

The Chartered Certified Accountants' Global Practising Regulations 2003

Draft Regulations - Annex 1, Appendix 1

Amended 1 January 2021

These regulations must be read in conjunction with the other regulations in Section 2. A regulation may affect members, affiliates and registered students in different ways depending on the application of other regulations to those members, affiliates and registered students. Regulations are not always cross-referenced to each other.

Annex 1 - Additional Practising Regulations for the United Kingdom, Jersey, Guernsey and Dependencies and the Isle of Man

1. Application

The regulations contained in this annex form part of The Chartered Certified Accountants' Global Practising Regulations 2003, and shall apply to all members and to all persons who otherwise agree to be bound by them.

2. Interpretation

(1) In these regulations, unless the context otherwise requires:

ACCA student means a registered student who is undertaking the ACCA Qualification examinations;

agent, in relation to a person, means any person (including an employee) who acts on that person's behalf;

appropriate qualification means a qualification in accordance with section 1219 of the Companies Act 2006 of the United Kingdom;

approved regulator means a body designated as an approved regulator by Part 1 of Schedule 4 or under Part 2 of that Schedule (or both) and whose regulatory arrangements are approved for the purposes of the [Legal Services Act 2007](#) in respect of one or more reserved legal activities;

Audit Directive means Directive 2006/43/EC of the European Parliament and of the Council on statutory audits of annual accounts and consolidated accounts, [amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC](#);

audit qualification means an audit qualification to the practising certificate issued by the Association to individuals holding the Association's recognised professional qualification and referred to in [regulation 6 of Appendix 1](#), which authorises the individual to hold themselves out as an auditor and to carry on audit work;

audit report means a report on accounts or financial statements which is described as an audit report or having been made by an auditor or is given in true and fair terms or which states that the accounts present fairly the financial position;

audit working papers and investigation reports means:

- (a) any documents which are or have been held by a statutory auditor, an EEA auditor or a third country auditor and which are related to the conduct of an audit conducted by that auditor,

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- (b) any report of an inspection into the conduct of an audit by a statutory auditor, an EEA auditor or a third country auditor, or
- (c) any report of an investigation into the conduct of a statutory auditor, and EEA auditor or a third country auditor;

auditing certificate means an auditing certificate issued by the Association to firms and referred to in [regulation 5 of Appendix 1](#);

auditor means a person who signs or holds themselves out as being available to sign an audit report whether or not that report is required by statute;

authorised person has the meaning given in section 18 of the [Legal Services Act 2007](#)

contentious probate business means probate business done in, or for the purposes of, proceedings begun before a court or before an arbitrator appointed under the Arbitration Act 1950;

controller has the meaning given in paragraph 8(4) of Schedule 10 of the Companies Act 2006 of the United Kingdom;

***CRR firm* means a credit institution or an investment firm supervised under Directive 2013/36/EU (as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2018);**

EEA auditor means an individual **or firm who is** approved in accordance with the Audit Directive by an EEA competent authority to carry **on audit work out audits of annual accounts or consolidated accounts required by European Union law**;

EEA competent authority means a competent authority within the meaning of **Article 2(10) article 2.10** of the Audit Directive of an EEA state **other than the United Kingdom**;

EEA state means a state which is a Contracting Party to the Agreement on the European Economic Area signed at Oporto on 2 May 1992 (as it has effect from time to time);

exempt regulated activities has the meaning given in The Chartered Certified Accountants' Designated Professional Body Regulations 2001;

***exit day* has the meaning given in section 20(1) of the European Union (Withdrawal) Act 2018;**

group means a parent undertaking and its subsidiary undertakings;

group auditor means a person appointed as auditor to conduct an audit of group accounts;

insolvency practitioner means a person acting as such in accordance with section 388 of the Insolvency Act 1986 of the United Kingdom;

issuer has the meaning given in Part 6 of the Financial Services and Markets Act 2000;

Legal Ombudsman means the scheme established by the Office for Legal Complaints under Part 6 of the [Legal Services Act 2007](#) to resolve complaints about legal services according to the scheme rules;

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Legal Services Board means the body responsible for legal services regulation constituted under section 2 and Schedule 1 of the [Legal Services Act 2007](#);

licensable body has the meaning given in section 72 of the [Legal Services Act 2007](#);

major audit means a statutory audit conducted in respect of:

(a) a company any of whose securities have been admitted to the official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000 of the United Kingdom); or

(b) any other person in whose financial condition there is a major public interest;

non-contentious probate business means any probate business which is not contentious probate business;

non-member means a person who is not registered as a student, affiliate or member of the Association;

probate activities has the meaning given in paragraph 6 of Schedule 2 of the [Legal Services Act 2007](#);

public interest entity means [has the meaning given in the Statutory Auditors and Third Country Auditors Regulations 2016 \(as amended by the Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)\) and includes:](#)

(a) an [issuer entity](#) whose transferable securities are admitted to trading on a [UK regulated market](#);

(b) a credit institution [within the meaning given by Article 4\(1\)\(1\) of Regulation \(EU\) No. 575/2013 of the European Parliament and of the Council, other than one listed in Article 2 of Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and investment firms](#); or

(c) an insurance undertaking [within the meaning given by Article 2\(1\) of Council Directive 91/674/EEC of the European Parliament and of the Council on the annual accounts and consolidated accounts of insurance undertakings](#);

qualified person means:

(a) in relation to an individual a person qualified to hold:

(i) a practising certificate with an audit qualification; or

(ii) a corresponding qualification to audit accounts under the law of an EEA state, or part of an EEA state, [other than the United Kingdom and who has passed an aptitude test referred to in regulation 6 of Appendix 1 unless an aptitude test is not required.](#); and

[Individuals must either be EEA auditors holding a practising certificate with an audit qualification from the Association, or have applied to the Association on or before 31 December 2020 for a practising certificate with an audit qualification.](#)

(b) in relation to a firm:

(i) a firm that is eligible to be appointed as an auditor; or

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- (ii) a firm that is eligible for a corresponding appointment as an auditor under the laws of an EEA state, or part of an EEA state, ~~other than the United Kingdom;~~

Condition (b)(ii) ceases to apply on 1 January 2021;

recognised professional qualification means a qualification declared as such for the purpose of Part 2 of Schedule 11 of the Companies Act 2006 of the United Kingdom;

regulated work means work conducted under an auditing certificate or a legal activities certificate;

reserved legal activities has the meaning given by section 12(1) and Schedule 2 of the [Legal Services Act 2007](#);

senior statutory auditor means a person acting as such in accordance with section 504 of the Companies Act 2006 of the United Kingdom;

statutory auditor has the meaning given by section 1210 of the Companies Act 2006 of the United Kingdom;

supervisory body has the meaning given by section 1217(1) of the Companies Act 2006 of the United Kingdom;

third country means a country or territory ~~that is not an EEA state or part of an EEA state other than the United Kingdom which includes EEA states;~~

third country auditor means a person, other than a person eligible for appointment as a statutory auditor, who is eligible to conduct audits of the accounts of bodies corporate incorporated or formed under the law of a third country in accordance with the law of that country;

third country competent authority means a body established in a third country exercising functions related to the regulation or oversight of auditors;

UK competent authority means the Financial Reporting Council Limited.

(2) For the purposes of these regulations, unless the context otherwise requires, a reference to the Companies Act 2006 of the United Kingdom or any of the provisions of that Act shall, in relation to the carrying on of public practice in Northern Ireland, the eligibility, the qualifications and other conditions in relation thereto and the functions of the Association as a [supervisory body](#) (or corresponding concept) in Northern Ireland, be deemed to be a reference to the corresponding legislation or provision of the law of Northern Ireland.

(3) Words in the singular include the plural and vice versa.

(4) Any reference to a statutory provision shall include where the context permits the subordinate legislation made from time to time under that provision and any reference to a statutory provision or regulation shall include that provision or regulation as from time to time modified or re-enacted so far as such modification or re-enactment applies or is capable of applying to such reference.

(5) The Interpretation Act 1978 of the United Kingdom shall apply to these regulations in the same way as it applies to an enactment.

3. Meaning of public practice

(1) Activities

Public practice has the meaning described by [regulation 4](#) of the Global Practising Regulations.

(2) Supervision for anti-money laundering

Members who provide accountancy services within the terms of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 by way of business, including those that fall outside the meaning described by regulation 4 of the Global Practising Regulations (for example book-keeping) will be subject to supervision for compliance with the anti-money laundering provisions under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. In such cases, eligible members should consider obtaining a practising certificate from the Association in order to be supervised by the Association. Alternatively, members must register with HM Revenue and Customs or another body recognised for such purposes.

