

## SELF ASSESSMENT FOR RULE COMPLIANCE

The purpose of this document is to help you assess for yourself, if you are in compliance with all the relevant requirements. The Chartered Certified Accountants' Global Practising Regulations 2003 (GPRs) set out the eligibility criteria for holding ACCA certificates and licences and detail the continuing obligations placed on certificate/licence holders.

This document has no regulatory status. It is issued for guidance purposes only, and 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. Therefore, this document should not be regarded by a member as a substitute for familiarising himself or herself with the appropriate regulations or, where necessary, obtaining specific advice concerning a specific situation.

*Rules that apply only to firms with auditing certificates are in italics and red. References to an Audit Regulation (AR) for United Kingdom are to the regulations in Annex 1 (Appendix 1) to the GPRs and references to an Audit Regulation (AR) for Ireland are to the regulations in Annex 2, Appendix 1 to the GPRs.*

Rule category	ACCA Rulebook Ref	Criteria	Yes /No	Guidance
An explanation of the rulebook abbreviations are as follows: AR (Audit regulation), GPR (Global Practising Regulations), MR (Member Regulations), CEC (Code of Ethics and Conduct)				
<i>Control for firms with auditing certificate</i>	<i>AR 5(b) and AR7</i>	<i>Does the audit qualified principal(s) hold a minimum of 51% of the voting rights and have the controlling vote?</i>	<i>Yes / No / N/A</i>	<i>If the firm has audit registration it must be controlled by an audit qualified person(s) within the meaning of AR 7.</i>
<b>Control</b>	GPR 3(2)	Does any ACCA member in the firm hold more than 4.99% of the voting shares/rights. If they do, do they hold an ACCA practising certificate?	<b>Yes / No / N/A</b>	"No member shall hold rights in a firm where public practice is carried on in the name of the firm, or otherwise in the course of the firm's business, which in effect put him in the position of a principal of the firm, unless the member holds a practicing certificate." ACCA's position is



				that a holding of 5% or more would put the ACCA member in question in a position of principal of the firm. This is because such a holding would allow an individual to affect the business of the company in that he/she would be able to place an item on the agenda of an annual general meeting under the Companies Act 2006.
<b>Control</b>	MR 8(2)	Does any ACCA student in the firm hold more than 4.99% of the voting shares/rights?	<b>Yes / No / N/A</b>	“No student shall hold rights in a firm where public practice is carried on in the name of the firm, or otherwise in the course of the firm’s business, which in effect put him in the position of a principal of the firm, unless the member holds a practicing certificate.” ACCA’s position is that a holding of 5% or more would put the ACCA student in question in a position of principal of the firm. This is because such a holding would allow an individual to affect the business of the company in that he/she would be able to place an item on the agenda of an annual general meeting under the Companies Act 2006.

<b>Dispensated PC holder</b>		Does the firm earn less than £5,000 per annum?	<b>Yes / No / N/A</b>	If the firm earns more than £5,000 or projected figures indicate they will, then the firm must notify Authorisation that they are no longer eligible to hold a dispensated PC.
<b>Fit and proper declarations, and confidentiality</b>	GPR8, AR8	Does the firm require staff and subcontractors to sign Fit & Proper and confidentiality declarations?  Furthermore, are these declarations updated annually?	<b>Yes / No / N/A</b>  <b>Yes / No / N/A</b>	The firm should obtain signed declarations from its staff and subcontractors to confirm that they are fit and proper, and update these annually.
<b>PII</b>	GPR 9 and AR 9	Does the firm ensure it has continuous cover with no gaps?	<b>Yes / No</b>	A break in cover is a serious breach and even if the firm stops trading for a while it will either need runoff cover or continuing PII cover.
<b>PII retroactive cover</b>	GPR 9 and AR 9	Does the firm have full retroactive cover or from the date the firm started trading.	<b>Yes / No</b>	The firm must have retroactive cover for all work carried out.  Professional indemnity insurance is a 'claims made contract' which means that the policy that is in force at the time a claim is reported would respond. This means that any new insurer should pick up any past liability for work carried out prior to the new insurance. When transferring insurers, it is important that the policy should provide full retroactive cover (or at least have the retroactive

