

RULEBOOK CHANGES

This paper provides an explanation of the main changes to the *ACCA Rulebook*, which take effect on 1 January 2020.

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 and Bye-laws. There are no changes to the Royal Charter and Bye-laws.
- Section 2 includes the Regulations, covering membership of ACCA, practising and licensing arrangements, and regulatory and disciplinary matters. Commentary on the proposed changes to the Regulations is set out below.
- Section 3 includes the Code of Ethics and Conduct. Commentary on the proposed changes to the supplementary requirements and guidance within 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 2 – Regulations

Withdrawal from Irish Investment Business regulation

From 1 January 2020, ACCA will no longer authorise ACCA members for Investment Business in Ireland. The implementation of the Insurance Distribution Directive has meant that most ACCA firms no longer need to hold investment business authorisation from ACCA. Those firms that wish to provide investment business services in Ireland must now seek authorisation directly from the Central Bank of Ireland. In 2020, ACCA will relinquish its status as an Approved Professional Body (APB) under the Irish Investment Intermediaries Act 1995. Amendments have been made throughout the Rulebook to remove references to Irish Investment Business and most notably removing the Irish Investment Business Regulations. Other areas of the Rulebook impacted include the Membership Regulations, Global Practising Regulations, Complaints and Disciplinary Regulations, Interim Orders Regulations and the Code of Ethics and Conduct.

Withdrawal from insolvency regulation

From 1 January 2020, ACCA will also cease to issue insolvency licences following the decision to relinquish its status as a Recognised Professional Body (RPB). ACCA members that wish to undertake insolvency appointments must now obtain an insolvency licence from the Insolvency Practitioners Association (who were already responsible for handling the licensing of ACCA insolvency practitioners under the collaboration agreement) or another RPB.

Consequently, amendments have been made through the Rulebook to reflect this including the removal of Appendix 4 of Annex 1 to the Global Practising Regulations. Other areas of the Rulebook impacted include the Membership Regulations, Global Practising Regulations, Authorisation Regulations, Complaints and Disciplinary Regulations, Interim Orders Regulations and the Code of Ethics and Conduct.

Irish audit qualification

Amendments have been made to the training requirements for the Irish audit qualification in Appendix 2 of Annex 2 to the Global Practising Regulations which address the requirement within Schedule 19 of the Companies Act 2014 for a *substantial* part of the three years' practical training to be in statutory audit. To meet the legislative requirement in Ireland, ACCA has increased the minimum Irish statutory audit training requirement from 22 weeks to 44 weeks. The proposed amendments also remove the regulations which specify what constitutes other audit work and this will be included in guidance within the Practising Certificate Experience Record (PCER) instead.

Authorisation Regulations

Amendments have been made to the Authorisation Regulations to clarify and support the role of the Audit Monitoring Committee (AMC). The AMC has been introduced into ACCA's regulatory processes to fulfil the requirements of the Delegation Agreement, by which the Financial Reporting Council delegates to ACCA certain tasks in relation to statutory audit work. The amendments include:

- a definition of the Audit Monitoring Committee

and

- a standalone new Regulation which sets out the role and responsibilities of the Audit Monitoring Committee.

Section 3 – Code of Ethics and Conduct

In addition to the amendments to remove references to Irish Investment Business in Section B4 of the Code, amendments have been made to Section B9 to modernise the supplementary requirements and guidance for professional accountants regarding Engagement letters. These changes reflect the fact that terms of engagement can be issued, and agreed, in hard copy or electronically via email or bespoke software applications.

Rulebook changes which take effect 1 February 2020

Annex 4 to the Global Practising Regulations (GPRs)

Proposed changes have been made to the Australian Annex to the GPRs, which remove references to BAS Agent. These changes arise from ACCA ceasing to be accredited as a Recognised BAS Agent Association (RBAA). However, ACCA remains accredited as a Recognised Tax Agent Association (RTAA) and so a new regulation on CPD is included as it applies to Tax Agents.