

# Royal Charter

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## Introduction

The Royal Charter, which was granted to the Association on 25 November 1974, by Queen Elizabeth II, is the constitution of the Association. The affairs of the Association are managed and regulated in accordance with the Charter and bye-laws. Both the Charter and the byelaws may be amended or added to in general meeting by resolution passed by not less than two-thirds of the members entitled to vote and voting. Such amendments or additions to the Charter and bye-laws have no force or effect until they have been approved by the Privy Council. The Association's Council may from time to time make such regulations as it thinks fit, provided such regulations are not in any way inconsistent with any of the provisions of the Charter and bye-laws.

Members are reminded that, on applying for admission to membership, they sign an undertaking that if admitted, and as long as they are members, they will observe the Charter, bye-laws and regulations for the time being in force.

## Royal Charter

**Elizabeth the Second** by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!

**Whereas** the Association incorporated under the Companies Act 1929 and known as “The Association of Certified Accountants” (hereinafter referred to as “the existing Association”) have by their humble Petition prayed that We would be graciously pleased to grant them a Charter on Incorporation:

**And Whereas** We have taken the said Petition into Our Royal Consideration and are minded to accede thereto:

**Now Therefore know ye** that We by virtue of Our Prerogative Royal have of Our especial grace, certain knowledge and mere motion granted and declared and do by these Presents for Us, Our Heirs and Successors grant and declare as follows:

1. The persons now members of the existing Association and all other persons who shall hereafter pursuant to this Our Charter and the bye-laws become members of the Body Corporate hereby constituted shall for ever hereafter be one Body Corporate and Politic by the name of “The Association of Chartered Certified Accountants” and by the same name shall have perpetual succession and a Common Seal with power to alter, break and make anew the said Seal from time to time at their will and pleasure, and by the same name shall and may sue and be sued in all Courts and in all manner of actions and proceedings and shall have power to do all other matters and things incidental or appertaining to a Body Corporate.

2. In this Our Charter unless the context otherwise requires:

- (a) *the Association* shall mean The Association of Chartered Certified Accountants as hereby incorporated;
- (b) *the bye-laws* shall mean the bye-laws set forth in the Second Schedule hereto or other the bye-laws from time to time of the Association;
- (c) *the Council* shall mean the Council of the Association hereinafter referred to and as from time to time constituted in accordance with the bye-laws;
- (d) *public practice* means practice as a public accountant in the capacity of sole principal, in partnership or through the medium of a body corporate or otherwise and as applied to an accountant shall have the same connotation; the decision of the Council as to whether or not a person is engaged in public practice shall be conclusive;
- (e) *industry and commerce* means the administration of organisations of whatever kind engaged in industrial and commercial activities of every type and shall include the

nationalised industries; the decision of the Council as to whether or not a person is engaged in industry or commerce shall be conclusive;

- (f) *the public service* means the administrative organisations of central, regional or local government and all public bodies of a non-industrial character; the decision of the Council as to whether or not a person is engaged in the public service shall be conclusive;
- (g) *the 1989 Act* means the Companies Act 1989;
- (h) words importing the singular only shall include the plural and vice versa, words importing the masculine gender only shall include the feminine gender and words importing persons shall include corporations;
- (i) 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 shall include that provision 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.

**3.** The principal objects and purposes for which the Association is hereby constituted are to advance the science of accountancy, financial management and cognate subjects as applied to all or any of the professional services provided by accountants whether engaged in public practice (in partnership or through the medium of a body corporate or otherwise), industry and commerce or the public service; to promote the highest standards of competence, practice and conduct among members of the Association so engaged; to protect and preserve their professional independence and to exercise professional supervision over them; and to do all such things as may advance and protect the character of the profession of accountancy whether in relation to public practice (carried on in partnership or through the medium of a body corporate or otherwise) or as applied to service in industry and commerce or the public service.

**4.** In furtherance of the objects and purposes set out in Article 3 hereof the Association shall have the following ancillary objects and powers:

- (a) to acquire, take over and accept from the existing Association by disposition, conveyance, assignment or transfer the whole of the assets and property both real and personal and also the whole of the debts and liabilities of whatever kind of the existing Association and where necessary to give to any trustees in whom the said assets or property may be vested a valid receipt, discharge and indemnity for and in respect of the transfer of the same to the Association and without prejudice to the generality of the foregoing to assume responsibility for all undertakings and engagements of whatever kind of the existing Association and to carry out all the requirements of the same so far as is legally possible to the same extent and in the same manner as the existing Association would have done;
- (b) to purchase, take on lease or in exchange or hire in any other way acquire any real or personal property or options for acquiring the same in any part of the world considered necessary for the use of members and others or for any purposes of the

