
Changes to legislation: There are currently no known outstanding effects for the Legal Services Act 2007, Cross Heading: Money etc: vesting in licensing authority. (See end of Document for details)

SCHEDULES

SCHEDULE 14

LICENSING AUTHORITY'S POWERS OF INTERVENTION

Modifications etc. (not altering text)

- C1** Sch. 14 applied (with modifications) (9.12.2014) by [The Legal Services Act 2007 \(Chartered Institute of Legal Executives\) \(Modification of Functions\) Order 2014 \(S.I. 2014/3234\)](#), arts. 1(1), **5**
- C1** Sch. 14 applied (with modifications) (9.12.2014) by [The Legal Services Act 2007 \(the Chartered Institute of Patent Attorneys and the Institute of Trade Mark Attorneys\) \(Modification of Functions\) Order 2014 \(S.I. 2014/3238\)](#), art. 2(1), Sch. 2 para. 12, **Sch. 4 para. 12** (as amended (6.4.2017) by [The Deregulation Act 2015 and Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments\) \(Savings\) Regulations 2017 \(S.I. 2017/540\)](#), reg. 1, **Sch. 2 para. 13** (with reg. 4))
- C1** Sch. 14 applied (with modifications) (9.12.2014) by [The Legal Services Act 2007 \(The Institute of Chartered Accountants in England and Wales\) \(Modification of Functions\) Order 2014 \(S.I. 2014/3236\)](#), **arts. 1(2)**, 3
- C1** Sch. 14 applied (with modifications) (1.10.2018) by [The Legal Services Act 2007 \(General Council of the Bar\) \(Modification of Functions\) Order 2018 \(S.I. 2018/448\)](#), arts. 1, **4**

Money etc: vesting in licensing authority

- 3 (1) The sums of money to which this paragraph applies, and the right to recover or receive them, vest in the licensing authority if the licensing authority decides that they should do so.
- (2) This paragraph applies to all sums of money held by or on behalf of the licensed body in connection with—
- (a) its activities as a licensed body,
 - (b) any trust of which it is or was a trustee, or
 - (c) any trust of which a person who is or was a manager or employee of the licensed body is or was a trustee in that person's capacity as such a manager or employee.
- (3) Sub-paragraph (1) applies whether the sums were received by the person holding them before or after the licensing authority's decision.
- (4) Those sums and that right are held by the licensing authority—
- (a) on trust to exercise the powers conferred by this Schedule in relation to them, and
 - (b) subject to that and to rules under paragraph 6, on trust for the persons beneficially entitled.
- (5) The licensing authority must give the licensed body, and any other person in possession of sums of money to which this paragraph applies—
- (a) a copy of the licensing authority's decision, and

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- (b) a notice prohibiting the payment out of those sums.
- (6) A person to whom a notice under sub-paragraph (5) is given may apply to the High Court for an order directing the licensing authority to withdraw the notice.
- (7) An application under sub-paragraph (6) must be made within 8 days of the licensing authority giving the person notice under sub-paragraph (5).
- (8) The person must give not less than 48 hours notice of any application under sub-paragraph (6)—
 - (a) to the licensing authority, and
 - (b) if the notice under sub-paragraph (5) gives the name of a solicitor instructed by the licensing authority, to that solicitor.
- (9) If the court makes the order, it may make any other order it thinks fit with respect to the matter.
- (10) It is an offence for a person to whom a notice has been given under sub-paragraph (5) to pay out sums of money at a time when such payment is prohibited by the notice.
- (11) A person who is guilty of an offence under sub-paragraph (10) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Commencement Information

I1 Sch. 14 para. 3 in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(e\)](#)

- 4 (1) Any rights to which this paragraph applies shall vest in the licensing authority if the licensing authority decides that they should do so.
- (2) This paragraph applies to any right to recover or receive debts due to the licensed body in connection with its business.
- (3) Any sums recovered by the licensing authority by virtue of the exercise of rights vested under sub-paragraph (1) vest in the licensing authority and are held by it—
 - (a) on trust to exercise the powers conferred by this Schedule in relation to them, and
 - (b) subject to that and to rules under paragraph 6, on trust for the persons beneficially entitled.
- (4) The licensing authority must give the licensed body, and any other person who owes a debt to which the order applies a copy of the licensing authority's decision.

Commencement Information

I2 Sch. 14 para. 4 in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(e\)](#)

- 5 (1) If the licensing authority takes possession of any sum of money to which paragraph 3 applies or by virtue of paragraph 4, it must pay it into a special account in the name of the licensing authority or a person nominated on its behalf.
- (2) A person nominated under sub-paragraph (1) holds that sum—
 - (a) on trust to permit the licensing authority to exercise the powers conferred by this Schedule in relation to it, and

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- (b) subject to that and rules under paragraph 6, on trust for the persons beneficially entitled.
- (3) A bank or other financial institution at which a special account is kept is under no obligation to ascertain whether it is being dealt with properly.

Commencement Information

I3 Sch. 14 para. 5 in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(e\)](#)

- 6 (1) The licensing authority may make rules governing its treatment of sums vested in it under paragraph 3 or 4(3).
- (2) The rules may, in particular, make provision in respect of cases where the licensing authority, having taken such steps to do so as are reasonable in all the circumstances of the case, is unable to trace the person or persons beneficially entitled to any sum vested in the licensing authority under paragraph 3 or 4(3) (including provision which requires amounts to be paid into or out of any fund maintained by the licensing authority in connection with its compensation arrangements).

Commencement Information

I4 Sch. 14 para. 6 in force at 1.10.2011 by [S.I. 2011/2196](#), [art. 2\(1\)\(e\)](#)

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