

CHANGES TO THE ACCA RULEBOOK – 1 JANUARY 2021

This paper provides an explanation of the changes to the *ACCA Rulebook*, which take effect on 1 January 2021.

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.

The Rulebook is divided into three sections:

- Section 1 includes the Royal Charter, Bye-laws and Council Regulations. Commentary on the changes to the Council Regulations is set out below.
- Section 2 includes the Regulations, covering membership of ACCA, practising and licensing arrangements, and regulatory and disciplinary matters. Commentary on the changes to the Regulations is set out below.
- Section 3 includes the Code of Ethics and Conduct. Commentary on the changes to the Code is set out below.

Changes to the *ACCA Rulebook* arise largely from policy decisions, legislative changes and the requirements of lead regulators or standards setting organisations.

Section 1 – Royal Charter, Bye-laws and Council Regulations

Council Regulations

Composition of Council

An amendment has been made to Regulation 3 of the Council Regulations to increase the number of members on Council from 39 to 42. The changes to Council's composition arise from the modernisation of ACCA's governance structure and form part of a series of measures to support Council in being reflective of ACCA's global membership.

Section 2 – Regulations

Membership Regulations

Members in retirement

An amendment has been made to Regulation 4(6)(a) of the Membership Regulations to reflect changes to membership in retirement and support the introduction of the concept of lifetime membership. A member who is a Fellow of the Association, and who has, with a view to permanent retirement, retired from professional work or business, may now apply to the Council to be placed on the register of members in retirement. Previously, the requirement was at least 30 years' membership.

Global Practising Regulations

United Kingdom withdrawal from the European Union

The United Kingdom left the European Union on 31 January 2020 and entered a period of transition which ended on 31 December 2020. As a result, new eligibility and qualification requirements for statutory auditors and audit firms in the United Kingdom and the Republic of Ireland take effect from 1 January 2021. The key changes are set out below:

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

- Regulation 2 of Annex 1 contains a new definition for *IP completion day* and there are also amendments to the definitions for *Audit Directive*, *EEA auditor*, *EEA competent authority*, *public interest entity*, *qualified person* and *third country*.

Appendix 1 – United Kingdom Audit Regulations 2016

- all EEA states (including the Republic of Ireland) are third countries
- Gibraltar is also treated as if it were an EEA state and is still subject to the Audit Directive
- a firm that is an EEA auditor is no longer eligible for a UK auditing certificate
- an individual that is a third country auditor must satisfy the new requirements to obtain a UK audit qualification contained in Regulation 6(2)(b) of Appendix 1.

Annex 2 – Additional Practising Regulations for the Republic of Ireland

Appendix 1 – Republic of Ireland Audit Regulations 2017

- the practical training towards an Irish audit qualification must be supervised by a statutory auditor approved in any EEA state
- a UK statutory auditor is no longer eligible to supervise the practical training towards an Irish audit qualification.

Appendix 2 – Requirements for the recognised professional qualification

- for the purposes of an Irish audit qualification, an ACCA approved employer must be a statutory auditor or an audit firm approved in any EEA state
- a UK statutory auditor or a UK audit firm is no longer eligible to be an ACCA approved employer and provide training towards an Irish audit qualification.

Practising Certificate Experience Forms

An amendment has been made to Regulation 7(1)(a)(i)(cc) of the Global Practising Regulations to update the reference to 'practising certificate training record' with the new 'practising certificate experience forms'. Following the end of the transition period on 31 December 2020, members will be required to use the practising certificate experience forms to record their practical training for a practising certificate.

Professional indemnity insurance provisions

Amendments have been made to Regulation 7(3) of Annex 1 (United Kingdom) to the Global Practising Regulations to replace the references to 'insurance mediation' with 'insurance distribution' and ensure consistency with the Designated Professional Body Regulations.

Anti-money laundering (AML) compliance requirements

Amendments have been made to Regulation 11 of Annex 1 (United Kingdom) to the Global Practising Regulations to ensure consistency with the requirements of Regulation 9 of Annex 2 (Republic of Ireland) in relation to AML monitoring and the relevant Act.

Section 3 – Code of Ethics and Conduct

Amendments have been made to the Code of Ethics and Conduct to incorporate IESBA revisions to Part 4B of the International Code of Ethics for Professional Accountants (including International Independence Standards). It is ACCA's policy to incorporate changes to the IESBA Code in their entirety and unaltered.

The revisions to Sections 900, 920, 921, 922, 924, 940, 950 and the Glossary reflect the terms and concepts used in the International Standard on Assurance Engagements (ISAE) 3000 Revised, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Part 4B relating to independence for assurance engagements with respect to underlying subject matter covering periods will be effective for periods beginning on or after June 15, 2021; otherwise, it will be effective as of June 15, 2021. Early adoption is permitted.

All members, students and others bound by the ACCA Rulebook should ensure they are fully aware of its contents. Further information can be found at www.accaglobal.com/rulebook