				<p>date set to date that the accountant started trading).</p> <p>New Policies that set a retroactive date as the commencement of the policy are often a lot cheaper and this is often because they do not cover any past work, which is an ACCA requirement.</p>
<b>PII Level of Cover</b>	GPR 9 and AR 9	<p>Does the firm have the correct level of cover?</p> <p>Note that fees/income includes all practising income including that from subcontract work. Any subcontract work should also be taken into account when considering the largest fee and is the fee from a single source (not related to individual clients within that source)</p> <p>If the firm has acted as a liquidator of a company in IRELAND, cover must be a minimum of €1,500,000 each claim (exclusive of defence costs) and liquidator must obtain cover for defence costs (PR 8(3), Annex 2).</p>	<b>Yes / No</b>	<p><u>Firms should have at least the following cover</u></p> <p><u>Fees under 200k</u> 2.5 times annual income Or 25 times largest fee Or if the calculation above is below £50,000 the firm must have the minimum cover of £50,000 for the yearend immediately preceding inception of cover.</p> <p><u>Fees £200k - £700k</u> £300k plus turnover Or 25 times largest fee for the yearend immediately preceding inception of cover.</p> <p><u>Fees £700k plus</u> 1 Million Or 25 times largest fee</p>

<b>PII Excess</b>	GPR 9 and AR 9	Does the firm have the correct excess amount?	<b>Yes / No</b>	Ensure excess is 2 per cent or less of the limit of indemnity in respect of each and every claim.
<b>PII - ATOL registration</b>	GPR 9 and AR 9	If the firm has ATOL registration, does it have the minimum PII cover required?	<b>Yes / No / N/A</b>	Minimum requirement of £250,000.
<b>PII – Subcontractors</b>	GPR 9 and AR 9	If the firm uses subcontractors has it notified the insurers?	<b>Yes / No / N/A</b>	Although the firm’s proposal form often does not include a question to notify the insurers about subcontractors the firm should still ensure that they are aware.
<b>If registered for Investment business or Insurance distribution under the DPBRs</b>	DPBR 4 (3)(a)	Has the firm notified the insurers of any of the additional registrations?	<b>Yes / No / N/A</b>	It is in the firm’s best interest to make sure the insurers are aware they have any other registrations to ensure they have the necessary cover.
		If the firm is registered for insurance distribution does it have the requisite cover in place?	<b>Yes / No / N/A</b>	The minimum limits of indemnity are £1,000,000 in relation to each and every claim and £1,500,000 in the aggregate per year.
<b>PII fidelity cover</b>	GPR 9 and AR 9	If the firm has more than one principal or any staff or subcontractors does it have fidelity guarantee insurance (FGI) in place?	<b>Yes / No / N/A</b>	If the firm has any staff/partners or subcontractors, the firm must have FGI cover in place. (Cover for dishonesty and fraud of staff, partners or subcontractors).
<b>Continuity</b>	GPR 11 and AR 11	Does the firm have a <u>written</u> continuity agreement in place with an appropriate nominee?  Note: If the firm has more than one professionally qualified principals with a practising certificate then continuity can be within the firm either via a partnership	<b>Yes / No</b>	Written signed agreement that covers the principal in the in the event of his death and continuing incapacity.  The continuity provider must be a practising accountant whose practice is based in the same

		agreement or the Memorandum and Articles of Association.		<p>country and hold the same level of authorisations as they do in the same countries.</p> <p>If the firm has ATOL registration the continuity provider should also have ATOL registration.</p> <p><i>If the firm is audit registered the continuity provider must also hold audit registration.</i></p> <p>The continuity provider must also be located in the same country as the firm. If the firm operates in more than one country it will need a nominee in each country.</p>
<b>Notification</b>	GPR 12 and AR 12	<p>Has the firm ensured that the details about the firm that ACCA holds are all correct?</p> <ul style="list-style-type: none"> <li>• Contact partner</li> <li>• Correct shareholdings supplied.</li> <li>• Address</li> <li>• All branches notified.</li> <li>• Any changes are notified to ACCA prior to the changes happening.</li> <li>• If the firm incorporates notify authorisation.</li> </ul>	<p><b>Yes / No</b></p> <p><b>Yes / No</b></p> <p><b>Yes / No / N/A</b></p> <p><b>Yes / No</b></p> <p><b>Yes / No</b></p> <p><b>Yes / No / N/A</b></p>	<p>GPR 12 requires a firm to notify ACCA 28 days in advance of any changes to the firm, this includes: structure of the firm, address changes, shareholding changes, incorporation etc.</p>

