

## Am I in public practice?

This factsheet examines when a member of ACCA is engaging in public practice. It also considers when a practising certificate is required. This factsheet provides examples, but does not address all possible circumstances, and students and members should contact ACCA if they are unsure about the requirements in a given situation.

This document has no regulatory status. It is issued for guidance purposes only. Nothing contained in this document should be taken as constituting the amendment or adaptation of the ACCA Rulebook. In the event of any conflict between the content of this document and the content of the ACCA Rulebook, the latter shall at all times take precedence.

### Definition of public practice

The definition of public practice in ACCA's Global Practising Regulations 2003 (GPRs) is reproduced below.

#### 4. Meaning of public practice

##### (1) Activities

Subject to regulations 4(2) and 4(4), public practice, which may be carried on by an individual or a firm (the 'practitioner'), means:

- (a) accepting an appointment as an auditor; and/or
- (b) signing or producing any accounts or report or certificate or tax return concerning any person's financial affairs, whether an individual sole-trader, an unincorporated body or a firm, in circumstances where reliance is likely to be placed on such accounts or report or certificate or tax return by any other person (the 'third party'), or doing any other thing which may lead the third party to believe that the accounts or report or certificate or tax return concerning the financial affairs of such a person have been prepared, approved or reviewed by the practitioner; and/or
- (c) holding oneself or itself out, or allowing oneself or itself to be held out, as being available to undertake the activities referred to in (a) and (b) above (and allowing oneself to be known as a, or a firm of 'Chartered Certified Accountant(s)', 'Certified Accountant(s)', 'Chartered Accountant(s)', 'Accountant(s)' or 'Auditor(s)' or any similar description or designation standing for any such description in the context of the practitioner's business shall be regarded as an example of such a holding out); and/or
- (d) holding oneself out, or allowing oneself to be held out, as a sole proprietor, partner or director of a firm, or designated member or member of a limited liability partnership, where public practice is carried on.

Book-keeping services, as defined in paragraph 8(2)(b) of the Membership Regulations 2014 (MRs), and trust or company services, as defined in regulation 12(2) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the AML Regulations), do not constitute public practice.

### Am I in public practice?

ACCA's definition of public practice work extends beyond audit and other regulated work, to incorporate all types of work generally associated with an accountancy practice, but **excluding book-keeping services and trust or company services**.

For example, public practice work will include:

- producing accounts that a third party relies on
- preparing personal or corporate tax returns (even where the client submits them directly to the tax authorities)
- preparing a report or certificate concerning a person's financial affairs that will be seen by a third party (including, for example, confirmation to a potential lender of a person's income).

An ACCA member undertaking such work **is engaging in public practice** and will need to either hold an ACCA practising certificate or notify ACCA of their eligibility to practise, depending on the country or jurisdiction in which public practice is being carried on.

An ACCA student is **not** permitted to undertake such work and engage in public practice.<sup>1</sup>

### Book-keeping services

The definition of book-keeping services is set out in ACCA's Membership Regulations 2014. This includes:

- the preparation of accounting records to trial balance stage
- maintaining clients' records in respect of payroll and employment taxes
- maintaining basic sales tax records.

Basic book-keeping is restricted to the recording of data. In other words, it is the maintenance of financial records, whether those records are:

- books of prime entry and ledgers leading to the production of a trial balance,
- reconciliations and other schedules that control the processing of accounting data, or
- records for the purpose of maintaining a payroll or compiling a VAT return.

<sup>1</sup> ACCA students falling within the categories set out in Membership Regulation 8(2)(i) are permitted to engage in public practice provided that they describe themselves only as members of the professional bodies to which they belong (if any) and not as students of ACCA.

