

**Rule change application cover sheet**

**Summary of proposed rule changes (or list proposed new, or revised rules which are the subject of this application)**

Amendments to ACL's regulatory arrangements as the approved regulator under the Legal Services Act 2007, to bring the same into line with the Legal Services Board's Internal Governance Rules 2019.

<b>Rule change application checklist</b>	<b>(tick)</b>
Contact details for individual submitting application	✓
Details of proposed alteration	✓
Tracked version of changes included	✓
Nature and effect of proposed alteration (explain existing arrangements, current arrangements and why proposed change is being made)	✓
Explain impact on the regulatory objectives	✓
Explain how the proposed changes align with Better Regulation principles	✓
Explain desired outcome of the proposed alteration and plans to monitor and assess whether it has been achieved (include timeframe)	✓
Does the proposed alteration affect areas regulated by other approved regulators? If so, have you consulted them?	✓
Include intended implementation date of proposed alteration	✓
Full details of the consultation process (including responses and how you have addressed them)	N/A
Accessibility checked	✓
Other relevant explanatory material	✓

## **Association of Costs Lawyers' Application to the Legal Services Board for Approval of Alterations to its Regulatory Arrangements in order to comply with the Internal Governance Rules**

### **1. RATIONALE FOR APPLICATION TO ALTER REGULATORY ARRANGEMENTS**

- 1.1. The Association of Costs Lawyers (ACL) is an Approved Regulator for legal services under the Legal Services Act 2007 and thus has both regulatory and representative functions.
- 1.2. Pursuant to section 30 of the Legal Services Act 2007 the Legal Services Board makes rules setting out requirements to be met by Approved Regulators for purpose of ensuring:
  - a) That the exercise of an approved regulator's regulatory functions is not prejudiced by its representative functions and;
  - b) That decisions relating to the exercise of an approved regulator's regulatory functions are so far as reasonably practicable taken independently from decisions relating to the exercise of its representative functions
- 1.3. The Internal Governance Rules 2019 (IGR) thus places an overarching duty on Approved Regulators to ensure that the exercise of its regulatory functions is not prejudiced by any representative function it may have.
- 1.4. To fulfil this overarching duty the IGR places a duty upon each Approved Regulator with both representative and regulatory functions to delegate the discharge of its regulatory functions to a separate body in compliance with section 28 of the Legal Services Act 2007.
- 1.5. After these functions have been delegated ACL, as the Approved Regulator may only retain a role to the extent that is reasonably necessary to be assured that regulatory functions are being discharged in compliance with section 28 of the Legal Services Act 2007.
- 1.6. In accordance with the Legal Services Act 2007 and the IGR published in 2009, ACL, following its appointment as an Approved Regulator in 2011, delegated its regulatory functions to its Regulatory Body; the Costs Lawyers Standard Board (CLSB).
- 1.7. The 2019 IGR has necessitated a number of alterations and modifications to ACL's current arrangements in order to comply with its regulatory obligations.
- 1.8. Part 3 of Schedule 4 of the Legal Services Act 2009 provides that Approved Regulators must obtain approval from the Legal Services Board to alter any of their

regulatory arrangements. ACL is applying to the Legal Services Board for approval of the alterations it has made to its regulatory arrangements.

## **2. THE APPLICATION**

- 2.1. This application is submitted by ACL as an Approved Regulator with a residual role. As required by the Legal Services Board's Rules for Applications to Alter Regulatory Arrangements, this application sets out:
- a) Details of the proposed alterations to ACL's regulatory arrangements; and
  - b) Details of such of ACL's regulatory arrangements as are relevant to the application, including the nature of the existing regulatory arrangements, the nature and effect of proposed alterations and why ACL wishes to make these.
- 2.2. Appendix 1 to this Application sets out ACL's existing regulatory arrangements and the alterations ACL proposes to make to these arrangements. This is in a format which provides explanatory narrative as to the nature and effect of the proposed changes.
- 2.3. Appendix 2 to this Application sets out ACL's proposed regulatory arrangements in a clean format.
- 2.4. Notwithstanding the current corona virus outbreak ACL proposes a timetable for the implementation of the proposed regulatory arrangements prior to the deadline set out in the IGR:

<b>IMPLEMENTATION TIMETABLE</b>	
Provisional approval by ACL Council	30 <sup>th</sup> March 2020
Provisional approval by CLSB Board	15 <sup>th</sup> April 2020
Submission of application to the LSB for approval	June 2020
Decision by the Legal Services Board	June 2020
Implementation of alterations to regulatory arrangements.	June – 22 <sup>nd</sup> July 2020

## **3. STATEMENT ON REGULATORY OBJECTIVES**

- 3.1. Protecting and promoting the public interest;

The independence of the Regulatory Body to perform regulatory activities is key to this objective. Compliance with the Legal Services Board's IGRs is therefore essential to promoting the public interest and increasing confidence in the profession.

- 3.2. Supporting the constitutional principle of the rule of law;

ACL believes that the proposed amendments ensure that the profession's Regulatory Body is independent and that regulation is fair and consistent with the rule of law.

- 3.3. Improving access to justice;

The alterations to the current regulatory arrangements ensure independent regulation which will give consumers confidence to engage with the legal services market in the

knowledge that their interests are protected. ACL believes that these changes thus improve access to justice.

3.4. Protecting and promoting the interests of consumers;

ACL believes that transparent, effective and independent regulation of the Costs Lawyers' profession will promote consumer choice and give them confidence in the profession as a whole. The proposed regulatory arrangements will promote this objective.

3.5. Promoting competition in the provision of services;

ACL believes that a thriving market for legal services in respect of costs requires consumers to have confidence in the regulatory system. Consumers with this confidence will feel empowered to make informed choices regarding the value and quality of those they instruct. The prevalence of these informed choices will encourage a healthy competitive market for legal services provided by Costs Lawyers.

3.6. Encouraging an independent, strong, diverse and effective legal profession;

ACL believes that the proposed regulatory arrangements supports the principle that a provider of legal services should be independent from undue influences and to always act in the best interests of their clients. The regulatory framework also strives to promote equality and diversity within the profession.

3.7. Increasing public understanding of the citizen's legal rights and duties;

ACL believes that the proposed regulatory arrangements provide clarity and transparency in respect of rights and responsibilities. Empowered with this knowledge, consumers will be able to make informed choices regarding their needs, which the legal profession will be suited to respond robustly to.

3.8. Promoting and maintaining adherence to the professional principles.

ACL believes that the proposed regulatory arrangements provide for a strong regulatory process. This will ensure that the professional principles as laid out in the Legal Services Act 2007 are maintained and promoted.

