

Meeting: Standards Board
Location: Virtual
Date: 7 September 2023, 09.30 – 12.00

PRESENT:

The Chair (Richard Cooper), Michael Guthrie, Yin Jones and Dani Saghafi.

IN ATTENDANCE:

Director – Practice Regulation (Stefan Pegram), Director – Professional Conduct (Joe Johnson, for item 10 only), Head of Compliance and Authorisation (Helen Simons, for item 9 only), Lead – Regulator Reporting (Laura Murphy), Secretariat Lead – Content (Hannah Clarke) and Officer – Secretariat (Catriona Calnan).

1. MINUTES

The Board approved the minutes from the meeting held on 4 May 2023.

The Board noted the actions log.

2. APOLOGIES FOR ABSENCE

No apologies for absence were received.

3. CONFLICTS OF INTEREST

Each member of the Board confirmed that they had no conflict of interest.

ITEMS FOR DISCUSSION

4. CHAIR'S REPORT

The Chair provided a brief update on the approved new PII regulations. The Board noted that, following the publication of the draft PII regulations on the website, ACCA was alerted to an issue with the new regulation on Retroactive Cover. The amendment requested by FRC has unintended consequences and the potential to create uninsured risk, so ACCA worked closely with the insurance broker Lockton, the Chairs of the Standards Board and Regulatory Board, and its regulators to agree a revised wording in advance of the implementation date.

5. WORK PLAN FOR 2022-23 COUNCIL YEAR AND TERMS OF REFERENCE

The Board noted the work plan for the 2022-23 Council year and Terms of Reference table.

6. PROMULGATION AND ACCESSIBILITY OF THE RULEBOOK

The Board noted an update on the promulgation and accessibility of the Rulebook.

ITEMS FOR ACTION

RULEBOOK CHANGES – 1 JANUARY 2024

7. COUNCIL REGULATIONS

The Board noted that there are no proposed changes to the Council Regulations which will be approved by Council at its meeting in November 2023.

8. MEMBERSHIP REGULATIONS

Eligibility for membership

ACCA Pathway Programme – Shanghai National Accounting Institute

The Board approved a proposed amendment to regulation 3(d)(vii) of the Membership Regulations to reflect the expiry of the mutual recognition agreement with the Shanghai National Accounting Institute in relation to the holders of the Year Three Completion Certificate gained within the Leading Accounting Talent programme.

The regulation changes were approved subject to considering if any transitional provisions are required.

[Post meeting note: The Partnerships and Recognitions team confirms that the timing of the withdrawal of the regulation relating to Shanghai National Accounting Institute takes into account the teach out period of the pathway programme. All examination resit requirements have been accommodated and results issued. There are therefore no foreseeable concerns, and no transitional provisions are required.]

ACCA Pathway Programme – China International Contractors' Association

The Board approved a new regulation 3(d)(ix) of the Membership Regulations to implement a policy change and provide a pathway to ACCA membership for members of the Chinese Institute of Certified Public Accountants who have completed the pathway programme provided by the China International Contractors' Association.

ACCA Pathway Programme – Chinese Institute of Certified Public Accountants – Beijing National Accounting Institute Leading Accounting Talent programme

The Board approved a new regulation 3(d)(x) of the Membership Regulations to implement a policy change and provide a pathway to ACCA membership for members of

the Chinese Institute of Certified Public Accountants who have completed the Beijing National Accounting Institute Leading Accounting Talent Programme.

Admission fees and annual subscriptions

The Board approved proposed changes to regulation 4(3)(e) of the Membership Regulations to reflect annual changes to the rates of admission fees and annual subscriptions (approved by Council on 11 March 2023).

9. PRACTICE REGULATION CHANGES

Qualifications for practising certificate for members admitted through direct admission to membership

The Board approved further proposed changes to regulations 7(1)(a)(ii) and (iii) of the Global Practising Regulations to recognise practising certificates held by members admitted through direct admission to membership.

Qualification for an audit qualification relating to the United Kingdom for members admitted through direct admission to membership

The Board approved:

- a proposed new regulation 6(2)(a)(iii) in Appendix 1 of Annex 1 (Additional Practising Regulations for the United Kingdom, Jersey, Guernsey and Dependencies and the Isle of Man) to the Global Practising Regulations to recognise an audit qualification held by members admitted through direct admission to membership;

and

- additional proposed changes to regulation 4 in Appendix 1 of Annex 1 (Additional Practising Regulations for the United Kingdom, Jersey, Guernsey and Dependencies and the Isle of Man) to the Global Practising Regulations in order to clarify the requirements for member and non-member statutory auditor status in the UK.

Qualification for an audit qualification relating to the Republic of Ireland for members who hold an audit qualification from another body

The Board approved:

- a proposed new regulation 6(2)(a)(iii) in Appendix 1 of Annex 2 (Additional Practising Regulations for the Republic of Ireland) to the Global Practising Regulations to recognise an audit qualification from another Recognised Accountancy Body;

and

- additional proposed changes to regulation 4 in Appendix 1 of Annex 2 (Additional Practising Regulations for the Republic of Ireland) to the Global Practising

Regulations in order to clarify the requirements for members and non-member statutory auditor status in the Republic of Ireland.

The regulations were approved subject to checking the wording used for the Companies Act 2014 of the Republic of Ireland.

