory bodies. Because of the small size of the supervised population, CRL continues to rely upon information and reports on money laundering risks from the AML Supervisors Forum and LSAG meetings, together with information from [Legal Intelligence Sharing Expert Working Group](#) (LISEWG) meetings, and intelligence from the [National Crime Agency \(NCA\)](#).

CRL highlighted the conclusion in the [2020 National Risk Assessment](#) that the services at highest risk of exploitation remain trust and company formation, conveyancing and client account

¹ Suggesting that CRL firms should incorporate proliferation financing into their existing money laundering and terrorist financing risk assessments

services. This risk increases when legal professionals fail to carry out their obligations under the MLRs or take a tick-box approach to compliance.

CRL emphasised the new areas of concern and risk:

- Source of funds from overseas, particularly related to high risk and sanctioned regimes
- Funds from within UK at increased risk of cyber-crime and fraud
- New ways of working, especially related to supervision and diversification into new areas of work.
- The vital importance of staff having regular training on AML, especially on the new risks that they are facing.

The latest [LSAG updated Advisory Note](#) was published in October 2023.

CRL's AML Sectoral Risk Assessment was redrafted and circulated in October 2024 to reflect more closely the specific risks which relate to the firms which CRL supervises.

The [Financial Sanctions page](#) on the CRL website is regularly updated to record changes in legislation. CRL firms were notified that the general licence for fees has been extended to 28 October 2024 and that a ban has been imposed on the provision of trust services and legal advisory services in connection with Russia.

The updated sectoral risk assessment was shared with all firms, whether within the scope of the regulations or not, as it is important for them to understand the risks associated with moving into new areas of law, new customer groups or if they are looking to provide new services to existing clients.

CRL ensured that information on its website remained up to date and continues to develop as new risks are identified.

TRAINING

CRL staff had specific training on the sanctions regime during 2023.

Staff at CILEX and CRL have access to a suite of eLearning courses which include Preventing Money Laundering, Whistleblowing and Preventing Bribery in Business. Completion of these courses is monitored to ensure that all existing and new staff complete or refresh their AML training annually.

Key CRL staff attended additional training in 2023 organised by the Law Society of Scotland with an AML specialist.

- Financial Crime Risk Awareness, including focus on sanctions
- Overview of the Financial Crime Compliance Landscape
- Proliferation Finance
- Implications of move of supervision to Economic Crime rather than just AML

AREAS DEVELOPED IN 2023/24

The key development for CRL in 2023/24 has been the requirement for all CRL firms to complete and return an AML Statement, with the exception of those practices which started to trade after the request for AML statements had been circulated. Previously CRL had only required the three unregulated practices supervised by CRL to complete the AML Statement. Analysis of the responses has enabled CRL to carry out a risk assessment of all CRL firms, not just those already

identified as subject to AML supervision. The AML Statement will be reviewed each year with a view to incorporating targeted questions for key areas which will assist in refining the risk scores.

The CRM Risk Matrix continues to be trialled and has been successfully applied in determining priorities for sampling CPD compliance.

SUPERVISORY ACTIVITY

Under All authorised entities and licensed bodies regulated by CILEx Regulation are required to provide an Annual Return (rule 4(18) of the [CILEx Authorisation Rules](#) and rule 10(1) of the [CILEx Regulation Licensing Rules](#)).

In addition to the completion of a questionnaire the Annual Return requires each firm to provide:

- Any new or revised policies or procedures.
- The firm's business plan
- The firm's cashflow forecast for the coming year
- Examples of the firm's client care documents it has been using.
- Open and closed files lists.
- The firm's latest available accounts.
- The last three months' worth of Office Account bank statements and where the firm holds client money copies of the last three months' worth of Client Account bank statements.

Where there is a query about any entry in the bank statements provided, the firm is required to provide the full set of bank statements for the reporting period. Any account numbers appearing regularly in the statements must be explained if they are not identified as being one of the firm's bank accounts. We also challenge any unusual payments.

The requirement to submit policies and procedures drafted during the reporting period allows CILEx Regulation to check their content and provide feedback. Equally where legislative changes would have necessitated a redrafting, and the firm has not provided us with a new or amended policy/procedure, that will be raised with the firm.

In all cases the firms receive feedback on the content of the Annual Return and where necessary to take remedial steps, the completion of which is monitored.

In addition to this, regulated firms holding client money must provide an Accountant's Report undertaken by an independent auditing accountant. This a requirement of Rule 10 of the [CILEx Accounts Rules](#).