#### **4. BETTER REGULATION PRINCIPLES**

4.1. The better regulation principles as set out in section 28 of the Legal Services Act are the principles under which regulatory activities should be transparent, accountable, proportionate, consistent, and targeted only at cases in which action is needed.

4.2. ACL believes that, as its proposed regulatory arrangements ensure compliance with the Legal Services Board's IGRs, they fulfil ACL's obligations under section 28 of the Legal Services Act.

4.3. Regulation through a Regulatory Body which is independent (both in its actions and appointments) from the representative arm of the profession ensures that this regulation is transparent and accountable. The proposed regulatory arrangements require ACL's Regulatory Body to provide ACL with assurance that it is complying with its obligations under the Legal Services Act 2007. The independence of the

Regulatory Body is ensured through proportionate restrictions on how and what information is shared with ACL as the Approved Regulator.

4.4. By complying with the IGRs, ACL believes that consistency of regulation is achieved in line with the arrangements of other Approved Regulators.

## **5. OUTCOME ASSESSMENT**

5.1. The desired outcome of these altered regulatory arrangements would be ACL's compliance with its obligations under the IGR; ensuring continued regulation of the Costs Lawyer profession under s28 of the Legal Services Act and a clear and transparent relationship between ACL and CLSB. This would reduce the risk of any conflict developing between the two organisations.

5.2. The alterations to the regulatory arrangements and the desired outcomes above will be subject to ongoing assessment, both on an ad hoc basis as the need arises, and mandatory annual reviews, as provided for in paragraph 7.6 of the proposed Operational Protocol.

## **6. OTHER APPROVED REGULATORS**

6.1. ACL is of the opinion that none of the alterations set out in this application effects areas regulated by other Approved Regulators.

## **7. CONTACT DETAILS**

7.1. If the Legal Services Board has any queries in relation to this application, please contact:

Adam Grant  
ACL Council – Policy & Regulation  
Association of Costs Lawyers  
Herringbone House  
Lion Road, Diss  
Palgrave, Norfolk  
IP22 1AL

Email: [enquiries@costslawyer.co.uk](mailto:enquiries@costslawyer.co.uk)

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## APPENDIX 1 – NATURE & EFFECT OF PROPOSED ALTERATIONS TO ACL’S REGULATORY ARRANGEMENTS

DETAILS OF PROPOSED ALTERATIONS TO REGULATORY ARRANGEMENTS	NATURE AND EFFECT OF PROPOSED ALTERATIONS
<p><b><u>MEMORANDUM OF UNDERSTANDING</u></b></p> <p><b>Effective date: <del>31<sup>st</sup> October 2011</del></b></p> <p><b>1. Introduction</b></p> <p>This memorandum of understanding (“MOU”) sets out the framework for the Costs Lawyer Standards Board (“CLSB”) and the Association of Law Costs Draftsmen, known with effect from 1<sup>st</sup> January 2011 as the Association of Costs Lawyers (“ACL”) to work together in order to carry out their independent roles and separate functions in accordance with the Legal Services Act 2007. It supplements but does not replace any requirements set out in the statutory framework. It is a public document and <del>benefits consumers and the Legal Services Board, as well as the parties, in understanding</del> <b>is intended to provide clarity for all stakeholders in relation to</b> the separate <del>functions</del> <b>roles</b> of the ACL and CLSB.</p> <p><del>CLSB and ACL will also agree an</del> <b>This MOU is supplemented by an</b> Operational Protocol <b>(OP)</b> which <del>will</del> <b>sets</b> out the administrative duties each shall undertake from the Effective Date. <del>The Operational Protocol will be reviewed on a needs</del></p>	<p><b><u>MEMORANDUM OF UNDERSTANDING</u></b></p> <p><b>1. <u>Introduction</u></b></p> <p>Amendments to the existing wording of the introduction to the MOU are designed to bring clarity to the purpose of the document in ensuring compliance with the Internal Governance Rules 2019.</p> <p>Previous references to the MOU and OP being public/non-public documents respectively have been removed. Both documents will be public documents in the interests of transparency and in the spirit of the Better Regulation Framework.</p>

~~be basis with any agreed changes being signed to by appointed representatives. The Operational Protocol will not be a public document. The OP does not set out all the activities that will or may be undertaken by the parties. Rather, it focuses on areas where independence of CLSB, assurance for ACL, or clarity of responsibility between the parties is particularly important.~~

~~The MOU and OP were agreed as part of ensuring ACL and CLSB's compliance with the Internal Governance Rules implemented by the Legal Services Board on 24<sup>th</sup> July 2019.~~

## ~~2. Representative & Regulatory Functions~~ Delegation

ACL was granted authorised body status for the purposes of Section 27 & 28 of the Courts & Legal Services Act 1990 by way of statutory instrument titled The Association of Law Costs Draftsman Order 2006 (SI No 3333 of 2006) which came into effect on 1<sup>st</sup> January 2007. An authorised body can grant the following rights:

- Right of audience;
- Right to conduct of litigation; and
- Right to administer oaths.

Under the Legal Services Act 2007 (LSA) the ACL was designated an approved regulator of legal services in relation to reserved legal activities carried out by Costs Lawyers. ACL is also the representative body for the Costs Lawyer profession. ACL has an overarching duty to ensure that the exercise of its regulatory functions is not prejudiced by its representative functions. Under the Internal Governance Rules 2019, it must put arrangements in place to maintain the

## 2. Delegation

Additional clarification is provided in respect of ACL's obligations under the Legal Services Act 2007 and the Internal Governance Rules 2019. The MOU takes the opportunity to expressly confirm that ACL has delegated its regulatory functions to CLSB, save for a residual role of assurance, thus complying with IGR 1.1 and 2.1

The proposed amendments remove references to examples of regulatory activities to avoid confusion. The proposed amendments seek to make clear that *all* regulatory functions are undertaken by CLSB, not merely those listed in the previous arrangements.

References to ACL continuing to exercise its representative functions have been removed from this section and included in sections addressing the regulatory independence of the CLSB.

