Draft Order laid before Parliament under section 206(5) of the Legal Services Act 2007, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2014 No.

LEGAL SERVICES, ENGLAND AND WALES

The Legal Services Act 2007 (Chartered Institute of Legal Executives) (Modification of Functions) Order 2014

Made - - - - ***

Coming into force in accordance with article 1(1)

The Lord Chancellor makes the following Order in exercise of the powers conferred by section 64(2), (3) and (4), section 69(1), (4) and (5), and section 204(3) of the Legal Services Act 2007(**1**).

In accordance with section 69(2) and (3) of that Act, this Order is made following a recommendation made by the Legal Services Board to which was annexed a draft Order in a form not materially different from this Order.

The Legal Services Board has made the recommendation with the consent required by section 70(1) of that Act and after complying with the requirements in section 70(2) to (5) of that Act.

In accordance with section 206(5) of that Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Legal Services Act 2007 (Chartered Institute of Legal Executives) (Modification of Functions) Order 2014 and comes into force on the day after the day on which it is made.

(2) In this Order—

"the Act" means the Legal Services Act 2007;

"CILEx" means the Chartered Institute of Legal Executives(**2**);

"CILEx authorised entity" means a partnership (including a limited liability partnership), company or sole principal authorised by CILEx under the Act to —

(**1**) 2007 c. 29.

(**2**) The body known as the Institute of Legal Executives, which is designated as an approved regulator by paragraph 1 of Schedule 4 to the Legal Services Act 2007 (c. 29) ("the Act") and by The Legal Services Act 2007 (Approved Regulators) Order 2011 (S.I. 2011/1118), became the Chartered Institute of Legal Executives on 30th January 2012 by virtue of a Royal Charter granted on 12th October 2011.

(a) carry on an activity which is a reserved legal activity; or

(b) provide immigration advice or immigration services;

"sole principal" includes a person consisting of one individual who is authorised or is required to be authorised by CILEx and one or more other individuals who are not so authorised and are not required to be so authorised.

Compensation arrangements

2.—(1) CILEx may make compensation arrangements(**3**).

(2) Any such arrangements may include provision as to—

(a) the circumstances in which grants or other payments may and may not be made;

(b) the form and manner in which a compensation claim is to be made;

(c) the procedure for determining compensation claims; and

(d) the minimum and maximum amounts payable in respect of a compensation claim.

(3) Arrangements made by virtue of paragraph (2) may include in particular provision as to—

(a) the nature of the loss or hardship in relation to which a compensation claim may and may not be made; and

(b) the nature of any act or omission by a CILEx authorised entity or an employee of such an entity in relation to which a compensation claim may and may not be made.

(4) If CILEx decides—

(a) not to make a grant or other payment in respect of a compensation claim or any part of a compensation claim; or

(b) to make a grant or other payment of less than the amount claimed,

it must give reasons for its decision.

(5) CILEx may prepare and publish guidance as to the criteria it will apply in deciding whether to make a grant or other payment in respect of a compensation claim, or any part of a compensation claim.

(6) In this article "compensation claim" means a claim for a grant or other payment under compensation arrangements made by CILEx.

Compensation fund

3.—(1) For the purpose of giving effect to compensation arrangements made under article 2, CILEx may make rules authorising it to establish and maintain a compensation fund ("the Fund").

(2) Any such rules may in particular make provision—

(a) requiring a CILEx authorised entity to contribute to the Fund by making periodical payments to CILEx; and

(b) providing for different payments to be made by different descriptions of CILEx authorised entity.

(3) Any amount payable by virtue of such rules may be recovered as a debt due to CILEx.

(4) For the purposes of establishing and maintaining the Fund, CILEx may make rules authorising it to—

(**3**) Section 21(2) of the Act defines compensation arrangements.