

Annex 3: Proposed changes to Functioning Legal Knowledge 1

Area of FLK	Change	Reason
Business Law and Practice		
Insolvency (corporate and personal): options and procedures - CVA/IVA, bankruptcy, administration, fixed asset receivership, voluntary and compulsory liquidation.	Add: restructuring plans and moratoriums to the list of options and procedures	They were introduced by the Corporate Insolvency and Governance Act 2020. They are becoming more commonplace in practice.
Income Tax: the scope of anti-avoidance provisions Capital Gains Tax: the scope of anti-avoidance provisions Corporation Tax: outline of anti-avoidance legislation	Remove these topics	Considered to be complex and potentially above the core and fundamental legal principle threshold required from a competent newly qualified solicitor.
Taxation - business	Add: Stamp Duty on share transfers	Share transfers for private companies are a common task for a newly qualified solicitor and understanding Stamp Duty is considered core and fundamental legal knowledge.
Taxation - business	Remove: Inheritance Tax: business property relief	There is some duplication as this is already tested in FLK2 (Wills and the Administration of Estates). This would be more appropriately tested in Wills and the Administration of Estates as it relates to inheritance tax which is substantively tested in that practice area.
Finance: financial records, information and accounting requirements	Change to: Finance: Statutory obligations to maintain financial and	To add clarification as to the requirements of this area.

	accounting records; identification of relevant figures in standard financial statements	
Dispute Resolution		
Resolving a dispute through a civil claim: principles and purpose of pre-action protocols governing particular claims and consequences for failure to follow their terms	Add the following list to limit to those claims falling within the following areas: • Personal Injury • Clinical Negligence (Clinical Disputes) • Debt Claims • Professional Negligence	Considered to be the protocols that align with core fundamental legal rules and principles expected of a newly qualified solicitor
Interim applications: purpose, procedure and evidence required for particular applications: • summary judgment • interim payments • interim injunctions.	Add: • domestic freezing orders • search orders • strike out to the list of applications.	These interim applications are commonly dealt with by newly qualified solicitors and considered core and fundamental legal knowledge.
Contract Law		
Termination	Remove: • expiry or other specified event	Termination by expiry or upon occurrence of a specified event is a basic point and not necessarily aligned with core legal principles and rules at the day one level.
Tort		
No suggested changes		
Legal System of England and Wales; Constitutional and Administrative Law and EU Law (collectively referred to as 'Legal System')		
No suggested changes		
Legal Services		
No suggested changes		