~~independence of its regulatory functions and separation them from its representative functions. To achieve this, it has delegated the discharge of its regulatory functions to CLSB. It is a requirement under that act that ACL separates its regulatory and representative functions. To ensure statutory compliance the CLSB was established to undertake, under delegated authority from ACL effective from the date above, the role of approved regulator to include:~~

- ~~— Education & training requirements of Costs Lawyers;~~
- ~~— Professional conduct of Costs Lawyers whilst practicing;~~
- ~~— Disciplinary mechanisms necessary when a Costs Lawyer falls short of standards expected of them.~~

~~ACL continues to exercise its representative function i.e. the representation and promotion of the interests of Costs Lawyers.~~

~~ACL has a residual role in obtaining assurance from CLSB that its regulatory functions are being discharged in accordance with the LSA, particularly section 28, which sets out the general duties of an Approved Regulator.~~

### 3. Regulatory Independence of CLSB

~~As required under the Legal Services Act 2007 and the Internal Governance Rules 2009 which state “structures or persons with representative functions must not exert, or be permitted to exert, undue influence or control over the performance or regulatory functions, or any person(s) discharging those~~

### 3. Regulatory Independence of CLSB

References to the Internal Governance Rules 2009 have been removed and replaced with updated requirements from the 2019 Rules.

The proposed regulatory arrangements seek to clarify the differing roles of ACL (representative) and CLSB (regulatory) thus complying with IGR 1.2. An explanation of ACL’s need for assurance is provided in line with IGR 2.2.



~~functions” CLSB will carry out regulation independently from any ACL representative interests.~~

The LSA and the Internal Governance Rules 2019 require “each approved regulator [to] have arrangements in place to: separate its regulatory functions from any representative functions it may have, and maintain the independence of its regulatory functions”

CLSB was established as the regulatory body to carry out the regulatory activities of ACL as an approved regulator.

~~CLSB will be known as the approved regulator of Costs Lawyers and will act in all capacities as such. All regulatory obligations and duties of an approved regulator will apply to CLSB as the approved regulator (Rule B4). It will be for the CLSB to “have in place arrangements that observe and respect the principle of regulatory independence” (Rule C6A) and will ensure “the exercise of regulatory functions is not prejudiced by any representative functions or interest” (Rule C7B).~~

As required by the Internal Governance Rules 2019 CLSB will carry out regulation independently from any ACL representative interest. It will independently determine the most appropriate and effective way of discharging its functions.

ACL, as the approved regulator having delegated its regulatory functions, will only retain a role to the extent that is reasonably necessary to be assured that these regulatory functions are

#### **Effective Date**

This reference has been removed. The previous regulatory arrangements dealt with transitional arrangements for regulatory functions which were exercised prior to the inception of CLSB. Given the functions of the CLSB since 2011 this is no longer required.

being discharged in compliance with section 28 of the LSA or as otherwise required by law. ACL continues to exercise its representative function i.e. the representation and promotion of the interests of Costs Lawyers.

#### **Effective Date**

~~CLSB will undertake the administration of all conduct complaints that have arisen on or after the Effective Date. ACL will conclude any conduct complaints received by them prior to the Effective Date and will deal with any subsequent complaints where the cause for complaint occurred before the Effective Date.~~

#### **4. Statutory objectives of CLSB Discharge of Regulatory Functions**

CLSB will act in accordance ~~with the regulatory objectives defined in Section 1 of the Legal Services Act 2007:~~ with the provisions of the LSA, including section 28.

In particular, CLSB will act in a way that is compatible with the regulatory objectives defined in section 1 of the LSA as:

- Protecting and promoting the public interest.
- Supporting the constitutional principle of the rule of law.

#### **4. Discharge of Regulatory Functions**

Additional clarification is offered in respect of CLSB's remit in exercising ACL's regulatory functions and fulfilling the regulatory objectives set out in the Legal Services Act 2007.

Also included within this section is an obligation for CLSB to act in accordance with the Better Regulation Framework which was not included in previous arrangements, thus complying with IGR 4.1. This replaces the examples of 'principles of good regulation' which continue to be enshrined in the Costs Lawyers' Code of Conduct.

In line with the Internal Governance Rules 2019 there is specific inclusion of CLSB (or its representatives) to contact the parties laid out in those Rules, in compliance with IGR 12.1 and 12.2.

- Improving access to justice.
- Protecting and promoting the interests of consumers.
- Promoting competition in the provision of service provided by authorised persons.
- Encouraging an independent, strong, diverse and effective profession.
- Increasing understanding of citizen's legal rights and duties.

- Promoting and maintaining adherence to the professional principles (as set out in section 1(3) of the LSA)

CLSB will also act in accordance with the Better Regulation Framework (including the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted), as amended by the government from time to time.

CLSB, by its Chief Executive, Chair or other representative, may communicate directly with the Legal Services Board, Legal Services Consumer Panel, Office for Legal Complaints and other approved regulators as it sees fit, including in relation to CLSB's independence or ability to effectively carry out its regulatory functions.

### ~~CLSB principles of good regulation~~

~~CLSB will have regard to the following principles of good regulation:~~

## 5. Assurance and Information Provision

References to specific examples of information provision have been removed to avoid confusion as to the extent of ACL's and CLSB's obligations. This has been replaced with wide ranging agreements in line with the parties' obligations under IGR 3.1.

Restrictions on the usage of information provided to ACL for the purpose of assurance have been included within this section to comply with IGR 3.2 (a), (b) and (c). This new text supersedes the removed references to specific tasks and

- ~~— Authorised persons should act with independence and integrity.~~
- ~~— Authorised persons should maintain proper standards of work.~~
- ~~— Authorised persons should act in the best interests of their clients.~~
- ~~— Persons who exercise before any court a right of audience or conduct litigation in relation to proceedings in any court by virtue of being authorised persons, comply with their duty to the court to act with independence in the interest of justice.~~
- ~~— The affairs of clients should be kept confidential.~~

#### ~~5. Principles for ACL/CLSB working together~~ Assurance and Information Provision

ACL will act at all times in a manner that ensures the effective regulatory independence of the CLSB. ~~ACL will Report to the CLSB any significant changes to ACL policies and procedures and provide regular updates to CLSB on the ACL's representative activities~~ to enable CLSB to consider any impact on its assessment of risk to:

- Consumers, the profession or the wider public; or
- CLSB's ability to fulfil its regulatory functions on an ongoing basis

~~Keep up to date all information relating to ACL and Costs Lawyers on various websites, e.g. ACL website and Access to Justice website.~~

activities which each party may or may not pursue. The new arrangements are seen to be wider ranging and avoid any potential for confusion in respect of items not specifically listed in previous regulatory arrangements.

Specific reference has also been made to CLSB's independent judgment and a preclusion of ACL from prejudicing the same, in compliance with IGR 4.3

CLSB will independently determine the most appropriate and effective way of discharging its regulatory functions in a manner which is compatible with the regulatory objectives. ACL will not prejudice the independent judgment of CLSB as the regulatory body.