All regulated firms need to complete the Annual Return on the anniversary of the firm's authorisation by CILEX. To supplement this and to capture economic crime data for a consistent time period, we have introduced a mandatory requirement for all regulated firms to complete an annual AML Statement. This was developed from an AML Statement we were already requiring the unregulated firms we supervise for AML compliance to complete.

The AML Statement is a questionnaire covering the April to March reporting period and includes the firm's arrangements in relation to the sanction's regime and wider fraud prevention.

All regulated law firms are required to complete an AML Statement, not just those that we have identified as falling within the definition of being a 'Tax adviser', Independent Legal Professional' or 'Trust or Company Service Provider'. This is because we recognise that all law firms have a duty to uphold the requirements of the Proceeds of Crime Act 2002 and the Terrorism Act 2000. It also acts

as a tool for managers to check whether services provided during the reporting period have brought the firm within the definition of 'Tax adviser', 'Independent Legal Professional' or 'Trust or Company Service Provider' (the AML Statement provides guidance on the definitions).

The AML Statement continues to evolve, not only to cover the sanctions regime, recognising firms' obligations under the Sanctions and Anti-Money Laundering Act 2018, but this year has been expanded to cover fraud and wider economic crime, responding to advice from OPBAS.

CILEX ACCA Probate Entities are not required to complete the AML Statement.

Risk Profiles

Because it is small, CRL does not publish data on the risk profiles of its supervised population (though it is provided to HM Treasury as part of the Annual AML / Counter Terrorism Financing (CTF) Supervision Return).

Our analysis from the AML Statements provided by those firms in the supervised sector and supporting information is broadly consistent with the previous year for the supervised firms:

Risk factor		
Services	The firms in our supervised sector provide specialist services rather than providing a wide range of services, with most firms providing probate and or estate administration services. Whilst estate administration can be viewed as being a higher risk activity because higher value transactions are processed, careful checks on the source of funds and clients / beneficiaries can greatly reduce the risks. Furthermore, the fact that the service must be linked to the estate of a deceased person limits the opportunity for money laundering. Only one of the firms in our supervised sector is currently authorised for conveyancing. The scope of conveyancing has been restricted to transactions directly linked to probate estate administration the firm is dealing with. One firm offers TCSP services but has not created any new companies in the last two years. So again, is lower risk. One probate firm although not holding client money, does provide tax advice so has been brought within supervision, though the risk of money laundering is limited.	Low Risk Currently no firms are providing high risk services such as: • International legal services. • Conventional conveyancing. • High volume TCSP work
Clients	Most firms in our supervised sector deal solely with individuals on a face-to-face basis. The one firm dealing with corporate clients is dealing with local SME firms recovering B2B debts. The supervised sector has not dealt with any PEPs or individuals subject to the sanctions regime in the last year.	Low Risk The firms are not dealing with: • High volumes of complex layered corporate ownership structures • High volume of cases where there is no face-to-face contact with the client. • PEPs • Sanctioned individuals
Geography	In the last year, the supervised sector dealt with no clients from outside the UK and in many cases the clients were located within 20 miles of the firm's office. There was no evidence of any matters involving individuals linked to high-risk jurisdictions,	Low Risk The firms are not dealing with • Overseas clients • High risk jurisdictions.
Transactions	All the supervised firms have controls in place to restrict the amount of cash that can be provided by clients as payments, increasing the traceability of funds. There is a mixed approach to source of funds checks which is an area that needs improvement.	Medium risk All firms restrict cash payments but have a mixed approach to source of funds checks
Training	Whilst all firms in the supervised sector provide AML training the quality of that training is not known nor whether it fully covers terrorist financing and proliferation financing.	Medium risk More detail is needed on the scope and quality of training.

Supervisory Inspections

CRL requests information from its applicant firms to enable it to conduct desk-based reviews of their compliance with the regulations. The information requested includes sight of the required policies and procedures, including their own risk assessment. The firms can utilise the templates provided on the [CRL website](#). CRL asks all firms to supply a copy of their firm level risk assessment so it can identify whether the firms understand the potential risks. Guidance is provided if there are any weaknesses in the assessment.

CRL ensures that all BOOMS are checked against external databases.