4. Restrictions on carrying on public practice

(1) Members

- (a) No member may carry on, or purport to carry on, insolvency practice in the United Kingdom unless the member is authorised to act as an [insolvency practitioner](#) in accordance with section 390(2) of the Insolvency Act 1986 of the United Kingdom.
- (b) Any activity carried on by a member acting as an insolvency practitioner shall constitute public practice.
- (c) A member acting as an insolvency practitioner is required to hold a practising certificate and shall be deemed to be a member in practice for the purposes of the bye-laws concerning elections to Council.

(2) Members and firms

- (a) Firms that wish to accept an appointment as [statutory auditor](#), or to be held out as available to accept such an appointment, and members who intend to be responsible for a firm's statutory audit work are required to comply with the requirements of [Appendix 1](#).
- (b) Firms that wish to carry on reserved legal activities, or to be held out as available to carry on such activities, and individuals who intend to be responsible for a firm's [reserved legal activities](#) work, are required to comply with the requirements of [Appendix 4](#).

5. Qualifications

(1) Qualifications required to hold a practising certificate

To be qualified to hold a practising certificate, members will need to meet the requirements of [regulation 7](#) of the Global Practising Regulations.

(2) Qualifications required to obtain an audit qualification

To be qualified to hold an [audit qualification](#), an individual must meet one of the following requirements:

- (a) where the audit qualification is to relate to the United Kingdom, the requirements of [regulation 6 in Appendix 1](#);
- (b) where the audit qualification is to relate to Jersey, Guernsey and Dependencies, or the Isle of Man:
 - (i) comply with the relevant requirements in [Appendix 3](#) of these regulations; or
 - (ii) have previously held an equivalent certificate issued by the Association. However, individuals will be required, prior to the audit qualification being granted, to demonstrate adequate competence in audit work by providing to the Association details of recent audit experience and recent audit-related CPD.

(3) To be qualified to carry on a reserved legal activity in England and Wales, an individual must meet the requirements of [regulation 4 in Appendix 4](#).

(4) Professional competence

Members are reminded that they are required to attain professional competence appropriate to the professional services that they intend to provide. As described in subsection 113 of the Code of Ethics and Conduct, members must maintain professional knowledge and skill at the level required to ensure that clients or employers receive competent professional service.

6. Restriction on carrying on exempt regulated activities

No member, nor any firm in relation to which the member is a sole proprietor, partner or director, may carry on, or purport to carry on, [exempt regulated activities](#) in the United Kingdom unless the member or, as the case may be, the firm is registered by the Association to carry on exempt regulated activities or is otherwise authorised, or exempted from the need for authorisation, in respect of such exempt regulated activities for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom. However, any member, or firm, satisfying the eligibility requirements contained in regulation 3 of the Designated Professional Body Regulations can register to conduct exempt regulated activities in accordance with and from the effective date of those regulations. The exempt regulated activities must be the only regulated activities carried out, other than regulated activities in relation to which the member or firm is an exempted person. Exempt regulated activities are as defined in the Designated Professional Body Regulations.

7. Professional indemnity insurance

(1) Practising certificates

[Regulation 9](#) of the Global Practising Regulations applies to applicants for and holders of practising certificates.

(2) Continuity following cessation

[Regulation 9\(5\)](#) of the Global Practising Regulations applies to persons subject to regulation 7(1) in respect of their ceasing to engage in public practice, insolvency work, reserved legal activities, exempt regulated activities or investment business services or investment advice.

(3) Insurance mediation

Regulation 9 of the Global Practising Regulations sets out the limits of indemnity in respect of all holders of practising certificates. In addition, firms wishing to carry on insurance mediation activities must comply with the special requirements set out in regulation 4(3) of The Chartered Certified Accountants' Designated Professional Body Regulations 2001.

8. Continuing professional development

Firms which carry on regulated activities must require the individuals who are partners or directors or [agents](#) of the firm who are not members but who carry on regulated activities in the United Kingdom on behalf of the firm to comply with Membership Regulation 4(4) as if they were members.

9. Conduct

(1) Accountants' reports

Members reporting on an entity which is a member of a regulatory body shall comply with the requirements of that regulatory body and adhere to any guidance issued by it for the preparation and presentation of their reports.