Both ACL and CLSB will work openly and with mutual respect so far as is consistent with their obligations under the LSA and other laws, in furtherance of the consumer and public interest. Each will share information that is of relevance to the other and will respond to requests for information within a reasonable time period.

In particular, CLSB as the regulatory body will provide sufficient information to ACL as the approved regulator as is reasonably required to enable ACL to be assured of CLSB's compliance with section 28 of the LSA. ACL will not use this information for its representative functions unless it receives the information for that purpose or that information is made publicly available.

In fulfilment of this obligation, CLSB will provide information as set out in the OP. If ACL believes on reasonable grounds that it requires additional information in order to be assured of CLSB's compliance with section 28 of the LSA, it will request that information promptly in writing (which may be by email). The CLSB will use best endeavours to provide the information requested.

Where CLSB determines that the requested information should not be provided (for example, because provision would

contravene data protection laws, breach confidentiality or undermine CLSB's independence or effectiveness), CLSB will inform ACL promptly in writing. In such circumstances the parties will work collaboratively to agree an appropriate way for ACL to gain the assurance it needs to meet its obligations under the LSA and perform its residual role under the Internal Governance Rules 2019.

ACL will not:

- ~~— Interfere with or impeded the regulatory independence, processes and procedures of CLSB.~~
- ~~— Challenge any decision properly made by CLSB through its defined procedures on a conduct, competence or fitness to practice matter.~~
- ~~— Challenge any decision properly made by the Legal Ombudsman in relation to a service complaint investigated and determined by them.~~

CLSB will:

- ~~— Liase with ACL on issues and concerns identified as a result of its regulatory function.~~
- ~~— Identify risks within the profession of the Costs Lawyer and put in place processes and procedures to reduce or eliminate those risks.~~

CLSB will not:

- ~~— Interfere with or impede the exercise of the representative functions of the ACL.~~

## 6. Governance/Management

This new section to the MOU seeks to enshrine CLSB's regulatory autonomy in compliance with IGR 4.1 and 4.2. Specific provision is made for CLSB's independent structure and freedom to determine budgets (IGR 10.1), appointments (IGR 8.1) strategy and priorities.

Clarification is also provided in respect of dual roles, in compliance with IGR 5 and shared services in respect of IGR 11.

~~ACL and CLSB will both:~~

- ~~— Ensure continuing compliance with the requirements of the LSA.~~
- ~~— Work openly and with mutual respect so far as is consistent with their obligations under the LSA, the law and consumer/public interest.~~
- ~~— Respond to the other's request for information within a reasonable time.~~
- ~~— Consult the other in respect of proposed rule or policy changes that may effect the proper functioning of the other.~~
- ~~— Treat as confidential the information each holds about Costs Lawyers, save where disclosure is required by law or is in the public interest.~~
- ~~— In the event of joint lobbying on a matter agree who shall take the lead with input/support from the other.~~

## **6. Governance/Management**

CLSB will be governed by the CLSB board and employ its own staff free from influence of ACL. ACL will be governed by ACL Council and employ its own staff free from the influence of CLSB. Each party shall independently determine its own governance processes, structure, budget, priorities and strategy.

No person will be involved in both decision-making within the CLSB governance structure and the representative functions of ACL.

ACL and CLSB do not, and do not intend to, share operational services. Should the parties identify any areas in which it would be desirable and appropriate to share services in future,

## **7. Finance**

Updated text has been provided to reflect the arrangements made by ACL and CLSB for their respective financing. This does not however impinge on ACL's obligations to ensure that reasonably required resources to ensure the effective discharge of regulation are made available. Compliance with IGR 9 is thus provided.

## **8. Dispute Resolution**

The text of previous regulatory arrangements has been updated to reflect aspirations of transparency, open communication and collaboration. However provision is made

shared services will only be implemented following approval of the ACL Counsel and CLSB Board. In such circumstances, the parties will negotiate any amendments to the MOU and OP as are necessary to ensure continued compliance with the Internal Governance Rules 2019.

## 7. **Financing**

~~The ACL is ultimately responsible for ensuring adequate resources are available which are reasonably required to enable CLSB to carry out its independent regulatory function.~~

CLSB will use all reasonable endeavors to ensure it is financially self-sufficient. ACL as the approved regulator will ensure such resources as are reasonably required for the efficient and effective discharge of regulatory functions will be made available to CLSB.

ACL will raise its income by way of an annual membership fee. CLSB will raise its income by way of the annual Cost Lawyer practicing certificate fee. Either party may raise additional income in other ways, insofar as they are consistent with the MOU and OP and compliant with the LSA.

## 8. **Dispute Resolution**

~~Any disputes between ACL and CLSB in relation to this MOU or otherwise will be resolved by discussion between the Chief~~

for the updated requirements in the updated IGR for referrals to the LSB, thus ensuring compliance with IGR 13.2, 14.1 and 14.2.

## 9. **General**

Clarification is offered in respect of when the proposed regulatory arrangements may be reviewed and/or altered. Mandatory annual reviews are required alongside ad hoc considerations as and when required. This is to ensure compliance with IGR 1.3

### **OPERATIONAL PROTOCOL**



~~Executive and Chair of the CLSB and the Chair and Vice Chair of ACL. Noting in this MOU prevents either party from referring any dispute to the LSB to resolve. Either party must however give at least seven working days' written notice to the other should it intend to refer a matter to the LSB.~~

The parties will use best endeavours to resolve any disputes between them in relation to this MOU or otherwise by way of ongoing dialogue, negotiation and collaboration. Disputes should be escalated promptly for discussion between the parties' senior staff, such as the Chief Executive or Chair of CLSB and the Chair or Vice Chair of ACL. Either party may ask the Legal Services Board for its view on a matter in dispute.

Any issue relating to compliance with the Internal Governance Rules 2019 which cannot be or has not been remedied within a reasonable period will be reported to the Legal Services Board in writing by ACL. Neither party will take any action in relation to a dispute arising under or in connection with the Internal Governance Rules 2019 until that dispute has been referred to the Legal Services Board.

## ~~9. Review General~~

This MOU will be reviewed annually ~~or when amendment is required~~ to ensure its terms remain accurate and fit for purpose. Either party may request that this MOU be reviewed on an ad hoc basis if a need arises. Any changes will be

## 1. Introduction

The text of existing regulatory arrangements has been updated to include reference to the parties obligations under the Internal Governance Rules 2019 and their specific roles.

## 2. Regulatory Arrangements

Existing regulatory arrangements have been revised to bring them into line with the latest IGRs. It elaborates on the duties and tasks which CLSB will undertake in fulfilling the regulatory function.