All CRL Firms are required to complete an Annual Return (see further page 6) each year and an AML Statement confirming the extent to which they have complied with AML requirements over 2023-2024. The responses to the Annual Return and the AML Statement are reviewed at the same time, an analysis prepared and feedback provided to the CRL firm. The purpose is to ensure that the risk mitigations put in place by the CRL firm are appropriate and proportionate for the risks identified. These reviews inform development of the risk profile (page 7) which is updated annually. Because of the timing of the review of the Annual Returns, to date only one AML supervised practice has been reviewed applying this modified assessment process. In addition, CRL has frequent interaction with CRL firms on an individual basis responding to queries from the firm, clients and third parties.

CRL's assessment is that in combination the Annual Return, AML Statement and other interactions provide the assurance CRL requires that the interests of consumers are protected and 'enables an accurate assessment of each member of the supervised population's level of risk by building a holistic view of the effectiveness of their controls'². CRL has taken the view that these controls provide the same or equivalent assurance to that of the desk based reviews as characterised in the OPBAS definition³.

Inspections - Desk Based Reviews	2020/21	2021/22	2022/23	2023/24
Desk based reviews conducted	25	28	21	1
Number assessed as 'compliant' rating	18	21	17	0
Number assessed as 'generally compliant' rating	7	7	4	1
Number assessed as 'not compliant' rating	0	0	0	0
Informal action following desk-based review	7	7	4	0
Formal action following desk-based review	0	0	0	0

Reflecting the current risk profile of CRL supervised firms, there were no routine onsite inspection visits in 2023/24, though they are scheduled for 2024/25 reporting year. Where serious concerns are raised which require further investigation, the firm will have an onsite inspection at short notice, or in exceptional circumstances, with no notice.

Any informal action taken was dealt with by letter or conversation with the required actions evidenced by the firms to CRL. For example, any changes required to a policy were then resubmitted to CRL to evidence the actions taken.

Unregulated sole traders

CRL currently provides AML supervision for three CILEX members providing services as sole practitioners (in their own name) which bring them within the scope of [regulation 12](#) MLRs. Whilst these individuals are regulated by CRL, the activities of their firms are not and in contrast with CRL regulated firms CRL has no authority to carry out onsite inspections at these firms. They are

² P.25 [OPBAS Sourcebook](#)

³ Ibid 'a range of information (such as annual returns, a sample of client files, client due diligence and websites)'

required to complete an annual AML Statement and submit examples of documentation they use in the provision of their services. These are not desk-based reviews.

All individuals seeking to be a beneficial owner, officer or manager as defined by [regulation 26](#) in a firm authorised by CILEX must apply to CRL to be an Approved Manager in that firm (see [CILEx Authorisation Rules](#) and the [CILEx Regulation Licensing Rules](#)).

As part of such an application the applicant is required to declare all prior conduct. The individual's suitability is determined against the 'Fit and Proper Test'.

All applicants must provide CRL with an up-to-date Standard Disclosure and Barring Service certificate. Where the certificate declares any convictions, cautions reprimands or warnings these will be considered with additional detail supplied by the applicant. Any application disclosing conviction for a Relevant Offence as defined by [schedule 3](#) MLR is refused.

Following authorisation, CRL firms are required to disclose in their Annual Return any incidents of prior conduct⁴ by Approved Managers⁵ (which includes BOOMs) must be declared. Where this is declared or identified through other sources a referral is made to the Enforcement Team so a determination can be made of the individual's continued suitability to be an Approved Manager. Where a Relevant Offence has been declared, the Approved Manager's authorisation is revoked.

Areas of risk identified from supervisory activities

As reported in CRL's Sectoral Risk Assessment (October 2024), the following risks have been identified:

- The quality of source of funds checks carried out by supervised firms need to be made more robust. Some firms have treated as low risk funds received through a high street bank and have not carried out their own checks to identify the true source of the funds and the clients source of wealth.
- Whilst some firms maintain records of AML training that includes all relevant members of staff and covers the wider aspects such proliferation funding, other firms did not have proper training records as required by [Regulation 24](#).
- Firms need to evidence regular monitoring of AML risks throughout the matter (not just at the outset and /or at the end of the matter). This needs to be evidenced in the Client/ Matter Risk Assessment.
- Firms need to demonstrate they have extended their Regulation 18 PWRA to include proliferation financing.
- The verification checks carried out where the firm is not meeting the client face-to-face basis needs to be more comprehensive. Risk Assessment forms should detail specifically the electronic verification that has been used and explain how this identification links to the individual they are dealing with.

FINANCIAL SANCTIONS

CRL fully understands the responsibility to safeguard the UK and protect the reputation of the CILEX profession and the wider legal system by upholding the financial sanctions and Anti-Money laundering regimes. The CILEX Code of Conduct requires Chartered Legal Executives, CILEX members and firms to operate to the highest ethical standards and to demonstrate this to the public.