## Trust or company services

The definition of trust or company services is given in regulation 12(2) of the AML Regulations. The services (being provided by way of business) comprise:

- forming companies or other legal persons
- acting, or arranging for another person to act, as a director or secretary of a company, as a partner of a partnership, or in a similar capacity in relation to another legal person
- providing a registered office, business address, correspondence or administrative address or other related services for a company, partnership or any other legal person or legal arrangement
- acting, or arranging for another person to act, as a trustee of an express trust or similar legal arrangement, or as a nominee shareholder for a person other than a company whose securities are listed on a regulated market.

## Do I need to hold an ACCA practising certificate?

Any member who is a principal<sup>2</sup> in an accountancy practice must hold an ACCA practising certificate if they are carrying on public practice in a designated territory<sup>3</sup>, or in a country or jurisdiction that, according to local legislative and/or regulatory requirements, requires an ACCA practising certificate<sup>4</sup>.

A member engaged in public practice in a designated territory is required to hold an ACCA practising certificate even if they hold a practising certificate from another body.

A member would be in public practice in a designated territory if:

- public practice services are provided to client(s) in that territory; and/or
- the outputs of the public practice services are filed with an authority in that territory; and/or
- the member allows himself to be perceived as practising in that territory.

## Do I need to notify ACCA of my eligibility to practise?

Any member who is carrying on public practice in a country or jurisdiction where an ACCA practising certificate is **not** required (and who has not otherwise elected to hold an ACCA practising certificate) must notify ACCA and be placed on a register of ACCA practitioners. Such members must confirm that they have complied with any local legislative and/or regulatory requirements to be eligible to carry on public practice.

## Common issues

Problems can arise where members undertake work that falls on the fringes of the definition of public practice. The ACCA *Rulebook* cannot prescribe precisely what will or will not fall outside the definition of public practice. The principle that is paramount is that an ACCA member who neither holds an ACCA practising certificate nor has been placed on the register of practitioners must not provide (or offer or appear to be offering) public practice services. However, offering basic book-keeping services is permitted.

It is easier to state those activities that you are not permitted to provide, because they go beyond basic book-keeping, than to state the complete range of activities that are permitted within the term 'basic book-keeping'. The GPRs are quite clear in prohibiting the production of accounts, reports, certificates or tax returns where reliance is likely to be placed on them by a third party. In addition, the 'badges' of public practice might be said to include:

- exercising judgement in areas usually reserved for management
- providing advice to your clients
- adding value to, or enhancing the credibility of, a report or other document through your involvement in its preparation or submission.

## Preparation of accounting records to trial balance stage

In the context of maintaining a client's books of prime entry and ledgers, as already stated, this may lead to the production of a trial balance (either using computer software or manually). However, if you are an ACCA member without authorisation to practise, you must not provide advice or interpretation based on that trial balance.

Book-keeping software will often enable the user to generate reports without any further processing of the data, and without the need to exercise additional professional skills or judgement. In such cases, book-keeping services may extend to the generation of such reports but, of course, advice or comment based on those reports must not be offered.

Where data has to be further processed in order to produce reports for management, this is only permitted under certain circumstances. For example with regard to the preparation of management accounts, where the management accounts are to be used solely by your client for internal purposes, the conversion of the trial balance into management accounts (or other management information) falls outside the definition of public practice. However, where the management accounts are to be passed to a third party, most commonly a bank, this is public practice work, regardless of whether the third party is aware of your involvement.

In reality, the book-keeper is unlikely to be in a position to prevent a client submitting management accounts to a bank (or other third party). Therefore, an activity that may be deemed to be a book-keeping activity at the time the report was generated may subsequently be regarded as a public practice activity because the client forwards the report to a third party. As an ACCA member, you are required to comply with ACCA's Code of Ethics and Conduct. This means that you must try to dissuade your client from forwarding to a third party management accounts that you have prepared. If your client ignores your wishes, you should consider resigning from the engagement.

If you intend to continue to provide book-keeping services, you must recognise that it is possible to 'drift' into difficult situations. Therefore, you must minimise the risk that you will inadvertently start to perform (or be pressurised to perform) public practice services. For example, your engagement letter with the client might state that any reports produced will be for the use of the client only, and the reports themselves might carry a statement that they are not to be provided to third parties.