The residual role of ACL as an approved regulator is emphasised to ensure compliance with IGR 4.3, 8.2 and 10.2.

Specific reference is also made in the proposed regulatory arrangements for ACL, as the approved regulator, to inform CLSB of actions which may undermine the discharge of regulatory functions, in compliance with IGR 2.3.

approved by the ACL Council and CLSB Board and signed ~~tee~~ accordingly to by an authorised representative.

It is agreed that all introductions, headings and attachments form part of this MOU.

## OPERATIONAL PROTOCOL

Effective Date: 31<sup>st</sup> October 2011

### 1. Introduction

This Operational Protocol agreed between the Costs Lawyer Standards Board ("CLSB") and the Association of Costs Lawyers ("ACL") allocates responsibility for certain duties or tasks to each of the parties from the effective date. It supplements (and should be read together with) the MOU agreed by the parties on the same date. ~~sets out who will undertake which administrative duties following delegation by ACL of its role as an approved regulator to CLSB on the effective date above.~~

For the purposes of the Internal Governance Rules 2019, ACL is the approved regulator of the Costs Lawyer profession with a residual role under the LSA and CLSB is the profession's regulatory body.

### 2. Regulatory Arrangements

### **3. Competency**

Previous regulatory arrangements provided for significant amounts of prescriptive guidance regarding the setting of professional standards and the training of Trainee Costs Lawyers.

The majority of this prescription has been deemed superfluous to requirements under the new IGR. The proposed changes streamline the document and focus the parties' obligations under the rules.

The proposed changes emphasise CLSB's role as the regulatory body setting standards in CPD, entry into the profession and competency compliance. ACL's role, as a representative body, is restricted to assisting the regulatory

CLSB will:

- 2.1 Set professional standards for Costs Lawyers by way of a Code of Conduct and other such regulatory arrangements as it considers appropriate, dealing with issues such as continuing professional development, practising rights and disciplinary processes.
- 2.2 Implement appropriate processes for supervising compliance with those regulatory arrangements.
- 2.3 Determine whether any amendments to the regulatory arrangements is necessary and, if so, what form the amendment should take.
- 2.4 Make all implemented regulatory arrangements available to ACL and inform ACL of consultations regarding changes to regulatory arrangements.

ACL will:

- 2.5 Only seek to influence determinations about CLSB's regulatory arrangements in the exercise of its representative functions.
- 2.6 Not prejudice the independent judgement of CLSB in determining its regulatory arrangements.
- 2.7 Promptly inform CLSB if ACL makes or intends to make a decision, plan, communication or other arrangement which may reasonably be considered likely to undermine the discharge of regulatory functions in compliance with section 28 of the LSA.

body through record keeping and data storage, in the spirit of candour and collaboration promoted by the IGR.

### **3. Setting professional standards Competancy**

#### **CLSB will:**

- 1.1 ~~Set Costs Lawyer professional standards by way of a Code of Conduct, Practising Rules and Disciplinary Rules & Procedures and any other governance documents deemed required.~~
- 1.2 ~~Communicate, implement and monitor those standard.~~
- 1.3 ~~Be accountable to the Legal Services Board for those standards as the approved regulator.~~

#### **Training (Trainee Costs Lawyers)**

#### **CLSB will:**

- 3.1** Set required training standards ~~to qualify as a~~ **for** Costs Lawyers ~~s (Training and CPD Rules) for the purposes of~~ **both initial qualification and continuing professional development (CPD).**
- 3.2** Accredit the providers of training to Trainee Costs Lawyers and will review this accreditation on an ~~an~~ **annual/**needs be basis.
- 3.3** Set entry level qualification requirements **that a person must meet before they can become a Trainee Costs Lawyer.**

~~3.4 Monitor compliance of Costs Lawyers with ongoing competency requirements, for example by auditing CPD attainment.~~

~~2.4 Approve any changes to the entry level examination~~

~~2.5 Consider the appropriateness of the modular syllabus and other examinations e.g. entry level, formal examination.~~

~~2.6 Approve any changes to the modular syllabus and final examination.~~

**ACL will:**

~~3.5 Retain records of ACL membership and event attendance for at least three years and provide such information to CLSB upon request to facilitate a CLSB audit of CPD attainment.~~

~~2.7 Set Trainee Costs Lawyer fees which are reasonable and appropriate.~~

~~2.8 Manage all Trainee Costs Lawyer applications, fee payments, information and training.~~

~~2.9 Manage the register of Trainee Costs Lawyers.~~

~~2.10 Set modular and final examination fee levels which are reasonable and appropriate.~~

~~2.11 Manage the provision of appropriate training to Trainee Costs Lawyers.~~

#### **4. Finance and Governance**

The proposed changes to the existing regulatory arrangements are mainly administrative in nature and are neutral to the regulatory objectives. However specific obligations have been included to assist with giving ACL, as the approved regulator, assurance of the effective discharge of regulatory functions. This is primarily in respect of information provision in line with IGR 3.1. To assist the parties examples of documents to be provided and expected timescales have been included.

References to the practicing certificate fee have been moved to this section in the proposed changes for ease of reference.

~~2.12 Implement and monitor training standards.~~

~~2.13 Report to CLSB, as requested, on training standards.~~

~~2.14 Set and manage the professional standards of Trainee Costs Lawyers.~~

### ~~CPD for Costs Lawyers~~

#### ~~CLSB will:~~

~~3.1 Set the standard in relation to the continuing professional development (CPD) of Costs Lawyers by way of Training & CPD Rules.~~

~~3.2 Issue CPD record sheets to Costs Lawyers for use 2012 onwards.~~

~~3.3 Collect CPD record cards/sheets for 2011 and onwards.~~

~~3.4 Monitor those standards and achievement thereof.~~

#### ~~ACL will:~~

~~3.5 Manage the appropriate provision of CPD training.~~

~~3.6 Manage a CPD recording system, ensuring attendances are recorded for audit by CLSB.~~

### ~~S51 Application~~

#### ~~CLSB will:~~

~~4.1 Draft and manage the annual S51 application to conclusion.~~

#### ~~ACL will:~~

## 5. Practicing Certificates

The proposed changes to the regulatory arrangements are essentially administrative in nature and will assist CLSB in its role as the regulatory body. Prescriptive detail from previous regulatory arrangements deemed unnecessary to comply with the IGR and superseded by new regulatory arrangements, has been removed.