Association and to sell, lease, mortgage (by issue of debentures, debenture stock or otherwise), exchange, partition or otherwise deal with in any way any real or personal property, rights or assets of the Association; and to construct, alter and maintain in any part of the world any buildings considered necessary for the use of members and others or for any purposes of the Association and to provide the same with all property and necessary fixtures, fittings, furniture and other equipment;

- (c) to accept any gift, endowment or bequest to the Association and to execute and perform any trust attaching thereto;
- (d) to accept and take by way of gift and absorb upon any terms the undertaking and assets of any society or body whether incorporated or not having objects similar to those of the Association and to undertake all or such as may be agreed of the liabilities and engagements of any such other society or body but so that the exercise of the powers conferred by this paragraph shall be subject always to the approval of the Association in general meeting (of which meeting not less than twenty-one days' clear notice in writing shall have been given) by resolution passed by not less than two-thirds of the members entitled to vote and voting on such resolution and to the approval of the Lords of Our Most Honourable Privy Council (of which approval a Certificate under the hand of the Clerk of Our said Privy Council shall be conclusive evidence);
- (e) to establish and administer or to participate in the establishment and administration of any organisation, whether incorporated or not and whether subsidiary to the Association or not, having as its principal object or one of its principal objects the advancement of the science of accountancy or any part thereof where in the opinion of the Council the interests of the accountancy profession may be most advantageously served through the medium of such an organisation and to establish, maintain, review and finance, alone or in conjunction with others, a body, whether incorporated or not, independent of the Association, having as its object the review of the schemes of regulation and discipline of the Association and other participant accountancy bodies;
- (f) to undertake, execute and perform any trusts or conditions affecting any real or personal property of any description acquired by the Association;
- (g) to organise, finance and maintain schemes for the granting of diplomas, certificates and other awards (with or without prior examinations or tests) to persons seeking admission to membership of the Association, members of other professional bodies or others and to issue certificates and diplomas to such persons and to provide for the use of designatory letters by such persons, provided that no such diploma, certificate or other award issued by or on the authority of the Association shall contain any statement expressing or implying that it is granted under the authority of any Department of Our Government or other authority unless in fact it is so granted; and provided that no such scheme, open only to members of the Association, as originally established or subsequently amended, shall provide for the use of designatory letters by members of the Association unless and until they shall have

been approved by the Association in general meeting and by the Lords of Our Most Honourable Privy Council (of which approval a Certificate under the hand of the Clerk of Our said Privy Council shall be conclusive evidence); and provided also that no member shall in any circumstances be obliged to participate in any such schemes;

- (h) to encourage the study of such subjects by providing scholarships, bursaries, prizes and donations on such terms and conditions as may be thought fit, by making grants to universities and other educational institutions, by providing courses, classes, lectures and other tuition for members and others or by making grants for the provision of the same or for research or by such other means as may be thought appropriate;
- (i) to promote and facilitate the dissemination and exchange of information on matters of professional interest among members and others by the holding of conferences, meetings and seminars for the reading of papers and reports, by the publication of periodicals, books, monographs or papers and by the promotion, compilation and publication of research studies;
- (j) to establish and maintain a library or libraries for the use of members and others;
- (k) to provide such services including technical and advisory services as may promote and further the interest and efficiency of members and others and of the accountancy profession generally;
- (l) to form local branches and committees or appoint local representatives in any part of the world with such powers and subject to such conditions as the Council may from time to time determine and to make such grants and contributions (if any) to the same as the Council shall think fit;
- (m) to procure the Association to be registered or recognised in any overseas country or place and to exercise any of its objects or powers in any part of the world;
- (n) to make and carry out any arrangement for joint working or co-operation with any other society or body, whether incorporated or not, carrying on work similar to any work for the time being carried on by the Association;
- (o) to borrow or raise money on such terms and on such security as may be thought fit for any of the purposes of the Association; provided that no money shall be raised by the mortgage of any real or leasehold property of the Association without such consent or approval (if any) as may be required by law therefor;
- (p) to establish, administer and contribute to any charitable purpose which in the opinion of the Council may tend to promote any of the objects of the Association or which has objects similar to those of the Association and to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and schemes for such purposes, and generally to contribute to or otherwise assist any charitable or benevolent institutions or undertakings and grant donations for any national or public purpose;

