

BYE-LAW CHANGES

This note provides a summary of the bye-law changes approved at the Annual General Meeting (AGM) on 30 November 2017.

MODERNISATION OF REGULATORY ARRANGEMENTS

Bye-laws 1, 4, 5, 6, 17 and 40 have been amended to future-proof provisions regarding ACCA's regulatory arrangements and to bring greater clarity to the meaning of terms within the bye-laws. In particular, the changes regarding the award of practising certificates and ACCA's statutory/regulatory recognitions remove much of the prescription (and repetition) and provide a more generic set of enabling bye-laws that will give ACCA the flexibility globally to adapt to new requirements as they arise. For example, the new bye-laws enable ACCA to take on additional areas of regulated and authorised activities, such as probate, in the future for the benefit of members in practice.

MODERNISATION OF GOVERNANCE ARRANGEMENTS

Bye-laws 1, 13, 14, 16 and 19(j) have been amended to ensure ACCA's governance arrangements are fit for purpose now and in the future. More specifically, these changes:

- clarify that the groups of persons to whom Council may delegate its functions and powers in accordance with bye-law 28, or form in accordance with bye-law 31, may not necessarily be known as committees or local committees, but may have other titles (e.g. such as 'Board')
 - enable Council to specify, in regulations to be published annually, whether places on Council should be reserved for particular geographic areas or employment sectors. This will allow Council the flexibility in the future to make provisions so that it can help to ensure Council's composition remains appropriately reflective and inclusive of ACCA's diverse membership
- and
- lift the current maximum that limits the size of Council to 36, and allow Council to review and amend the size of Council annually, up to a maximum of 60 members.

MODERNISATION OF AGM ARRANGEMENTS

Following a detailed review of the governance arrangements for AGMs, amendments have been made to the bye-laws to better meet the needs of a large and modern membership body. Bye-laws 44(a), 46 and 47 have been amended as outlined below:

- bye-law 44(a) has been amended to ensure that Council can time the AGM in each year to best fit the needs of the organisation in that year. The changes remove the rigidity of having a specific date in the bye-laws and is in line with generally accepted corporate governance practice
- bye-law 46 has been amended to relate the deadline for submission of special business resolutions to the date of the AGM (aligning the deadline for submission of special business resolutions with the deadline for submitting nominations for election

to Council), and relate the threshold of support for the submission of special business resolutions to ACCA's membership size. Council considered that 0.5 per cent of the membership represents the right threshold for the submission of special business resolutions at an AGM, given the existing threshold of one per cent of membership required to requisition an Extraordinary General Meeting (EGM), which members voted in favour of at the AGM in 2000

and

- bye-law 47 has been amended to provide a single threshold for members to requisition an EGM.

MODERNISATION OF MISCELLANEOUS PROVISIONS

Amendments have been made to bye-laws 2(d)(i), 7, 8(v), 8(vi), 43(f) and 65. The common objective of the changes is:

- to ensure excessively prescribed detail is removed from the bye-laws where appropriate

and

- to increase clarity and/or future-proof the bye-law in question.

Bye-law 2 (Members)

Changes to bye-law 2(d)(i) have been made to enable Council to agree pathways to membership (in line, for example, with ACCA's strategic partnerships) and to facilitate equivalent pathways for ACCA members.

Bye-law 7 (General)

The amendments enable ACCA or any relevant person access to the exclusive jurisdiction of the County Court in England and Wales. Accordingly, any disputes could be heard at any County Court in England and Wales, therefore providing wider administrative access for ACCA and others should any such disputes arise.

Bye-law 8 (Liability to disciplinary action)

Changes have been made to bye-law 8(v) and (vi) to encompass regulatory bodies. With the previous wording, ACCA was confined to only pursuing disciplinary action against a member, relevant firm, registered students or specified person in a relevant firm who has been disciplined by another professional body. It is arguable that the wording of 'professional body' does not encompass bodies that have separated their representative role and regulatory function. Therefore, ACCA was prevented from taking action in certain circumstances under this provision. The additional reference to 'regulatory' includes other financial regulators such as the Financial Conduct Authority, Prudential Regulation Authority or the Panel on Takeovers and Mergers.

Bye-law 43 (Investments)

Bye-law 43(f) has been amended to address the fact that it was overly prescriptive in terms of permissible investments and no longer reflected the investment environment in which ACCA operates.

Bye-law 65 (Common Seal)

Bye-law 65 has been amended to make it more flexible in respect of the use of the common seal on membership certificates. Previously, the use of the Association's seal required the authority of at least two members of Council and for this reason Council approved the use of the seal for membership certificates at each Council meeting. However, this outdated process lead to excessive delays in members receiving their certificates. The amendment therefore excludes certificates from the requirement for Council to approve the use of the seal.