<sup>2</sup> A principal includes a sole proprietor, partner or director of a firm, or designated member or member of a limited liability partnership, where public practice is carried on.

<sup>3</sup> Designated territory means the UK, Republic of Ireland, Jersey, Guernsey and Dependencies and the Isle of Man.

<sup>4</sup> For example, annexes 3 to 6 to the GPRs explain the circumstances in which an ACCA practising certificate is required in Cyprus, Zimbabwe, Australia or South Africa.

## Payroll services

When considering the payroll services you may provide without having public practice authorisation, it is necessary to remember the principle that book-keeping services do not extend beyond the recording of basic accounting data in order to maintain the necessary financial records. Therefore, calculating statutory and voluntary deductions from gross wages and salaries and summarising the results would meet this principle. (Voluntary deductions must be authorised in writing.) The same principles apply to payments to subcontractors and others where payments are subject to deductions at source.

However, preparing certain employment (and subcontractor) tax returns may be indicative of public practice. Where the information required to produce a periodic return may be obtained by simply generating a standard software report, the generation of the report (for the use of the client) would be considered to be a basic book-keeping service. Such a report should then be passed to the client (or the client's accountant) to transfer the relevant figures onto a return for the taxation authority. It would be for the client or their accountant to consider the reasonableness of the figures.

Only ACCA members with public practice authorisation are permitted to provide taxation advice. For example, to recommend tax-efficient remuneration methods to a client would be considered to be a public practice activity. You will also require public practice authorisation in order to act as a tax agent on behalf of your client.

## VAT and other sales taxes

Advice concerning the VAT rates attaching to certain supplies, the benefits of voluntary VAT registration or the advantages and disadvantages of different VAT schemes would be deemed to be public practice. In addition, to make decisions concerning the way in which output tax will be declared or input tax will be claimed would be to make management decisions, and beyond the range of services considered to be basic book-keeping.

However, an ACCA member without public practice authorisation would be allowed to generate certain reports relating to sales taxes arising out of the recording of basic accounting data. Such reports may be generated by the accounting software used, and may include summarised figures suitable for inclusion on, say, a quarterly return. Alternatively, figures may be summarised manually for inclusion on a quarterly return. As a routine exercise, this would be deemed to be basic book-keeping.

In subsequently transferring the summarised figures onto a VAT return and submitting the return to the tax authority, an assessment must be made that the figures appear reasonable. Such an assessment may only be made by the client or an accountant authorised to exercise such professional judgement.

Therefore, you do not require public practice authorisation in order to be able to transcribe figures from a management report onto a statutory return, so long as it is clear that your client has considered the management report and approved the figures that have been incorporated into the return prior to its submission.

## Honorary work exemption

It is, of course, not uncommon for members to be asked to help out friends, family or local charities by preparing accounts etc. Members are free to help out in this way providing all of the conditions for what constitutes 'honorary' work are met. It is important to bear in mind that the honorary work exemption

exists purely to allow members to use their skills to make a contribution to their local communities or to assist family, friends and local charities as a favour. It should not be viewed as an entry route into public practice. To that end, it is not appropriate to produce business stationery in connection with such work which purports to be that of a practising firm.

Global Practising Regulation 4(4) states that the activities set out in regulation 4(1)(b) (reproduced near the start of this factsheet) shall not constitute public practice where the work is honorary, and certain prescribed conditions are satisfied. Members are reminded that they should only undertake work that they are competent to perform.

## Advertising book-keeping services

In all cases, members without public practice authorisation must not hold themselves out as being in public practice. This principle should be applied with integrity, and if there is any possibility that a particular course of action may be misconstrued, you must take steps to clarify the position. With this in mind, a member without public practice authorisation may advertise their book-keeping services or seek work in ways that are legal and that do not reflect adversely on the individual, ACCA or the accountancy profession. The promotion of book-keeping services is not the primary subject of this guidance. However, more information may be found in Membership Regulation 8(2) and in the ACCA Code of Ethics and Conduct.