- (q) to pay to officials and servants of the Association their expenses and such salaries, pensions, gratuities or other sums in recognition of services (including those rendered to the existing Association before the date of this Our Charter) and to make such provision for their widows, children or other dependants as the Council may from time to time think proper;
- (r) to operate schemes of regulation and discipline of the Association's members and students and such other persons as agree to be subject to such schemes and, with one or more other professional accountancy bodies, to establish and participate in a scheme (whether constituted as an incorporated body or not) for the investigation and discipline in certain circumstances of such persons as may be subject to the scheme pursuant to the procedures of that scheme rather than the Association's own disciplinary scheme;
- (s) to take all such steps as it thinks fit to enable it to become and operate as a recognised professional body for the purposes of the Financial Services Act 1986 and do anything whatsoever incidental to or in connection therewith and (without prejudice to the generality thereof) may:
  - (i) implement certification procedures for the purposes of the said Act;
  - (ii) provide for the constitution of a scheme, fund or other arrangements for the compensation of persons dealing with persons certified by the Association for the purposes of the said Act;
  - (iii) accept undertakings and enter into agreements with firms or persons (whether individuals or corporations) in relation to the certification of such firms or persons or of firms in which such persons are partners or of corporations with which such persons are directly or indirectly concerned (whether through ownership, management or otherwise); and
  - (iv) make provision (whether by agreement or otherwise) for the application of disciplinary procedures and sanctions to firms and persons giving such undertakings or entering into such agreements;
- (t)
  - (i) to take all steps as it thinks fit to enable it to obtain and maintain recognition as a supervisory body for the purposes of the 1989 Act, any corresponding provision under the law of Northern Ireland and any other corresponding or similar provision of the law of any other jurisdiction anywhere in the world; and
  - (ii) to take all steps as it thinks fit to enable any qualifications offered by it to be declared a recognised professional qualification for the purposes of the 1989 Act so as to enable it to become a recognised qualifying body for the purposes of the 1989 Act, any corresponding provision under the law of Northern Ireland and any other corresponding or similar provision of the law of any other jurisdiction anywhere in the world; and
  - (iii) to perform on behalf of other bodies, which are recognised supervisory bodies under the 1989 Act, the functions of monitoring of compliance with the rules of



such other bodies and of investigating complaints on behalf of such other bodies against that body or any other person; and

- (iv) to do anything whatsoever incidental to or in connection with such powers (without prejudice to the generality of those powers) to:
- (1) implement procedures (including arrangements for monitoring and enforcement in relation to members or otherwise) to ensure that the requirements for recognition of the Association as a supervisory body, set out in Part II of Schedule 11 to the 1989 Act, are and continue to be fulfilled;
  - (2) implement procedures for the certification of any individual (whether or not a member of the Association) or firm as eligible for appointment as company auditor for the purposes of the 1989 Act;
  - (3) accept undertakings and make agreements with individuals (whether or not members of the Association) or firms in relation to such procedures and certification;
  - (4) make provision (whether by agreement or otherwise) for the application of disciplinary procedures and sanctions to individuals and firms giving such undertakings or entering into such agreements; and
  - (5) lay down requirements and implement procedures (including professional experience, examinations and practical training) to ensure that the requirements for recognition of a professional qualification, set out in Part II of Schedule 12 to the 1989 Act, are and continue to be fulfilled;

and for the purposes of this paragraph “firm” means a partnership and a body corporate; and

- (u) to do, alone or in conjunction with others, the foregoing and all such other lawful things in any manner whatsoever consistent with the provisions of this Our Charter and the bye-laws as may be incidental or conducive to furthering or protecting the interests and efficiency of the Association and its members and of the accountancy profession.

**5.** The income and property of the Association, whencesoever derived, shall be applied solely towards the promotion of its objects as set forth in this Our Charter as amended or added to in the manner hereinafter provided and no member shall as such have any personal claim on any of the said income or property. No part of the income or property of the Association shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to its members, provided that nothing herein contained shall prevent the payment in good faith of remuneration to any member thereof or to any other person in return for services rendered to the Association or the payment in good faith of expenses incurred by any such persons in providing such services or the payment of interest at a rate not exceeding one per centum per annum above the base rate from time to time of National Westminster Bank PLC on money borrowed from any member or any payment becoming due under or by virtue of any indemnity given by the Association to any

officials or servants or to any member thereof in accordance with the bye-laws. No member of the Council shall receive any remuneration in respect of his services as a member of the Council or as a member of any committee or sub-committee of the Council other than expenses incurred in providing such services.

**6.** There shall be a President, Deputy-President and a Vice-President of the Association who shall be elected in accordance with the bye-laws. The first President, Deputy-President and Vice-President whose names are shown in the First Schedule hereto shall each hold office until the close of the first Annual General Meeting of the Association.

**7.** The first Council shall be the Council of the existing Association immediately prior to the date of this Our Charter and whose members, in addition to the President, Deputy-President and Vice-President already referred to, are shown in the First Schedule hereto.

**8.** The Council shall consist of such members, with such qualifications and to be appointed or elected in such manner and to hold office for such periods and on such terms as to reappointment and re-election and otherwise as may be prescribed by the bye-laws, subject always in the case of the first Council to the provisions of the preceding Article of this Our Charter.