~~4.2 Submit to CLSB in good time its budget and all other require information for the forthcoming year.~~

~~4.3 Respond to a request for approval of the consultation paper and S51 application within timescales defined by CLSB.~~

#### ~~Certificate of Qualification~~

~~5.1 On successful completion by a Trainee Costs Lawyer of the ACL qualification, ACL will issue a Certificate of Qualification.~~

~~5.2 ACL will notify CLSB of this by email and will send CLSB a copy of the certificate together with the qualifying Costs Lawyer's name, address, date of birth, phone numbers etc.~~

#### **4. Finance and Governance**

##### **CLSB will:**

- 4.1 Comply with its obligations under section 51 of the LSA in relation to seeking approval of the Legal Services Board for the level of its practising fee.**
- 4.2 Collect practising fees independently of ACL membership fees.**
- 4.3 Collect the levies payable to the Legal Services Board and Office for Legal Complaints as part of the practising fee and pay these levies to the relevant bodies.**
- 4.4 Provide the following information as a matter of course, either on its website or directly to ACL where it is not otherwise published, to enable ACL to perform its residual role:**

#### **6. Conduct Complaints**

- financial accounts (annual);
- budget (annual);
- business plan (annual);
- strategy (ad hoc);
- material changes to governance arrangements (ad hoc);
- material changes to structure or staffing arrangements (ad hoc);
- risk registers (quarterly);
- performance indicators (ad hoc);
- board minutes (quarterly and ad hoc).

A consolidated set of these documents will be provided to ACL annually, at least one month prior to the financial year end, unless ACL asks for the documents to be provided on a different date by giving CLSB at least two weeks' written notice.

4.5 Promptly notify ACL of any insolvency event.

4.6 Promptly notify ACL of any issues regarding non-compliance with the Internal Governance Rules 2019.

ACL will:

4.7 Collect ACL membership fees independently of practising fees.

4.8 Provide a copy of its annual accounts to CLSB on request.

4.9 Promptly notify CLSB of any insolvency event.

4.10 Maintain a log of all issues regarding non-compliance with the Internal Governance Rules 2019, including the action taken and the result.

Text of existing regulatory arrangements is updated to emphasise the independence of the CLSB in exercising its regulatory functions. Obligations have also been placed upon ACL in respect of information provision to assist CLSB in this function.

## **7. General**

Superfluous detail from previous arrangements in respect of communications have been removed and additional requirements upon the parties to ensure compliance in respect of data usage, rules surrounding which have changed significantly since the drafting of previous regulatory arrangements have been added.

Provision has also been made for this Operational Protocol to be reviewed on at least an annual basis, in compliance with IGR 1.3. This replaces a solely ad hoc arrangement which existed previously.



## **5. Practising Certificates**

**CLSB will:**

- 5.1** Establish the criteria for the issue of a Costs Lawyer practising certificate and issue practising certificates to practitioners who meet those criteria.
- 5.2** Maintain the register of authorised and regulated Costs Lawyers in compliance with the LSA.
- 5.3** Inform ACL of any Costs Lawyers who have indicated an intention not to renew their practicing certificate for the following practising year.

~~6.3 Collect the practicing certificate fee.~~

~~6.4 Forward to ACL the annual agreed sum derived from those fees.~~

~~6.5 Update the Register of Costs Lawyers on issuing a practicing certificate.~~

**ACL will**

- 5.4** Notify CLSB of successful completion of the Costs Lawyer Qualification by a Trainee Costs Lawyer and send CLSB a copy of the qualification certificate together with the qualifying Costs Lawyer's contact details.

**LSB Levy**

~~7.1 CLSB will collect the LSB levy under the Practising Certificate Fee.~~

~~7.2 CLSB will be responsible for paying the levy over the LSB.~~

### **Fees for Representation**

~~8.1 CLSB will collect any approved proportion of the PCF attributed to representation.~~

~~8.2 CLSB will forward a schedule at the end of each month, showing those Costs Lawyers who have paid those fees, to ACL, together with a cheque for that portion of the PCF.~~

### **Register of Costs Lawyers**

#### **CLSB will:**

~~9.1 Administer the Register of Costs Lawyers (both full and public access versions).~~

~~9.2 Ensure the Registers (full and public access versions) are up to date.~~

~~9.3 Ensure that both Registers are accessible by ACL (read only).~~

~~9.4 Ensure the public access version is accessible through both the ACL & CLSB websites.~~

## **6. Conduct Complaints**

CLSB will:

**6.1 Deal with professional conduct complaints against a Costs Lawyer, in accordance with its regulatory arrangements, independently of ACL.**

~~10.1 Manage all conduct complaints independently of ACL.~~

ACL will:

**6.2 Promptly forward any professional conduct complaints against a Costs Lawyer to CLSB.**

**6.3** Provide **to** CLSB ~~with~~ any reasonably required copy documentation or other information in relation to a conduct investigation within 7 days of request.

**6.4 Provide the Legal Ombudsman with any reasonably required documentation or information in relation to a service complaint within 7 days of request.**

## **7. General**

7.1 ACL will invite CLSB to attend relevant events and conferences to facilitate two-way communication between CLSB and the regulated community.

7.2 Both parties will **promptly** send to the other **in good time** any communications ~~(emails, letters, consultation papers or otherwise)~~ relevant to their respective roles.

7.3 Both parties will copy to the other any notification received on change of name, address, employer or email to ensure respective databases are kept up to date.

7.4 Both parties will ensure that any exchange of personal data envisaged in the MOU or OP is carried out in compliance with data protection laws and will take all reasonable measures to ensure that the envisaged exchange of personal data can lawfully take place (for example, by informing data subjects that personal data will be shared between ACL and CLSB for specified purposes and obtaining consent where necessary).

7.5 All introductions, headings and attachments form part of this OP.

7.6 This OP will be reviewed on an annual basis to ensure it is current and fit for purpose. Either party may request that it be reviewed on an ad hoc basis if a need arises. Any changes will be approved by the ACL Council and CLSB board and signed to by an authorised representative.

### **Review**

~~12.1 This Operational Protocol will be reviewed on a needs be basis to ensure it is fit for purpose. Any changes shall be agreed and signed to by both parties' appointed representatives.~~

## **APPENDIX 2**

### **CLEAN VERSION OF PROPOSED REGULATORY AMENDMENTS.**

#### **MEMORANDUM OF UNDERSTANDING**

##### **1. Introduction**

This memorandum of understanding (MOU) sets out the framework for the Association of Costs Lawyers (previously known as the Association of Law Costs Draftsmen) (ACL) and the Costs Lawyer Standards Board (CLSB) to work together in order to carry out their independent roles and separate functions in accordance with the Legal Services Act 2007. It supplements, but does not replace, any requirements set out in the statutory framework. It is a public document and is intended to provide clarity for all stakeholders in relation to the separate roles of ACL and CLSB.