## Supervision for anti-money laundering in the UK

Members in the UK who provide accountancy services within the terms of the AML Regulations which fall outside the meaning of public practice (for example book-keeping) will, nevertheless, be subject to supervision regarding compliance with the anti-money laundering (AML) provisions under the AML Regulations. In such cases, members may consider obtaining an ACCA practising certificate in order to be supervised by ACCA. Alternatively, members must register with HM Revenue and Customs or another body recognised for such purposes. Members outside the UK should check what obligations, if any, they have in this regard.

For the avoidance of misunderstanding, ACCA students in the UK who provide book-keeping services will also be subject to supervision for compliance with the AML Regulations. In such cases, ACCA students must seek registration for supervision from HM Revenue and Customs or another body recognised for such purposes.

## Supervision for anti-money laundering in the Republic of Ireland

As stated in regulation 4(4) in Annex 2 to the GPRs, members in the Republic of Ireland who provide accountancy services within the terms of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and 2013 by way of business which fall outside the meaning of public practice (for example book-keeping) will be required to be subject to supervision for compliance with the AML provisions under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and 2013. In such cases, members are **required** to either obtain a practising certificate from the Association in order to be supervised by the Association, or register with the Department of Justice at [www.antimoneylaundering.gov.ie](http://www.antimoneylaundering.gov.ie) in order to be supervised for anti-money laundering purposes as required by the legislation.

## Trust or Company Service Providers in the UK

Under AML regulation 54(2), HM Revenue and Customs is required to maintain a register of firms that are trust or company service providers (TCSPs). ACCA (as a Professional Body Supervisor for AML) may provide details to HM Revenue and Customs of firms providing such

services. TCSPs that are not supervised by ACCA (or another Professional Body Supervisor) for AML are required to register directly with HM Revenue and Customs, for which a fee will be charged.

Alternatively, members (including sole practitioners) in firms providing trust or company services (with or without book-keeping services), who are not required to hold an ACCA practising certificate, may nevertheless consider obtaining an ACCA practising certificate in order to be supervised by ACCA.

### Further information

It is in members' interests to familiarise themselves with the GPRs to ensure that they comply with them. The GPRs are contained in the *ACCA Rulebook* which can be viewed at [www.accaglobal.com/rulebook](http://www.accaglobal.com/rulebook)

If you are a member without public practice authorisation, you must assess carefully whether your work falls within the definition of public practice. You are encouraged to contact ACCA's Technical Advisory Service in your region if you have any doubts, and having discussed the circumstances frankly, you must act with integrity to take the appropriate action. In some cases, members may wish to hold a practising certificate or seek registration as a 'protective' measure. Others may wish to do so despite the fact that the work they undertake falls outside the definition of public practice because they wish to describe themselves (or their firms) as 'Chartered Certified Accountants' or use a similar description.

Application forms and further information on practising requirements can be viewed on the ACCA website at [www.accaglobal.com/qb/en/member/sectors/smp/practising-info](http://www.accaglobal.com/qb/en/member/sectors/smp/practising-info)

**Appendix 1** to this factsheet provides answers to some frequently asked questions, and **Appendix 2** sets out some case studies that help to demonstrate the principles involved. Additionally, if you wish to clarify your specific situation, you may contact:

Authorisation  
ACCA  
110 Queen Street, Glasgow, G1 3BX, United Kingdom  
tel: +44 (0)141 534 4175  
fax: +44 (0)141 534 4237  
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## Appendix 1: Frequently asked questions

The questions and answers set out below all relate to the activities of an ACCA student or an ACCA member without the appropriate authorisation to practise. In each case, the individual wishes to offer services directly to the public.