**9.** The property and affairs of the Association shall, subject to the provisions of this Our Charter and of the bye-laws, be administered and controlled by the Council, who may exercise for those purposes all such powers and authorities by this Our Charter or otherwise expressly conferred on them and do all such acts and things as may be exercised or done by the Association as are not hereby or by the bye-laws required to be exercised or done by the Association in general meeting, but no new bye-law or amendment or addition thereto shall invalidate any prior act of the Council which would have been valid if the same had not been made.

**10.** The members of the Association shall, unless and until otherwise provided by the byelaws, consist of two classes, namely, Fellows and Members, herein collectively referred to as "members".

**11.** The Fellows and Associates of the existing Association immediately prior to the date of this Our Charter shall be deemed hereafter to be Fellows and Members respectively of the Association.

**12.** Persons who immediately prior to the date of this Our Charter were Honorary Members or registered graduates or registered students of the existing Association shall be deemed hereafter to be of similar status in the Association in Accordance with the bye-laws subject to the completion by them of such undertaking or requirements as the Council may at any time require of them.

**13.** The qualifications for and the method of election to membership and the rights, privileges, obligations and conditions of membership and the manner in which the same may be suspended or determined shall be such as the bye-laws or regulations made thereunder shall prescribe.

**14.** As soon as is reasonably possible after the date of this Our Charter the Council shall do all things and execute all documents so as, with effect from that date, to vest the assets and any other rights, entitlements and benefits of the existing Association, held in its name or in that of its nominees or in the names of trustees on its behalf, in the Association and to enable the Association to undertake and be responsible for all the obligations and commitments of the existing Association.

**15.** The affairs of the Association shall be managed and regulated in accordance with the provisions of this Our Charter and of the bye-laws set forth in the Second Schedule hereto. The said bye-laws may from time to time be amended or added to by the Association in general meeting (of which meeting not less than twenty-one clear days' notice shall have been given) by resolution passed by not less than two-thirds of the members entitled to vote and voting on such resolution, provided that no such amendment or addition shall have any force or effect if it be repugnant to any of the provisions of this Our Charter or until the same has been submitted to and approved by the Lords of Our Most Honourable Privy Council (of which approval a Certificate under the hand of the Clerk of Our said Privy Council shall be conclusive evidence).

**16.** The Council may from time to time make such regulations as they think fit for the purpose of carrying any bye-law into effect or otherwise for regulating the affairs of the Association and may amend or add to any such regulations provided always that no such regulations shall be in any way inconsistent with any of the provisions of this Our Charter or of the bye-laws.

**17.** The Association in general meeting (of which meeting not less than twenty-one clear days' notice shall have been given) may from time to time amend or add to the provisions of this Our Charter by resolution passed by not less than two-thirds of the members entitled to vote and voting on such resolution and any such amendment or addition shall, when allowed by Us, Our Heirs or Successors in Council, become effectual so that this Our Charter shall thenceforth continue and operate as though it had been originally granted and made accordingly. The provision shall apply to this Our Charter as amended or added to in the manner aforesaid.

**18.** It shall be lawful for the Association in general meeting (of which meeting not less than twenty-one clear days' notice shall have been given) with the sanction of not less than two-thirds of the members entitled to vote and voting thereat to surrender this Our Charter subject to the sanction of Us, Our Heirs or Successors in Council and upon such terms as We or They may consider fit and to wind up or otherwise deal with the affairs of the Association in such manner as shall be directed by such general meeting or in default of such direction as the Council shall think expedient having due regard to the liabilities of the Association for the time being, and if, on the winding up or the dissolution of the Association, there shall remain, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the members of the Association or any of them but shall, subject to any special trusts affecting the same, be given and transferred to some association or associations having objects similar to the objects of the Association and which shall prohibit the distribution of its or their income and

property amongst its or their members to an extent at least as great as is imposed on the Association under Article 5 hereof, such association or associations to be determined by the Council at or before the time of dissolution.

And We do for Ourselves, Our Heirs and Successors grant and declare that these Our Letters or the enrolment thereof shall be in all things valid and effectual in law according to the true intent and meaning of the same and shall be taken, construed and adjudged in the most favourable and beneficial sense and for the best advantage of the Association as well in Our Courts of Record as elsewhere notwithstanding any nonrecital, mis-recital, uncertainty or imperfection in this Our Charter.

**In Witness** whereof We have caused these Our Letters to be made Patent.

**Witness** Ourselves at Westminster the twenty-fifth day of November in the twenty-third year of Our Reign. [1974]

**By Warrant** under the Queen's Sign Manual.

DOBSON