<p><b>ISQC1</b></p>	<p>(ISQC 1)</p>	<p><i>Has the firm put written ISQC1 procedures in place?</i></p>	<p><b>Yes / No</b></p> <p><i>Only applicable to audit registered firms</i></p>	<p><i>These are required even if the firm does not have any audit clients. These should be in place so that should the firm take on an audit client, they are ready to assess if they are able to do the work straight away and be ready to begin.</i></p> <p><i>These should cover:</i></p> <ul style="list-style-type: none"> <li>• <i>Engagement acceptance and continuance</i></li> <li>• <i>Human resources</i></li> <li>• <i>Engagement performance</i></li> <li>• <i>Monitoring.</i></li> </ul>
<p><b>Commission</b></p>	<p>CEC310.17 to 310.19</p>	<p>If the firm earns commission does it inform the client immediately in writing that it will receive commission and of the amount. In addition does the firm obtain written permission to retain the commission?</p> <p>Does the firm or anyone in the firm earn commission?</p>	<p><b>Yes / No</b></p> <p><b>Yes / No</b></p>	<p>Members and firms are required to account to the client for remuneration arising from exempt regulated activities, or commissions/fees (and other benefits) received from other business activities. "Accounting to the client" includes issuing written agreements; obtaining client consent for the retention of commissions received; maintaining accounting records; informing the client; and identifying, evaluating, and addressing threats to ethical principles.</p> <p>Are there any threats.</p>

		<p>Does the firm ensure that clients are notified at the point of referral and as soon as practicable notify them of the amount?</p> <p>Does the firm obtain written consent for the retention of the commission?</p>	<p><b>Yes / No</b></p> <p><b>Yes / No</b></p>	<p>The firm should notify the client at the point of referral that commission will be earned, and then as soon as practicable of the amount, in writing. Firms should inform the client of all remuneration arising from exempt regulated activities, and any commissions/fees arising from other business activities, <b>at least annually</b>.</p> <p>If you receive small amounts of commissions from multiple sources, it would be sufficient to issue an annual report to the client highlighting the amount of remuneration received and from whom.</p> <ul style="list-style-type: none"> <li>• Issuing written agreements i.e. Engagement letters;</li> <li>• obtaining written client consent for the retention of commissions received, including anticipated commission; you must clearly inform them of the nature of the remuneration including the amount and frequency, general consent is not sufficient.</li> <li>• If no consent is obtained the firm cannot retain the commission.</li> </ul>
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		Is the firm maintaining sufficient records	<b>Yes / No</b>	<ul style="list-style-type: none"> <li>You should ensure that sufficient information is recorded and retained to enable you to demonstrate compliance with the regulatory system. The records will be subject to monitoring by ACCA and should be retained for a minimum of six years.</li> <li>informing the client;</li> <li>identifying, evaluating, and addressing threats to ethical principles.</li> </ul>
<b>Professional clearance</b>	CEC 320.8	Does the firm always obtain professional clearance when it takes on a new client from another accountant?	<b>Yes / No</b>	The firm should always obtain professional clearance before taking on a new client from another accountant.
<b>Engagement letters</b>	CEC B9.5	<p>Does the firm issue every client with an engagement letter?</p> <p>Do you require clients to acknowledge receipt of the engagement letter as evidence of their agreement to the terms?</p>	<p><b>Yes / No</b></p> <p><b>Yes / No</b></p>	<p>Engagement letters should set out the firm's services and fees etc. and include:</p> <ul style="list-style-type: none"> <li>terms of business</li> <li>complaint procedures</li> <li>the relevant GDPR reference</li> <li>the correct data protection act reference DPA2018</li> <li>the correct money laundering regulation MLR 2017</li> <li>a privacy notice</li> <li>commission retention policy</li> </ul>
<b>Client money</b>	CEC 350	If the firm handles client money does it have a separately designated client account with "client" in the title?	<b>Yes / No / N/A</b>	If the firm is handling client money it must have a client account.