- Q1 Can I prepare a VAT (or other sales tax) return for a fee?**
- A1 Perhaps. If the figures to be inserted into the return are generated as a by-product of the accounting system, or a manual system exists whereby the relevant figures are readily available to incorporate into the return, your client will be in a position to approve the figures prior to them being transferred onto the return. In this case, your client accepts full responsibility for the return, and your role is simply to record the basic data. However, if the preparation of the VAT return would require you to make decisions (eg in the form of the optimum VAT scheme to use), or if you are required to advise your client during the course of preparing the return, this would be public practice work, and you should decline such an assignment. In any event, you should take great care not to stray into the area of providing VAT advice to your client at any time.
- Q2 Can I advertise my ability to do VAT (or other sales tax) work to the general public?**
- A2 Yes, provided that the advertising does not give the impression that you are able to provide any public practice services, and it meets the requirements of Membership Regulation 8(2)(e) to (g) and the ACCA Code of Ethics and Conduct. Any advertising must not make any reference to the fact that you are an ACCA student or member.
- Q3 Can I register with the taxation authority as an agent for my client?**
- A3 No. This would suggest that you are permitted to provide a wider range of services than just book-keeping.
- Q4 Can I suggest to my client that a particular VAT scheme (or similar) may be beneficial to my client (eg cash accounting scheme or flat rate scheme)?**
- A4 No. If you happen to notice that your client could arrange their VAT affairs more favourably, you should refer the client to their accountant.
- Q5 Can I write to the taxation authority on behalf of my client on headed note paper that refers to my book-keeping services?**
- A5 No. To do so would be acting as a tax agent, and would suggest that you were undertaking public practice work.
- Q6 Can I attend a meeting with the taxation authority and my client when the tax inspector is carrying out a routine visit?**
- A6 No. This would not be permitted in relation to any inspection visit, be it in relation to business profits, sales tax or employment tax, as to do so would be with the intention of representing your client (and so acting as an advocate). Neither should it be necessary, as your client will be able to answer any questions that might arise from a routine visit.
- Q7 Can I attend a meeting with the taxation authority and my client relating to VAT (or other sales tax) work other than a routine visit by the inspector?**
- A7 No. This would not be permitted for the reasons stated above. In such a situation, your client would be expected to have another accountant acting as agent. If you were to attend such a meeting, there would be an assumption that you would also be providing a range of public practice services to your client.
- Q8 Can I submit a VAT (or other sales tax) return to the taxation authority after it has been signed or otherwise approved by my client?**
- A8 Perhaps. In the case of a paper return, on the assumption that it has been prepared and signed in accordance with the guidance in this factsheet, merely posting or delivering the return is not, in itself, a public practice activity. However, it should not be accompanied by any covering letter from you, which may suggest that you are, in fact, acting as tax agent.
- In the case of electronic submission of a return, if you would be required to register with the taxation authority in order to be able to submit returns of behalf of your clients, this would not be permitted, as to do so would suggest that you are acting as tax agent, and therefore in public practice.
- Q9 Can I sign the VAT (or other sales tax) return after my client has approved the figures on the return? (For example, my client may approve the figures on the return by email.)**
- A9 No. This would usually be done by the taxpayer's agent or representative. Clearly this falls within the meaning of public practice as defined by Global Practising Regulation 4.
- Q10 Can I write to my clients on headed paper which refers to my book-keeping services?**
- A10 Yes, provided that the description of the services is not misleading, such that the clients might deduce that you are able to provide general accountancy services. No reference to ACCA may be made on the headed paper.
- Q11 Can I complete forms on behalf of my client and submit them to Companies House in order to file changes to directors' details? Can I use my office as a client's registered office, and receive formal notices on behalf of my client?**
- A11 Yes, you can do both of these things. These are normal activities of TCSPs, which are permitted so long as your practice is registered as a TCSP and the forms filed do not carry financial information about the client.

