

## CHANGES TO THE ACCA RULEBOOK – 2022

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## **ACCA Rulebook**

The Rulebook is divided into three sections:

- Section 1 includes the Royal Charter, Bye-laws and Council Regulations.
- Section 2 includes the Regulations, covering membership of ACCA, practising and licensing arrangements, and regulatory and disciplinary matters.
- Section 3 includes the Code of Ethics and Conduct.

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

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](http://www.accaglobal.com/rulebook)

### **Disclaimer**

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.

## CHANGES TO THE ACCA RULEBOOK – 5 DECEMBER 2022

### Section 2 – Regulations

#### Global Practising Regulations

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

#### Appendix 1 – United Kingdom Audit Regulations 2016

#### New requirements for Public Interest Entity (PIE) Auditors in the UK

Annex 1 of the Global Practising Regulations (**GPRs**), including Appendix 1 (United Kingdom Audit Regulations 2016), set out the requirements for practising certificate holders and statutory auditors in the United Kingdom, Jersey, Guernsey and Dependencies and the Isle of Man.

The UK competent authority, the Financial Reporting Council (**FRC**), has introduced a new PIE auditor approval and registration process which is separate from, and additional to, ACCA's existing audit registration process for statutory auditors in the UK (which will continue to apply).

The [FRC Public Interest Entity \(PIE\) Auditor Registration Regulations](#) come into force on 5 December 2022. On and from this date, audit firms that undertake statutory audit work for PIEs in the UK must be included on the PIE Auditor Register. Audit firms that are not registered must **not** undertake PIE audit work, as this would be in breach of the PIE Auditor Registration Regulations. Find out more about the FRC's new requirements for statutory auditors of PIEs in the UK at [Public Interest Entity \(PIE\) Auditor Registration](#).

Amendments to Regulation 2 of Annex 1 to the GPRs and Regulations 4, 5, 7, 14, 15 and 18 of Appendix 1 (United Kingdom Audit Regulations 2016) implement new requirements for ACCA members and firms undertaking statutory audit work for PIEs in the UK arising from the introduction of the FRC PIE Auditor Registration Regulations.

#### *Interpretation*

An amendment has been made to **Regulation 2 of Annex 1** to exclude relevant authorities under section 2 of the Local Audit and Accountability Act 2014 from the definition of a '*public interest entity*' in the UK.

#### *Eligibility for an audit qualification and an auditing certificate*

**Regulations 4(2) and 5(2) of Appendix 1** implement new requirements for a member or firm that is eligible for appointment as a statutory auditor or audit firm and wishes to be eligible for appointment as a statutory auditor of a PIE. From 5 December 2022, members and firms that audit PIEs must also meet and comply with the requirements of the FRC PIE Auditor Registration Regulations.

#### *Meaning of firm controlled by qualified persons*

Firms authorised to carry on audit work in the UK must be controlled by qualified persons. **Regulation 7(c)(iii) of Appendix 1** clarifies what constitutes a majority of the partners or a majority of the directors and shareholders of the firm. A majority can also mean the percentage of rights specified for decision making in the firm's constitution, if this percentage is set higher than a majority within the meaning of the other regulations in 7(c)(i) or 7(c)(ii).

Similarly, **Regulation 7(d)(iii) of Appendix 1** clarifies what constitutes a majority of the members of the management body of a firm.

### ***Disclosure of information***

**Regulation 14(1)(b) of Appendix 1** requires individuals and firms that are also eligible for appointment as statutory auditors of PIEs to supply the FRC with any information required by the FRC under the FRC PIE Auditor Registration Regulations.

### ***Monitoring***

Changes to **Regulation 15(4) of Appendix 1** amend an order imposed by the FRC to include any condition, undertaking or suspension of registration imposed under the FRC PIE Auditor Registration Regulations.

### ***General***

**Regulation 18(3) of Appendix 1** clarifies that, in the event of any conflict between ACCA's regulations, rules and guidance and the FRC PIE Auditor Registration Regulations, the FRC's regulations shall take precedence.

## Section 2 – Regulations

### Membership Regulations

#### **New pathway to membership for members of the Institute of Chartered Accountants of Sri Lanka**

Changes to the eligibility for membership requirements under **Regulation 3(d)(ix)** provide a pathway to ACCA membership for eligible members of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

In December 2020, ACCA and CA Sri Lanka signed a Strategic Partnership Agreement that committed both bodies to exploring enhanced pathways to membership of each body's organisation. ACCA and CA Sri Lanka subsequently signed a Mutual Recognition Agreement (MRA) on 26 September 2022 which provides members of both accounting bodies with access to membership of the other body without any additional examination or practical experience requirements. Mutual membership is based on five years' post membership experience, although CA Sri Lanka offers routes to ACCA members with less than five years' experience on condition that they meet additional requirements.

Find out more about the mutual routes to membership at

[ACCA - Routes to ACCA membership from other accountancy bodies](#)  
[CA Sri Lanka](#)

## CHANGES TO THE ACCA RULEBOOK – 1 JULY 2022

### Section 2 – Regulations

#### Global Practising Regulations

#### Annex 1 and Appendix 4 – Legal Activities Regulations 2018

#### Withdrawal from probate regulation in England and Wales

ACCA withdrew from probate regulation and ceased to regulate individuals and firms for non-contentious probate, effective 31 December 2021.