				<p>-Bank charges for maintaining client accounts shall be paid out of the firm's own account and not from any client account.</p> <p>-Fees paid in advance are not considered client money.</p> <p>-Interest accrued will be paid to the client.</p>
<p><b>Designated Professional Body Regulations (DPBRs)</b></p> <p><b>Exempt Regulated Activities</b></p>	DPBR's	<p>If the firm offers fee protection insurance to clients, does the invoice to the client include VAT (if the firm is VAT registered)?</p> <p>Are the receipts from the client banked in the office account?</p> <p>Does the firm make the claim?</p> <p>Does the firm ensure that if a client asks for advice on an investment business matter that it refers the client to an independent financial advisor (IFA)?</p>	<p><b>Yes / No / N/A</b></p> <p><b>Yes / No / N/A</b></p> <p><b>Yes / No / N/A</b></p> <p><b>Yes / No / N/A</b></p>	<p>If the answer to any of these questions is 'no' then it is possible the policy may fall within the definition of insurance distribution. The firm should check whether it needs to be authorised by ACCA for this work.</p> <p>The firm should refer clients to an IFA if they ask for advice on an investment related matter, unless the principal is an IFA.</p>
<p><b>Continuing Professional Development (CPD)</b></p>	GPR 10	<p>Was the verifiable CPD sufficient?</p> <p>Was the total CPD sufficient?</p> <p>Was relevance and learning demonstrated?</p>	<p><b>Yes / No</b></p> <p><b>Yes / No</b></p> <p><b>Yes / No</b></p>	<p>Members should be able to demonstrate sufficient verifiable and total CPD units according to the CPD route they are following. More information on the routes can be found on ACCA's website.</p> <p>The CPD relevance should demonstrate what was learnt and how it has or will be applied.</p>

		Was an appropriate proportion of the CPD undertaken in the specialised areas of practice?	<b>Yes / No</b>	This is role dependent and may vary based on the services provided by the firm.
<b>IES8</b>	<i>MR 4.4(a)</i>	<i>Was the amount of audit CPD adequate?</i>	<b>Yes / No</b>	<i>The members should be able to demonstrate verifiable audit related CPD activities.</i>
		<i>Has the IES8 checklist been completed?</i>	<b>Yes / No</b>	<i>The checklist should be fully completed and adequately referenced to the summary of CPD activities.</i>
		<i>Has the member identified their development needs for the year and planned activities accordingly?</i>	<b>Yes / No</b>	<i>The development needs must be indicated on the checklist in the beginning of the year. The document must then be updated throughout the period based on the actual activities undertaken.</i>
<b>Firms' stationery (website and letterhead)</b>  Note: The term "professional stationery" includes websites and other electronic materials by which a firm communicates or markets itself.	CEC B4	<i>If the firm is a registered auditor and it refers to this, does it include the required statement on its letterhead and website?</i>	<b>Yes / No / N/A</b>	<i>The firm must use the following statement on its letterhead and website if it refers anywhere to the fact that it is a registered auditor "Registered as auditors in the United Kingdom by the Association of Chartered Certified Accountants" (it is a statutory requirement to make it clear which professional body has registered the firm and in which country it is eligible to operate).</i>
		<i>Does the firm hold audit registration and DPB registration?</i>	<b>Yes / No / N/A</b>	<i>If the firm has both audit registration and DPB registration</i>

		<p>Does the firm refer to itself as a Chartered Certified Accountant? If so, does the ACCA principal(s) hold the majority of the shares?</p> <p>If the firm uses the ACCA logo on its stationery is it the correct version and has it used it correctly?</p>	<p><b>Yes / No / N/A</b></p> <p><b>Yes / No</b></p> <p><b>Yes / No / N/A</b></p> <p><b>Yes / No / N/A</b></p>	<p><i>it may use the following statement on its stationery "Registered as auditors and regulated for a range of investment business activities in the United Kingdom by the Association of Chartered Certified Accountants".</i></p> <p>The firm can only refer to itself as a Chartered Certified firm if ACCA members hold the majority voting shares/rights in the firm.</p> <p>The firm should read the guidance pack for logo usage. The ACCA logo needs to be either black or pantone red unless the firm has obtained permission to use its own colour from ACCA brand. The logo should not be distorted in any way and needs to be the current ACCA logo.</p> <p>An incorporated firm's stationery must include the following:</p> <ul style="list-style-type: none"> <li>- Full registered name of the firm.</li> <li>- Its registered office address.</li> <li>- The company registration number.</li> <li>- Place of registration.</li> </ul>
	Companies (Trading Disclosures) Regulations 2008	If the firm is incorporated does the letterhead and website include the necessary information?	<b>Yes / No / N/A</b>	

	Companies Act 2006 Part 41	If the firm is a sole practice or partnership does the stationery include the relevant information?	<b>Yes / No / N/A</b>	<p>A sole practice's stationery must include the principal's full name and business address.</p> <p>A partnership's stationery must include the name of each member of the partnership. (unless there are too many partners to name and instead state where a full list of partners can be found) and the main business address.</p>
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For any further information or guidance please refer to the practice information handbook which can be found at the below link.  
<https://www.accaglobal.com/vn/en/member/sectors/smp/practising-certificates-and-licences/practice-information-handbook.html>