⁴ Rule 11 [Enforcement Rules](#)

⁵ Rule 1(2) [Authorisation Rules](#) 'a person who is approved by CILEx Regulation to manage or participate in the management of an Authorised Entity'

Its work related to ensuring compliance with the financial sanctions regime is led by the MLRO and discussed with the Executive Team. The CRL Board is provided with updates on actions taken as part of the Director of Operations (now Director of Regulation) report, which is published on the CRL website.

All changes to the sanctions regime brought in by [OFSI](#) have been communicated directly to CRL regulated firms and information has been added to the [Financial Sanctions](#) page on the CRL website. This has included messages related to:

- Financial Sanctions are not just focused on Russia
- Fees for the provision of legal services
- The requirements under the [General licences](#)
- Ban on providing trust services to those connected with Russia
- Ban on legal advisory services

The [financial sanctions sectoral risk assessment](#) has been updated to reflect the changes in the regime and additional risks.

Financial sanctions information is collected in the AML Statement required for firms from 2024.

CRL expects the firms' approach to sanctioned individuals and entities to be addressed in firm level risk assessments and procedures.

ENFORCEMENT ACTION

Incidents of non-compliance CRL has identified have continued to be less serious and have been corrected by guidance and follow up checks. The initial review of policies and other assessments prior to authorisation continue to help reduce non-compliance and provide a clear incentive to remedy potential non-compliance.

Whilst it receives enquiries from law enforcement about CILEX members, CRL did not receive any intelligence or other contact from law enforcement agencies relating to money laundering or breaches of financial sanctions. CRL received no intelligence during the year which resulted in the submission of any Suspicious Activity Reports (SARs).

CRL firms are very aware of importance of mitigating AML risks and are in regular contact with CRL on a range of AML related issues.

There was no enforcement action related to AML non-compliance during 2023/24. During the year CRL monitored the progress of cases related to CILEX members: one was rejected by another AML supervisor and then by CRL following an investigation; another remains the subject of continuing investigation by law enforcement. CRL is currently investigating allegations of breach of AML requirements following findings of misconduct made by another legal regulator.

Disciplinary measures for contraventions of the Regulations	2020/21	2021/22	2022/23	2023/24
Suspension / Fine / Reprimand / Undertaking / Warning / Action Plan	0	0	0	0
Referrals to Law Enforcement for ML/TF related matters	0	0	0	0

COLLABORATION

CRL attended meetings to discuss best practice, share information and gain sector intelligence.



Beyond its interactions with the NCA and NECC at LSAG and AMLSF meetings, CRL has had limited interaction with law enforcement but ensures that all NCA material that can assist firms is flagged to them, including their webinars and podcasts.

JMLIT reports and NCA material are shared with the Entity and Enforcement team.

CRL provides links on its website to external websites and resources to aid its AML supervised community. These include:

- [CRL AML webpage](#)
- [CRL Financial sanctions webpage](#)
- [LSAG AML Guidance](#)
- [National Risk Assessment 2020](#)
- [FATF - The UK's measures to combat money laundering](#)
- [The National Crime Agency](#)
- [How to report suspicious activity](#)
- [Reporting breaches of the MLRs](#)
- [OFSI](#)

CILEX ACTIVITY

As the named Professional Body in the regulations, CILEX retains a residual role in achieving AML compliance even though the 'business of regulation' is delegated to CILEX Regulation in accordance with the Legal Services Act 2007 and the LSB's Internal Governance Rules. CILEX is represented at the LSAG, AMLSF, LISEWG, OFSI Legal Sector Engagement Forum Representatives

CILEX has published a comprehensive suite of information on its [website](#) covering AML, Proliferation Financing and Financial Sanctions which is regularly updated.

AREAS FOR DEVELOPMENT 2024/25

During 2024/25, CRL will

- Carry out onsite inspections of CRL firms.
- Use the outcome of onsite inspections to inform a review of the AML Statement with a view to incorporating further targeted questions for key areas and refining the risk scores.
- Advise OPBAS of any changes related to the CILEX review of its regulatory arrangements.
- Identify through the CRM system those members that require supervision for compliance with the MLR.
- collaborate with CILEX in promoting the prevention and detection of economic crime to CILEX members, CRL firms and the wider community to include an awareness campaign and the provision of CPD courses and webinars focusing on AML and economic crime.