This MOU is supplemented by an Operational Protocol (OP) which sets out certain administrative duties that each party shall undertake from the effective date. The OP does not set out all activities that will or may be undertaken by the parties. Rather, it focuses on areas where independence of CLSB, assurance for ACL, or clarity of responsibility between the parties is particularly important.

The MOU and OP were agreed as part of ensuring ACL and CLSB's compliance with the Internal Governance Rules implemented by the Legal Services Board on 24 July 2019.

##### **2. Delegation**

ACL was granted authorised body status for the purposes of sections 27 and 28 of the Courts and Legal Services Act 1990 by way of statutory instrument titled *The Association of Law Costs Draftsman Order 2006* (SI No 3333 of 2006), which came into effect on 1 January 2007. An authorised body can grant the following rights to carry out reserved legal activities:

- right of audience;
- right to conduct litigation; and
- right to administer oaths.

Under the Legal Services Act 2007 (LSA), ACL was designated an approved regulator of legal services in relation to reserved legal activities carried out by Costs Lawyers. ACL is also the representative body for the Costs Lawyer profession. ACL has an overarching duty to ensure that the exercise of its regulatory functions is not prejudiced by its representative functions. Under the Internal Governance Rules 2019, it must put arrangements in place to maintain the independence of its regulatory functions and separate them from its representative functions. To achieve this, it has delegated the discharge of its regulatory functions to CLSB.

ACL has a residual role in obtaining assurance from CLSB that its regulatory functions are being discharged in accordance with the LSA, particularly section 28, which sets out the general duties of an approved regulator.

### **3. Regulatory independence of CLSB**

The LSA and the Internal Governance Rules 2019 require “each approved regulator [to] have arrangements in place to: separate its regulatory functions from any representative functions it may have; and maintain the independence of its regulatory functions”.

CLSB was established as the regulatory body to carry out the regulatory activities of ACL as an approved regulator.

As required by the Internal Governance Rules 2019 CLSB will carry out regulation independently from any ACL representative interest. It will independently determine the most appropriate and effective way of discharging its functions.

ACL, as the approved regulator having delegated its regulatory functions, will only retain a role to the extent that is reasonably necessary to be assured that these regulatory functions are being discharged in compliance with section 28 of the LSA or as otherwise required by law. ACL continues to exercise its representative function i.e. the representation and promotion of the interests of Costs Lawyers.

### **4. Discharge of regulatory functions**

CLSB will discharge its regulatory functions in accordance with the provisions of the LSA, including section 28.

In particular, CLSB will act in a way that is compatible with the regulatory objectives defined in section 1 of the LSA as:

- 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 provided by authorised persons;
- Encouraging an independent, strong, diverse and effective profession;
- Increasing public understanding of citizens’ legal rights and duties; and
- Promoting and maintaining adherence to the professional principles (as set out in section 1(3) of the LSA).

CLSB will also act in accordance with the Better Regulation Framework (including the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted), as amended by the government from time to time.

CLSB, by its Chief Executive, Chair or other representative, may communicate directly with the Legal Services Board, Legal Services Consumer Panel, Office for Legal Complaints and other approved regulators as it sees fit, including in relation to CLSB’s independence or ability to effectively carry out its regulatory functions.

## 5. Assurance and information provision

ACL will act at all times in a manner that ensures the effective regulatory independence of CLSB. ACL will provide regular updates to CLSB on ACL's representative activities to enable CLSB to consider any impact on its assessment of risk to:

- consumers, the profession or the wider public; or
- CLSB's ability to fulfil its regulatory functions on an ongoing basis.

CLSB will independently determine the most appropriate and effective way of discharging its regulatory functions in a manner which is compatible with the regulatory objectives. ACL will not prejudice the independent judgement of CLSB as the regulatory body.

Both ACL and CLSB will work openly and with mutual respect so far as is consistent with their obligations under the LSA and other laws, in furtherance of the consumer and public interest. Each will share information that is of relevance to the other and will respond to requests for information within a reasonable time period.

In particular, CLSB as the regulatory body will provide sufficient information to ACL as the approved regulator as is reasonably required to enable ACL to be assured of CLSB's compliance with section 28 of the LSA. ACL will not use this information for its representative functions unless it receives the information for that purpose or that information is made publicly available.

In fulfilment of this obligation, CLSB will provide information as set out in the OP. If ACL believes on reasonable grounds that it requires additional information in order to be assured of CLSB's compliance with section 28 of the LSA, it will request that information promptly in writing (which may be by email). The CLSB will use best endeavours to provide the information requested.

Where CLSB determines that the requested information should not be provided (for example, because provision would contravene data protection laws, breach confidentiality or undermine CLSB's independence or effectiveness), CLSB will inform ACL promptly in writing. In such circumstances the parties will work collaboratively to agree an appropriate way for ACL to gain the assurance it needs to meet its obligations under the LSA and perform its residual role under the Internal Governance Rules 2019.

## 6. Governance/management

CLSB will be governed by the CLSB board and employ its own staff free from the influence of ACL. ACL will be governed by the ACL Council and employ<sup>ee</sup> its own staff free from the influence of CLSB. Each party shall independently determine its own governance processes, structure, budget, priorities and strategy.

No person will be involved in both decision-making within the CLSB governance structure and the representative functions of ACL.

ACL and CLSB do not, and do not intend, to share operational services. Should the parties identify any areas in which it would be desirable and appropriate to share services in the future, shared services will only be implemented following approval of the ACL Council and CLSB board. In such circumstances, the parties will negotiate any amendments to the MOU and OP as are necessary to ensure continued compliance with the Internal Governance Rules 2019.

## **7. Finance**

CLSB will use all reasonable endeavors to ensure it is financially self-sufficient. ACL as the approved regulator will ensure such resources as are reasonably required for the efficient and effective discharge of regulatory functions will be made available to CLSB.

ACL will raise its income by way of an annual membership fee. CLSB will raise its income by way of the annual Cost Lawyer practicing certificate fee. Either party may raise additional income in other ways, insofar as they are consistent with the MOU and OP and compliant with the LSA.

## **8. Dispute resolution**

The parties will use best endeavours to resolve any disputes between them in relation to this MOU or otherwise by way of ongoing dialogue, negotiation and collaboration. Disputes should be escalated promptly for discussion between the parties' senior staff, such as the Chief Executive or Chair of CLSB and the Chair or Vice Chair of ACL. Either party may ask the Legal Services Board for its view on a matter in dispute.