## Appendix 2: Case studies

- 1 **Alan intends to start practising in Jersey, but does not intend to undertake regulated work such as audit work. Does he need to hold a practising certificate?**

Yes. Alan will require a practising certificate to be able to perform or offer any services beyond basic book-keeping or acting as a TCSP. (Jersey is a 'designated territory'.) Public practice includes unregulated work involving the production of any accounts or reports or certificates or tax returns on which a third party is likely to rely.

- 2 **Brian prepares a personal tax return on behalf of a client, and impresses upon the client that the return is the client's responsibility. The client acknowledges that fact, and indicates his approval of the contents of the tax return by signing it. Is Brian in public practice?**

Yes. The preparation of any personal or corporate tax return for a client is always public practice work, even where the client submits it directly to the tax authorities. The client's formal approval of the return is not relevant in this context.

- 3 **Christine is not authorised by ACCA for public practice activities, as she wishes to undertake only book-keeping services, and avoid the need for professional indemnity insurance. She visits one client on a monthly basis to process data and perform basic reconciliations and controls. Every quarter, she produces management accounts for the business. During a brief period of cash flow difficulty, the client – a sole practitioner – approaches his bank for an extension of the overdraft facility. In order to obtain this, he urgently requires a letter from an accountant to confirm that recent profits have been at a level similar to recent years. He asks Christine for such a letter.**

The preparation of management accounts often falls outside the definition of public practice where they are used solely by the client for internal purposes. However, where management accounts are to be passed to a third party, most commonly a bank, this is public practice work. Therefore, Christine must make it clear to the client that the management accounts that she has prepared are for the client's own purposes, and not for the use of third parties.

However, there is no suggestion in this case that Christine's management accounts will be provided to the bank. Instead, we are told that there is a 'brief period of cash flow difficulty', and all that is required is a letter from Christine confirming the recent profitability of the business. However, any communication with third parties concerning a client's financial affairs falls within the definition of public practice. In general, providing the requested letter confirming the client's profitability would amount to public practice.

If Christine continues to supply only book-keeping services to her clients, and avoids the requirement for public practice authorisation, she will also avoid the need to hold professional indemnity insurance. However, it is worth noting that, while not mandatory, it would nevertheless be advisable to hold professional indemnity insurance.

- 4 **Janet is not authorised for public practice and has provided book-keeping services for her client since the client started trading as an electrician five years ago. The client is now planning a well-deserved holiday with his family, but has realised that his passport has expired. In order to renew his passport, he is required to submit a photograph to the passport office, which must be certified as a true likeness. The client has asked Janet to sign the back of the photograph and certify that it is a true likeness. Is Janet permitted to do this?**

Yes. Where a member simply confirms the identity of the applicant, this falls outside the definition of public practice because confirming the client's identity does not, in itself, concern the financial affairs of the client. It is also acceptable for Janet to use her designatory letters when signing the back of the photograph, as she will not be using them in the context of her business, but simply as someone who is able to provide the required certification.

- 5 **David is not authorised for public practice. He was unsure about the distinction between book-keeping services and public practice, but now has a clear understanding, having discussed the subject with ACCA's Technical Advisory Service. David will provide book-keeping services but, having recently qualified as a Chartered Certified Accountant, he is keen to use his designatory letters after his name whenever possible. David decides to advertise in the local press under the headline 'David Edwards ACCA, Book-keeping services'.**

David may advertise his book-keeping practice, but must be aware of the requirements of Membership Regulation 8(2)(e) to (g). But a member must also be aware of Global Practising Regulation 4(1)(c), which states that allowing oneself to be known as a 'Chartered Certified Accountant', or any similar description or designation standing for any such description in the context of the practitioner's business shall be regarded as holding oneself out as being available to undertake public practice activities. David must ensure he does not give the impression that he is authorised and able to carry on public practice activities, and must not use the ACCA designation in his advertising or otherwise in connection with his book-keeping practice.