(2) Exempt regulated activities

Members and firms conducting exempt regulated activities under the Designated Professional Body Regulations shall comply with the Association's Code of Ethics and Conduct in the conduct of that work.

(3) Anti-money laundering compliance

Individuals holding practising certificates and relevant persons, within the meaning of Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, shall comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. If an anti-money laundering supervisory authority, including the Association, is to determine whether a relevant person has complied with its general ethical or regulatory requirements, it shall consider whether or not the relevant person has applied the provisions of the Anti-Money Laundering Guidance for the Accountancy Sector issued by the Consultative Committee of Accountancy Bodies.

10. Disclosure of information

Individuals and firms must supply the Association with all necessary information to enable the Association to comply with its obligations with respect to any legal and regulatory requirements in accordance with [regulation 15](#) of the Global Practising Regulations.

11. Monitoring

Individuals holding practising certificates shall be subject to monitoring by the Association in accordance with [regulation 14](#) of the Global Practising Regulations.

Appendix 1 - United Kingdom Audit Regulations 2016

1. Application

The regulations contained in this Appendix form part of Annex 1 to The Chartered Certified Accountants' Global Practising Regulations 2003.

2. Restrictions on carrying on public practice

(1) *Members and firms*

Where public practice is carried on in the name of a firm, or otherwise in the course of a firm's business, and that public practice involves the accepting of an appointment as an [auditor](#), or the holding out of the firm as being available to accept such an appointment, no member shall be a sole proprietor, partner or director of that firm unless the firm holds an [auditing certificate](#) issued by the Association and is thereby authorised by the Association to carry on audit work.

(2) A firm required by regulation 2(1) to hold an auditing certificate may instead hold another certificate or authorisation which is in the opinion of the Admissions and Licensing Committee equivalent.

3. Where public practice is carried on

Where the public practice consists of accepting an appointment as statutory auditor, or holding oneself out as available to do so, it shall be taken to be carried on in the United Kingdom, whose laws apply to the appointment, or would apply to the potential appointment, in question.

4. Eligibility for an audit qualification

Members responsible for a firm's audit work shall be required to obtain the Association's [recognised professional qualification](#) in accordance with regulation 6 in addition to complying with [regulation 5](#) of the Global Practising Regulations as regards their practising certificate. The audit qualification will convey to the holder the necessary authorisation to carry on audit work.

5. Eligibility for an auditing certificate

- (1) A firm that is not an [EEA auditor](#) shall be eligible for an auditing certificate if:
- (a) each of the individuals responsible for the firm's audit work holds an audit qualification, or, in the case of [non-members](#) of the Association, holds an equivalent certificate;
 - (b) it is controlled by [qualified persons](#) within the meaning of [regulation 7](#);
 - (c) it is fit and proper within the meaning of [regulation 8](#);

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- (d) it holds the necessary PII in accordance with [regulation 9](#);
 - (e) it has made arrangements for the continuity of its practice in accordance with [regulation 11](#);
 - (f) it undertakes to be bound by the Global Practising Regulations including this Annex 1, the Complaints and Disciplinary Regulations, the Membership Regulations and the [Charter](#) and bye-laws insofar as they are applicable to it;
 - (g) it has arrangements to prevent individuals who do not hold an [appropriate qualification](#) for the purposes of Part 42 of the Companies Act 2006 and persons who are not members of the firm from being able to exert any influence over the way in which an audit is conducted in circumstances in which that influence would be likely to affect the independence or integrity of the audit; and
 - (h) it satisfies any other eligibility criteria set by the [UK competent authority](#).
- (2) A firm that is an EEA auditor shall be eligible for an auditing certificate if:
- (a) each of the individuals responsible for the firm's audit work holds an audit qualification, or, in the case of non-members of the Association, holds an equivalent certificate;
 - (b) the firm would be eligible
 - (i) for appointment as a statutory auditor if it were not an EEA auditor, or is eligible for a corresponding appointment as an auditor under the law of an or part of an EEA state, other than the United Kingdom;
 - (c) if the firm is eligible (ii) for a corresponding appointment as an auditor under the law of an EEA state or part of an EEA state other than the United Kingdom, and the firm provides proof of its eligibility in the form of a certificate, dated not more than three months before it is provided by the firm, from the EEA competent authority of the EEA state concerned;
 - (dc) it is fit and proper within the meaning of [regulation 8](#);
 - (ed) it holds the necessary PII in accordance with [regulation 9](#);
 - (fe) it has made arrangements for the continuity of its practice in accordance with [regulation 11](#); and
 - (gf) it undertakes to be bound by the Global Practising Regulations including this Annex 1, the Complaints and Disciplinary Regulations, the Membership Regulations and the Charter and bye-laws insofar as they are applicable to it.