Amendments to Annex 1 and Appendix 4 to the GPRs give effect to ACCA's withdrawal from probate regulation and address concerns raised by the Legal Services Board about regulatory gaps:

#### *Interpretation*

Amendments have been made to **Regulation 2 of Annex 1** to remove or amend definitions relating to reserved legal activities.

#### *Restrictions on carrying on public practice*

Changes to **Regulation 4(2)(b) of Annex 1** amend the restrictions on individuals and firms carrying on reserved legal activities in England and Wales and address regulatory gaps.

Individuals and firms that wish carry on reserved legal activities in England and Wales, or to be held out as available to carry on such activities, must hold authorisation from an approved regulator.

ACCA has developed a partnership with CILEx and CILEx Regulation which provides a pathway for eligible ACCA practitioners to achieve legal services authorisation from an approved regulator and access to a range of support services. Find out more at [CILEX Regulation ACCA-Probate Regulation - for practitioners and firms ACCA-Probate Regulation - Guidance for individuals and firms](#).

Individuals and firms that carry on reserved legal activities without the appropriate authorisation shall be in breach of Regulation 4(2)(b) and will be subject to regulatory and disciplinary enforcement action.

The practice of a reserved legal activity, unregulated, may also constitute criminal offences under sections 14-17 of the [Legal Services Act 2007](#) and therefore members may also be subject to criminal prosecution by law enforcement agencies and the relevant prosecuting authority, resulting in imprisonment or a fine. As part of the assessment of evidence in each case, ACCA would consider whether a private prosecution under section 14 of the Act would be an appropriate and proportionate course of action to take.

#### *Qualifications*

Amendments have been made to **Regulation 5 of Annex 1** to remove the qualification requirements to carry on a reserved legal activity in England and Wales that were previously set out under Regulation 5(3).

## ***Legal Activities Regulations 2018***

The Legal Activities Regulations 2018 that were previously set out in **Appendix 4 of Annex 1** have been removed. From 1 July 2022, all regulatory arrangements for non-contentious probate activities in England and Wales are withdrawn and these regulations cease to apply.

## CHANGES TO THE ACCA RULEBOOK – 1 JUNE 2022

### Section 2 – Regulations

#### Global Practising Regulations

#### Annex 5 – Additional Practising Regulations for the Republic of South Africa

#### New requirements for registered tax practitioners in South Africa

The Additional Practising Regulations for the Republic of South Africa within Annex 5 of the Global Practising Regulations (**GPRs**) address the requirements of the South African Revenue Service (**SARS**) in order for ACCA to be a controlling body for registered tax practitioners under the Tax Administration Act (**the Act**).

SARS has undertaken a review of the compliance level of tax practitioners in South Africa and developed proposals to build public trust and confidence in the tax administration system. These include changes to the criteria/process for controlling bodies recognition under section 240A(2) of the Act, tax practitioner registration, and status maintenance which will take effect on 1 June 2022.

Amendments to Regulations 2, 5, 6 and 9 of Annex 5 to the GPRs implement new requirements for ACCA members who are currently registered, or wish to register, as a tax practitioner in South Africa:

#### **Confirmation of criminal free status**

**Regulation 5(a)** implements a new general eligibility requirement for ACCA members in relation to their fitness and propriety to be a registered tax practitioner.

From 1 June 2022, ACCA members are required to confirm their criminal free status to ACCA as follows:

- (i) Prior to registration as a new tax practitioner, ACCA members must provide an **independently verified criminal free certificate** in terms of section 240(3) of the Act. The criminal free certificate can be issued by either the South African Police Service or any other credible source.
- (ii) ACCA members who registered as a tax practitioner prior to 1 June 2022 must provide a **sworn in affidavit attesting to criminal free status**.

Thereafter, ACCA members who are registered tax practitioners will be required to provide:

- an annual confirmation that their criminal free status remains the same; and
- a sworn in affidavit indicating they are criminal free in terms of section 240(3) of the Act once every 5 years.

#### **Successful completion of the SARS Readiness Programme**

**Regulation 5(b)** implements a new general eligibility requirement for ACCA members in relation to their fitness and propriety to be a registered tax practitioner.

From 1 June 2022, newly registered tax practitioners must attend 8 hours of the SARS Readiness Programme and successfully pass the assessment.



## ***Continuing professional development***

Amendments have been made to **Regulation 6** to implement new CPD requirements for registered tax practitioners.

From 1 June 2022, registered tax practitioners must obtain a minimum of 18 verifiable CPD hours per year which consists of 10 tax hours, 2 ethics hours, and 6 hours relating to the service provided. Previously, registered tax practitioners were required to obtain 15 units of tax related CPD per year, at least 9 of which were verifiable units.

Please note that registered tax practitioners must continue to retain their CPD records for five years.

### Transitional arrangements

The annual CPD requirement will be pro-rated for newly registered tax practitioners depending on the registration date.

For existing registered tax practitioners, the previous CPD requirements will be pro-rated for the period 1 January to 31 May 2022, and the new CPD requirements will be pro-rated for the period 1 June to 31 December 2022.

## ***Conduct of work undertaken***

**Regulation 9** implements a new requirement relating to the conduct of work undertaken by registered tax practitioners.

Fees charged by a registered tax practitioner for work undertaken on behalf of a client must be commensurate with the nature and complexity of the task. The charging of contingency fees for submitting or revising returns is not allowed.

The current SARS definition of 'contingency fee' is included in **Regulation 2(1)**. This is a fee that is a percentage of a refund paid, or to be paid, to a taxpayer as the result of the submission of a tax return by a registered tax practitioner.