- 6 **Frances trained as a Chartered Certified Accountant within a three partner firm in Ireland. She was always considered a model student, and the partners (who are all Chartered Certified Accountants) have always suggested that she would be invited to become a partner in due course. Having recently qualified, Frances is soon to apply for a practising certificate. In the meantime, the other partners would like to make her a junior partner, in order to demonstrate their commitment to her, while retaining 75% of the voting rights among the firm's Chartered Certified Accountants holding practising certificates.**

Frances may not become (or be held out to be) a partner in a firm which carries on public practice before she is granted her practising certificate. The control exercised by the other partners is irrelevant.

By way of extending this case study, Frances may be invited to be the partner responsible for the firm's payroll bureau, on the understanding that the work that she would undertake would fall completely outside the definition of public practice. Nevertheless, as a partner in that firm, she would still require a practising certificate.

- 7 Andrew is an ACCA member and a partner in a large firm of accountants and registered auditors in London. He holds an ICAEW practising certificate and engages in public practice work on behalf of the firm. Andrew now wishes to sign audit reports and has recently applied to the ICAEW to be granted Responsible Individual (RI) status within the firm. Andrew believed that his ICAEW practising certificate was sufficient to enable him to engage in public practice but has recently been advised that he also needs to hold an ACCA practising certificate.**

An ACCA member who is a principal<sup>2</sup> in an accountancy practice is required to hold an ACCA practising certificate if they are carrying on public practice in a designated territory (ie UK, Republic of Ireland, Jersey, Guernsey and Dependencies and the Isle of Man), even if they hold a practising certificate from another professional accountancy body. Andrew is currently in breach of ACCA's GPRs and should obtain an ACCA practising certificate (with audit qualification as he intends to do audit work and hold RI status) as soon as possible in order to regularise his position. As Andrew has already breached the GPRs, he should disclose that fact to ACCA.

- 8 Edward is a member of ACCA, and he in partnership with George, who does not hold a professional qualification. Edward and George are aware that book-keeping services and trust or company services do not fall within the definition of public practice, and so Edward is confident that he is not required to hold an ACCA practising certificate. In their practice, George is responsible for all the book-keeping engagements, and Edward has made clear to George that certain activities cannot be undertaken, as they would be deemed to go beyond book-keeping according to the ACCA's Global Practising Regulations. The two partners understand that Edward cannot be a principal<sup>2</sup> in a firm that provides public practice services.**

Edward is responsible for the firm's trust or company services. The firm serves as the registered office for most of its clients, and Edward often submits statutory forms to Companies House, and sometimes holds shares as nominee. Occasionally, he is asked to form a company (where a client has been advised to do so by their accountant). Several of the clients are aware that Edward is a member of ACCA, and some have asked if he would act as finance director for their companies. Edward has always refused, as the appointment would give rise to an expectation that he would give advice concerning the companies' finances. A few years ago, Edward was asked by a client if he would act as joint trustee on behalf of the client's young son. Edward agreed, as he was satisfied that acting as a trustee of an express trust was within the definition of trust or company services. The client has since died, and the trust has been established. The joint trustee has asked Edward if he will prepare the trust's annual returns and submit them to the appropriate authorities.

So far, Edward has acted appropriately, and it appears that he has taken all reasonable steps to ensure that he does not (knowingly or otherwise) start to engage in public practice. Edward's firm may provide the registered office for its clients, and the submission of forms to Companies House and acting as nominee shareholder are activities reasonably expected of a TCSP. Similarly, the formation of companies is not a public practice activity, so long as Edward does not provide advice as to why the company should be formed or how it should be structured.

Being a trustee of an express trust is also a permitted activity for an ACCA member without a practising certificate. However, Edward must take care when preparing returns, as these are documents that will be relied upon by a third party, and may even be in the public domain. To the extent that the necessary returns will carry financial information about the trust, this work would meet the definition of public practice.