[Regulations 5\(2\)\(a\) to \(f\) above cease to apply on 1 January 2021.](#)

[\(3\) A firm which has ceased to comply with the conditions under \(1\)\(a\), \(1\)\(b\) or \(2\)\(a\) above may be permitted to remain eligible for appointment as an auditor for a period of not more than three months. The condition under \(2\)\(a\) above ceases to apply on 1 January 2021.](#)

6. Qualifications

(1) Qualifications required to hold a practising certificate

To be qualified to hold a practising certificate, members will need to meet the requirements of [regulation 7](#) of the Global Practising Regulations.

(2) Qualifications required to obtain an audit qualification

To be qualified to hold an audit qualification:

- (a) an individual **(other than an EEA auditor) that is not an EEA auditor** must:
 - (i) have obtained the Association's recognised professional qualification (in accordance with regulation 6(5) below); or
 - (ii) have a [third country](#) qualification approved by the Secretary of State under section 1221 of the Companies Act 2006 and have passed the Association's aptitude test in accordance with 6(3) below unless an aptitude test is not required (see 6(4) below); or
 - (iii) have previously held an equivalent certificate issued by the Association. However, individuals will be required, prior to the audit qualification being granted, to demonstrate adequate competence in audit work by providing to the Association details of recent audit experience and recent audit-related CPD; or
- (b) an individual who is an EEA auditor must:
 - (i) hold an appropriate qualification; or
 - (ii) have been authorised to practise the profession of statutory auditor pursuant to Regulation 29 of the European Communities (Recognition of Professional Qualifications) Regulations 2015 (S.I. 2015/2059) and have fulfilled any requirements imposed pursuant to regulation 32 of those Regulations; and have passed an aptitude test in accordance with 6(3) below unless an aptitude test is not required (see 6(4) below).

Individuals must either be EEA auditors holding a practising certificate with an audit qualification from the Association, or have applied to the Association on or before 31 December 2020 for a practising certificate with an audit qualification.

(3) The aptitude test

The aptitude test:

- (a) must test the person's knowledge of subjects:
 - (i) that are covered by a recognised professional qualification; and
 - (ii) that are not covered by the recognised professional qualification already held by the person; and
 - (iii) the knowledge of which is essential to the pursuit of the profession of statutory auditor;

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(b) may test the person's knowledge of rules of professional conduct;

(c) must not test the person's knowledge of any other matters.

(4) Aptitude test not required

No aptitude test is required if the subjects that are covered by a recognised professional qualification and the knowledge of which is essential in the pursuit of the profession of statutory auditor are covered by the professional qualification already held by the person.

(5) Recognised professional qualification of the Association

To obtain the Association's recognised professional qualification, members must:

- (a) have completed three years' practical training in an ACCA approved employer, working either as an employee or sub-contractor, of which at least two years must have been under the supervision of:
 - (i) a member who is authorised to carry on audit work by way of an audit qualification; or
 - (ii) any other person having in the opinion of Council adequate qualifications and experience and who is a fully qualified statutory auditor under paragraph 9(4) of Schedule 11 to the Companies Act 2006, such as statutory auditors practising in EEA states **and Gibraltar** (or equivalent persons in relation to applicants for certificates relating to countries other than the United Kingdom);and must comply with the requirements set out in [Appendix 2](#);
- (b) have successfully completed the English examination Corporate and Business Law, of the Association's examinations, or equivalent examination from a previous syllabus;
- (c) have successfully completed the UK examinations Taxation, and Advanced Audit and Assurance, of the Association's examinations, or equivalent examinations from a previous syllabus;
- (d) have successfully completed the UK examination Strategic Business Reporting, or equivalent examination from a previous syllabus, if this examination was completed on or after 1 January 2011;
- (e) in the case of members who registered for the ACCA Qualification on or after 1 January 2016, have successfully completed all the relevant Strategic Professional examinations, or equivalent examinations from a previous syllabus, within five years from the date on which the member completed the Applied Knowledge Level and Applied Skills Level examinations, or equivalent examinations from a previous syllabus (and, for the removal of doubt, completion of the Applied Knowledge Level and Applied Skills Level examinations, or equivalent examinations from a previous syllabus, may include receiving exemption from any or all of the examinations in those Levels); and
- (f) have been a member of the Association continuously for a period of not less than two years.