Any issue relating to compliance with the Internal Governance Rules 2019 which cannot be or has not been remedied within a reasonable period will be reported to the Legal Services Board in writing by ACL. Neither party will take any action in relation to a dispute arising under or in connection with the Internal Governance Rules 2019 until that dispute has been referred to the Legal Services Board.

## **9. General**

This MOU will be reviewed annually to ensure its terms remain accurate and fit for purpose. Either party may request that this MOU be reviewed on an ad hoc basis if a need arises. Any changes will be approved by the ACL Council and CLSB board and signed to by an authorised representative.

It is agreed that all introductions, headings and attachments form part of this MOU.



## **OPERATIONAL PROTOCOL**

### **1. Introduction**

This Operational Protocol (OP), agreed between the Association of Costs Lawyers (ACL) and the Costs Lawyers Standards Board (CLSB), allocates responsibility for certain duties or tasks to each of the parties from the effective date. It supplements (and should be read together with) the MOU agreed by the parties on the same date. Terms used in the MOU have the same meaning in this OP.

For the purposes of the Internal Governance Rules 2019, ACL is the approved regulator of the Costs Lawyer profession with a residual role under the LSA and CLSB is the profession's regulatory body.

### **2. Regulatory arrangements**

CLSB will:

- 2.1 Set professional standards for Costs Lawyers by way of a Code of Conduct and other such regulatory arrangements as it considers appropriate, dealing with issues such as continuing professional development, practising rights and disciplinary processes.
- 2.2 Implement appropriate processes for supervising compliance with those regulatory arrangements.
- 2.3 Determine whether any amendments to the regulatory arrangements is necessary and, if so, what form the amendment should take.
- 2.4 Make all implemented regulatory arrangements available to ACL and inform ACL of consultations regarding changes to regulatory arrangements.

ACL will:

- 2.5 Only seek to influence determinations about CLSB's regulatory arrangements in the exercise of its representative functions.
- 2.6 Not prejudice the independent judgement of CLSB in determining its regulatory arrangements.
- 2.7 Promptly inform CLSB if ACL makes or intends to make a decision, plan, communication or other arrangement which may reasonably be considered likely to undermine the discharge of regulatory functions in compliance with section 28 of the LSA.

### **3. Competency**

CLSB will:

- 3.1 Set training standards for Costs Lawyers, for the purposes of both initial qualification and continuing professional development (CPD).
- 3.2 Accredit the providers of training to Trainee Costs Lawyers and review this accreditation on a needs be basis.
- 3.3 Set entry level requirements that a person must meet before they can become a Trainee Costs Lawyer.

- 3.4 Monitor compliance of Costs Lawyers with ongoing competency requirements, for example by auditing CPD attainment.

ACL will:

- 3.5 Retain records of ACL membership and event attendance for at least three years and provide such information to CLSB upon request to facilitate a CLSB audit of CPD attainment.

#### **4. Finance and governance**

CLSB will:

- 4.1 Comply with its obligations under section 51 of the LSA in relation to seeking approval of the Legal Services Board for the level of its practising fee.
- 4.2 Collect practising fees independently of ACL membership fees.
- 4.3 Collect the levies payable to the Legal Services Board and Office for Legal Complaints as part of the practising fee and pay these levies to the relevant bodies.
- 4.4 Provide the following information as a matter of course, either on its website or directly to ACL where it is not otherwise published, to enable ACL to perform its residual role:
- financial accounts (annual);
  - budget (annual);
  - business plan (annual);
  - strategy (ad hoc);
  - material changes to governance arrangements (ad hoc);
  - material changes to structure or staffing arrangements (ad hoc);
  - risk registers (quarterly);
  - performance indicators (ad hoc);
  - board minutes (quarterly and ad hoc).

A consolidated set of these documents will be provided to ACL annually, at least one month prior to the financial year end, unless ACL asks for the documents to be provided on a different date by giving CLSB at least two weeks' written notice.

- 4.5 Promptly notify ACL of any insolvency event.
- 4.6 Promptly notify ACL of any issues regarding non-compliance with the Internal Governance Rules 2019.

ACL will:

- 4.7 Collect ACL membership fees independently of practising fees.
- 4.8 Provide a copy of its annual accounts to CLSB on request.
- 4.9 Promptly notify CLSB of any insolvency event.
- 4.10 Maintain a log of all issues regarding non-compliance with the Internal Governance Rules 2019, including the action taken and the result.

#### **5. Practising certificates**

CLSB will:

- 5.1 Establish the criteria for the issue of a Costs Lawyer practising certificate and issue practising certificates to practitioners who meet those criteria.
- 5.2 Maintain the register of authorised and regulated Costs Lawyers in compliance with the LSA.

- 5.3 Inform ACL of any Costs Lawyers who have indicated an intention not to renew their practising certificate for the following practising year.

ACL will:

- 5.4 Notify CLSB of successful completion of the Costs Lawyer qualification by a Trainee Costs Lawyer and send CLSB a copy of the qualification certificate together with the qualifying Costs Lawyer's contact details.

## 6. Professional conduct complaints

CLSB will:

- 6.1 Deal with professional conduct complaints against a Costs Lawyer, in accordance with its regulatory arrangements, independently of ACL.

ACL will:

- 6.2 Promptly forward any professional conduct complaints against a Costs Lawyer to CLSB.
- 6.3 Provide to CLSB any reasonably required documentation or other information in relation to a conduct complaint within seven days of request.
- 6.4 Provide the Legal Ombudsman with any reasonably required documentation or information in relation to a service complaint within seven days of request.

## 7. General

- 7.1 ACL will invite CLSB to attend relevant events and conferences to facilitate two-way communication between CLSB and the regulated community.
- 7.2 Both parties will promptly send to the other any communications relevant to their respective roles.
- 7.3 Both parties will copy to the other any notification received on change of name, address, employer or email to ensure respective databases are kept up to date.
- 7.4 Both parties will ensure that any exchange of personal data envisaged in the MOU or OP is carried out in compliance with data protection laws and will take all reasonable measures to ensure that the envisaged exchange of personal data can lawfully take place (for example, by informing data subjects that personal data will be shared between ACL and CLSB for specified purposes and obtaining consent where necessary).
- 7.5 All introductions, headings and attachments form part of this OP.
- 7.6 This OP will be reviewed on an annual basis to ensure it is current and fit for purpose. Either party may request that it be reviewed on an ad hoc basis if a need arises. Any changes will be approved by the ACL Council and CLSB board and signed to by an authorised representative.