



The Law Society

## CQS Application Form Guidance Notes –

### Recently formed Practices or Practices that have been in existence for less than three years

If the Practice has recently been formed and/or the Practice has been in existence for less than three years, then the following needs to be considered prior to making an application to CQS:

- **SRO/HOC** - The person operating as the SRO and/or Head of Conveyancing, must prove that they have a minimum of three years' Residential Conveyancing experience and proven demonstrable experience of managing a Residential Conveyancing department. It is important for newly formed Practices that the SRO/HOC provides a detailed statement in relation to his/her previous experience to support the application.
- **Practice Business/ Financial Information** - Financial information and a bank reference will be required to provide assurance as to the financial standing, business model and effective management of the Practice.
- **Application form Section B 19-35** -The CQS office recognises that a Practice that has been recently formed/in existence for less than 3 years will be unable to provide details in respect of Residential Conveyancing carried out within the last three years. In these circumstances you will need to provide as much detail as you can in response to Section B 19-35. The more information you are able to provide in relation to your business model, financial standing and effective management of your Practice, the better placed the CQS office will be when considering your application. Some examples and suggestions as to the type of information to provide are given below:

#### Examples of information:

- The Guidance notes for section 20 ask you to provide the exact dates of your accounting year. If you are a newly established Practice, please provide estimates for the next 12/24/36 months in response to sections 20 and 21.
- If your Practice has been formed for more than one year but less than three, your response to this section could be calculated by analysis of your business performance on a month by month basis with a comparison analysis conducted upon the previous year's revenue and transaction performance. We would also encourage you to provide a copy of the business plan provided to your PI insurers, together with a business forecast for the next 12/24/36 months. The business forecast should include a forecast for your business as a whole with the Residential Conveyancing forecast identified as a percentage of that forecast.
- If your Practice has only recently been formed, we would encourage you to provide a copy of the business plan provided to your PI insurers together with a business forecast for the next 12/24/36 months. The business forecast should include a forecast for your business as a whole with the Residential Conveyancing forecast shown as a percentage of that forecast.

## **Core Practice Management Standards**

- All Practices (including Sole Practitioner Practices) need to ensure that they have in place management processes and procedures for financial management, risk management, client care and file management. Lexcel Practices will be exempt from this requirement.
- If a Practice does not already have adequate systems in place it will be required to adopt the Core Practice Management Standards that have been developed for the CQS. Help will be provided to any Practices who require additional assistance in adopting these procedures. If you find when completing Section G 46-70 of the application form that you are responding “no” or “working towards” a number of these Core Practice Management Standards, we would suggest that you purchase the CQS Toolkit (available online from the website) and/or contact Practice Advice Solicitors for advice as to how to set up, implement and embed these processes.

**Essentially, the CQS office needs to be assured that the financial standing, business model and effective management of the Practice will reach the required standard for accreditation. Therefore, the more information you are able to provide in support of your responses to Section B 19-35, and Section G 46-70 the better picture the CQS office will have of your new business.**