If the member accepted exemptions from all or part of the Applied Knowledge Level and Applied Skills Level of the Association's syllabus, or equivalent examinations from a previous syllabus, on the basis of qualifications gained more than five years previously (at the date of initially submitting the qualifications as an [ACCA student](#)), the member will be required to pass those exempted examinations.

If the member registered for the ACCA Qualification on or after 1 January 2016, the member must have successfully completed all the relevant Applied Knowledge Level and Applied Skills Level examinations, or equivalent examinations from a previous syllabus, within five years of becoming eligible to sit these examinations.

(6) Waiver

In exceptional circumstances, to the extent permitted by the provisions of the Companies Act 2006 and the UK competent authority, the Admissions and Licensing Committee may waive, vary or suspend the requirements of regulation 6(5)(a) and/or regulation 6(5)(f) in its absolute discretion.

7. Meaning of firm controlled by qualified persons

Firms controlled by qualified persons are authorised for carrying on audit work in accordance with [regulation 5](#).

- (a) A firm shall only be regarded as controlled by qualified persons for the purposes of regulation 5 where:
 - (i) a majority of the partners or a majority of the directors and shareholders of the firm are qualified persons; and
 - (ii) if the firm's affairs are managed by a board of directors, committee or other management body, a majority of that body are qualified persons, or if the body consists of only two persons, at least one of them is a qualified person and has a casting vote.
- (b) References in regulation 7(a) above to a person being qualified are, in relation to an individual, to their being qualified to hold an audit qualification in accordance with [regulation 6\(2\)](#) and that the person spends a material amount of their time working in the firm concerned, or being otherwise eligible to be appointed as an auditor.
- (c) A majority of the partners or a majority of the directors and shareholders of the firm in regulation 7(a)(i) means:
 - (i) where under the firm's constitution matters are decided on by the exercise of voting rights, partners or directors and shareholders holding a majority of the rights to vote on all, or substantially all, matters;
 - (ii) in any other case, partners or directors and shareholders having such rights under the constitution of the firm as enable them to direct its overall policy or alter its constitution.
- (d) A majority of the members of the management body of a firm in regulation 7(a)(ii) means:

- (i) where matters are decided at meetings of the management body by the exercise of voting rights, members holding a majority of the rights to vote on all, or substantially all, matters at such meetings;
 - (ii) in any other case, members having such rights under the constitution of the firm as enable them to direct its overall policy or alter its constitution.
- (e) The provisions of paragraphs 5 to 7 of Schedule 7 to the Companies Act 2006 (rights to be taken into account and attribution of rights) apply for the purposes of this regulation 7.

8. Fit and proper persons

(1) [Regulation 8](#) of the Global Practising Regulations applies to members. Additionally, where auditing certificates are concerned, this regulation 8 shall apply to the Admissions and Licensing Committee's determination.

(2) In determining whether a person is "fit and proper", the Admissions and Licensing Committee:

- (a) may take into account whether that person has contravened any provision of law relating to the seeking appointment or acting as auditor;
- (b) shall take into account whether that person has contravened any law or regulation or undertaken any practices or conduct referred to in relevant law, regulation or guidance issued by a body with responsibility for the regulation of the activities of the holder of the certificate or of the Association in its regulation of such activities;
- (c) may take into account any matter which relates to the person and any matter relating to any person who is or will be employed by or associated with the person for the purposes of or in connection with public practice.

9. Professional indemnity insurance

(1) *Auditing certificates held by firms*

[Regulation 9](#) of the Global Practising Regulations applies to applicants for and holders of auditing certificates by firms.

(2) *Continuity following cessation*

[Regulation 9\(5\)](#) of the Global Practising Regulations applies to persons subject to regulation 9(1) in respect of their ceasing to engage in public practice.