[Post meeting note: ACCA has reviewed the use of the term "of the Republic of Ireland" and this is consistent with other regulations in the Global Practising Regulations (GPRs). The regulations are global and where legislation is referenced within the ACCA Rulebook ACCA includes the territory where the Act is applicable. For example, of the United Kingdom, of the Republic of Ireland, of the Republic of South Africa. As a result, ACCA has amended the new legislation references in Regulation 2 (Interpretation) of Annex 3 to include "of Zimbabwe".]

Special entrant route for a UK practising certificate and audit qualification

The Board approved proposed amendments to regulation 6(6) in Appendix 1 of Annex 1 (Additional Practising Regulations for the United Kingdom, Jersey, Guernsey and Dependencies and the Isle of Man) to the Global Practising Regulations to enable the variation of the qualification requirements for an audit qualification in respect of a third country auditor applying under the Special Entrant Route for a UK practising certificate and audit qualification.

IAASA Report on Review of Licensing 2022

The Board approved various proposed changes to regulations in Annex 2 (Additional Practising Regulations for the Republic of Ireland) to the Global Practising Regulations and regulation 2(1) of the Authorisation Regulations arising from Finding 4 and Other Finding 2 issued by IAASA following their review of licensing in 2022.

Qualification requirements for an audit qualification in Zimbabwe

The Board approved proposed changes to regulation 2, and regulations 2, 3 and 5 in Appendix 1, Part 2, of Annex 3 (Additional Practising Regulations for Zimbabwe) to the Global Practising Regulations to reflect the requirements of the new Audit Development Programme in Zimbabwe and the qualification requirements for an audit qualification which is valid in Zimbabwe (following the approval of the Public Accountants and Auditors (Audit Regulations 2020)).

RULEBOOK CHANGES – 1 APRIL 2024 (SUBJECT TO CONFIRMATION)

10. PROFESSIONAL CONDUCT CHANGES

Approved changes placed on Hold and proposed Revised Approach

The Board received an update on the proposed changes approved and on hold (Approved changes), and final proposed amendments to the Complaints and Disciplinary Regulations (CDRs), Authorisation Regulations and Appeal Regulations. The Board considered further amendments and/or revised approach to the Approved Changes and approved:

- amendments to CDR 13 to remove the £50,000 limit on financial penalties and align ACCA's provisions with those of other comparable regulators and enhance the deterrent aspect of this sanction,
 - the inclusion of a new regulation CDR 13(13) to provide transitional arrangements for the changes to CDR 13(1)(d), 13(2)(c) and 13(6)(c),
 - amendments to CDR 18 to clarify that there is no power to appeal against a case considered by the Disciplinary Committee on papers to save time/costs,
 - amendments to Appeal Regulation 3 to clarify that there is no right of appeal against a case management direction/order, a direction/order of the Interim Orders Committee, or a Consent Order to avoid wasted time/ costs in dealing with such unwarranted applications,
 - amendments to Authorisation Regulation 8 to specify that any applications to adduce new evidence should be considered by the Admissions and Licensing Committee on papers to save time/costs and avoid delay, with an amendment that new evidence may be considered by the relevant Committee without a hearing in the absence of any objections from the parties,
 - amendments to CDR 19 to specify that any applications to adduce new evidence should be considered by the Disciplinary Committee on papers to save time/costs, with an amendment that new evidence may be considered by the relevant Committee without a hearing in the absence of any objections from the parties,
 - amendments to Appeal Regulation 15 to specify that any applications to adduce new evidence should be considered by the Disciplinary Committee on papers to save time/ costs, with an amendment that new evidence may be considered by the relevant Committee without a hearing in the absence of any objections from the parties,
 - the deletion of CDR 8(16) to remove duplication as references to eligibility for Chairs who have rejected a signed consent order from sitting on other Committees are already more appropriately captured in the Regulatory Board and Committee Regulations,
- and
- the deletion of CDR 8(17) and the modification of CDR 18 to expressly cover the deletion.

The Board also noted that an amendment to Authorisation Regulation 10 has been paused pending further consideration, and an amendment to CDR 4(3)(f) will not be proceeded.

Deferred from 2022

The Board noted an update on the proposed changes deferred from 2022 relating to the impact of Interim Orders on a member's membership status and the introduction of an

administrative resolution where a member's Practical Experience Requirements (PER) is found not to meet ACCA's standards.

11. PROPOSED RULEBOOK CHANGES FOR REGULATORY BOARD APPROVAL

The Board considered a paper to the Regulatory Board setting out the background to the proposed changes to the ACCA Rulebook that have been agreed by the Standards Board at its meeting in September 2023. The Board approved the paper, subject to the incorporation of a note to say that ACCA should consider if any transitional provisions are required in respect of the change to Membership Regulation 3(d)(vii) and that ACCA should check the wording used for the Companies Act 2014 of the Republic of Ireland in the Global Practising Regulations.

[Post meeting note: the paper on proposed Rulebook changes for Regulatory Board approval was updated to reflect the Board's suggested amendments and provided to the Regulatory Board on 7 September 2023. The Regulatory Board approved the proposed Rulebook changes.]

ITEMS FOR NOTE

12. SCHEDULE OF REGULATION CHANGES FOR THE ACCA RULEBOOK

The Board noted updates to the schedule of proposed Rulebook changes likely to be considered in 2023 and implemented in 2023/24, including proposed/potential Rulebook changes deferred from 2022, and Rulebook changes approved and on hold.

13. DATES OF FUTURE MEETINGS

The Board noted the dates of Standards Board meetings in the 2022-23 and 2023-24 Council years.