10. Continuing professional development

(1) Firms holding an auditing certificate must require the individuals who are partners or directors or agents of the firm who are not members but who are responsible for the firm's audit work to comply with Membership Regulation 4(4) as if they were members. This includes compliance with regulation 10(2) below.

(2) Members holding the recognised professional qualification must maintain competence in the area of audit, and obtain an appropriate proportion of CPD units in that area.

11. Continuity of practice

[Regulation 11](#) of the Global Practising Regulations shall be applicable to all firms holding an auditing certificate.

12. Notification

(1) Firms holding an auditing certificate must comply with [regulation 12](#) of the Global Practising Regulations.

(2) Additionally, they shall give written notice forthwith of the commencing of proceedings against any partner or director or [controller](#) of a firm or any actions for damages, injunctions or restitution orders connected with [regulated work](#) carried on by the individual in question.

(3) Firms holding an auditing certificate shall notify the Association in writing within 28 days after their acceptance of an appointment as auditor to a [public interest entity](#) whose audits are within the scope of the Audit Quality Review team of the UK competent authority.

13. Conduct of audit work

(1) In the conduct of audit work, holders of an audit qualification and firms holding an auditing certificate shall comply with all the applicable sections of the Association's Rulebook and in particular the ACCA Code of Ethics and Conduct, and the technical, ethical and quality control standards issued by the UK competent authority under the Statutory Auditors and Third Country Auditors Regulations 2016 [\(as amended by the Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)\)](#) and [International Standards of Auditing issued by the International Auditing and Assurance Standards Board](#).

(2) For accounting periods commencing on or after 6 April 2008, the [audit report](#) shall:

- (a) state the name of the auditor and be signed and dated;
- (b) where the auditor is an individual, be signed by them;
- (c) where the auditor is a firm, be signed by the [senior statutory auditor](#) in their own name, for and on behalf of the auditor and use the designation "Senior Statutory Auditor" after their name;
- (d) state the name of the firm as it appears on the register; and
- (e) use the designation "Statutory Auditor" or "Statutory Auditors" after the name of the firm.

The auditor's name and, where the auditor is a firm, the name of the person who signed the report as senior statutory auditor may be omitted from published copies of the report and the copy of the report to be delivered to the registrar of companies if the conditions set out in section 506 of the Companies Act 2006 are met.

(3) In the case of a [major audit](#), an auditor ceasing to hold office for any reason must notify the Financial Reporting Council. In the case of an audit which is not a major audit, an auditor ceasing to hold office before the end of their term in office must notify the Association. In each case the notice must inform the appropriate audit authority that the auditor has ceased

to hold office and be accompanied by a copy of the statement deposited by the auditor at the company's registered office in accordance with section 519 of the Companies Act 2006.

(4) A person ceasing to hold office as a statutory auditor shall make available to their successor in that office all relevant information which the person holds in relation to that audit.

(5) In the conduct of [group](#) audit work, the [group auditor](#) shall:

- (a) review for the purposes of a group audit the audit work conducted by other persons and record that review;
- (b) retain copies of any documents necessary for the purposes of the review that it has received from [third country auditors](#) who are not covered by the working arrangements under section 1253E of the Companies Act 2006;
- (c) agree with those third country auditors proper and unrestricted access to those documents on request.

14. Disclosure of information

(1) Register of auditors and available information

Holders of an audit qualification and firms holding an auditing certificate must supply the Association with all necessary information in accordance with, and to enable the Association to comply with any other obligations imposed upon it by regulations made under, sections 1239 and 1240 of the Companies Act 2006. This requirement shall apply for the duration of time that an audit qualification and auditing certificate are held.

(2) Responsibility of group auditor

In the case of a group audit where part of the group is audited by a third country auditor, an auditor must make arrangements so that, if requested by the Association or by a competent authority, it can obtain from that third country auditor all [audit working papers and investigation reports](#) necessary for a review of that third country auditor's audit work. An auditor shall make those documents available to:

- (a) the Association;
- (b) the UK competent authority or any recognised supervisory body to which the UK competent authority has delegated tasks in accordance with regulation 3 of the Statutory Auditors and Third Country Auditors Regulations 2016 [\(as amended by the Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)\)](#);
- (c) the Secretary of State.

If, after taking all reasonable steps, a group auditor is unable to obtain copies of the documents or the access to the documents necessary for the review, the group auditor shall record:

- (a) the steps taken to obtain copies of or access to those documents;
- (b) the reasons why the copies or access could not be obtained; and

(c) any evidence of those steps or those reasons.

(3) Transfer of audit documentation to third country competent authorities

In the case of a request by a [third country competent authority](#), an auditor must provide that body with a copy of its audit working papers and investigation reports as soon as practicable, provided:

- (a) the transfer is to an approved third country competent authority;
- (b) the Secretary of State has approved the transfer;
- (c) the transfer to the third country competent authority is made for the purpose of an investigation of an auditor or audit firm;
- (d) the following conditions are met:
 - (i) the third country competent authority has requested the audit working papers and investigation reports for the purposes of an investigation, which has been initiated by itself or another third country competent authority established in that same third country;
 - (ii) the audit working papers and investigation reports relate to audits of companies that:
 - (aa) have issued securities in that third country; or
 - (bb) form part of a group issuing statutory consolidated accounts in that third country;
 - (iii) where the authority has made the request for the audit working papers and investigation reports directly to the statutory auditor, the authority has given the Secretary of State advance notice of the request, indicating the reasons for it;
 - (iv) the authority has entered into arrangements with the Secretary of State in accordance with section 1253E of the Companies Act 2006.

The statutory auditor must refuse to transfer audit working papers and investigation reports to a third country competent authority if the Secretary of State directs under section 1253E(6) of the Companies Act 2006.

The auditor must also inform the Association of the request.

15. Monitoring

(1) Individuals holding a practising certificate and firms holding an auditing certificate shall be subject to monitoring by the Association in accordance with [regulation 14](#) of the Global Practising Regulations.

(2) Firms holding auditing certificates must comply with the Association's monitoring arrangements, which may be performed by the UK competent authority or any recognised supervisory body to which the UK competent authority has delegated tasks in accordance with regulation 3 of the Statutory Auditors and Third Country Auditors Regulations 2016 [\(as amended by the Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)\)](#).

(3) Firms holding an auditing certificate shall be subject to monitoring by the Audit Quality Review team of the UK competent authority (AQR) if they hold an appointment as auditor to a public interest entity whose audits are within the scope of AQR. Such firms must supply AQR with any information AQR requires to enable it to complete its monitoring process.

(4) An order imposed by the UK competent authority in accordance with the Statutory Auditors and Third Country Auditors Regulations 2016 [\(as amended by the Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)\)](#) is to be treated as if it were an order imposed by the Association under The Chartered Certified Accountants' Authorisation Regulations 2014.

16. Investigation of complaints

Holders of the Association's recognised professional qualification and firms holding auditing certificates must comply with the Association's investigation arrangements, which may be performed by the UK competent authority or any recognised supervisory body to which the UK competent authority has delegated tasks in accordance with regulation 3 of the Statutory Auditors and Third Country Auditors Regulations 2016 [\(as amended by the Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)\)](#).

17. Enforcement

(1) Sanctions available to the Disciplinary Committee are set out in The Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014. For the avoidance of doubt, the sanctions available to the Disciplinary Committee include all those set out in paragraph 12(3)(b) of schedule 10 to the Companies Act 2006.

(2) A sanction imposed by the UK competent authority following the conclusion of an investigation in accordance with the Statutory Auditors and Third Country Auditors Regulations 2016 [\(as amended by the Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)\)](#) is to be treated as if it were a sanction imposed by the Association under The Chartered Certified Accountants' Complaints and Disciplinary Regulations 2014.

18. General

(1) In circumstances where and to the extent that a task delegated to the Association is reclaimed by the UK competent authority under regulation 3 of the Statutory Auditors and Third Country Auditors Regulations 2016 [\(as amended by the Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)\)](#), the UK competent authority may apply rules (and may vary the rules it applies) made by the Association in accordance with the requirements of Part 2 of Schedule 10 to the Companies Act 2006.

(2) In circumstances where and to the extent that a task delegated to the Association is reclaimed by the UK competent authority under regulation 3 of the Statutory Auditors and Third Country Auditors Regulations 2016 [\(as amended by the Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)\)](#), and is

2.2 Global Practising Regulations (Annex 1, Appendix 1)

delegated by the UK competent authority to another recognised supervisory body, that other recognised supervisory body may apply rules (and may vary the rules it applies) made by the Association in accordance with the requirements of Part 2 of Schedule 10 to the Companies Act 2006.

