

Policy document

aat

Licence Exemption

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Contents

- Purpose 3
- Policy statement..... 3
- Terminology 3
- Policy detail 3
- Associated regulations and policies 4
- Schedule 1 – Licence Tiers 5

Licence Exemption

Purpose

1. This policy sets out the criteria upon which AAT may exempt *associate members*, *full members* and *fellow members* from holding a *licence*.

Policy statement

2. AAT recognises that some members providing *self-employed accountancy services* to clients do not require a *licence*. This policy sets out the terms upon which AAT makes such a determination.

Terminology

3. All terms in italics, save titles of publications, are defined in the *AAT Glossary* which supports the entire policy framework.

Policy detail

4. *Associate members*, *full members* and *fellow members* providing *self-employed accountancy services* to clients are exempt from holding a *licence* if they meet the criteria in 4a), 4b) or 4c) below:
 - a) they are authorised and regulated by any of the following accountancy bodies for the provision of services to clients:
 - i. ICAEW - The Institute of Chartered Accountants in England and Wales
 - ii. ICAS - Institute of Chartered Accountants of Scotland
 - iii. CAI – Chartered Accountants Ireland
 - iv. ACCA - Association of Chartered Certified Accountants
 - v. CIMA - Chartered Institute of Management Accountants
 - vi. AIA - Association of International Accountants
 - b) they provide services on a subcontractor basis only and are covered either by their own or the subcontracting accountant's professional indemnity insurance
 - c) they provide services which have been agreed by AAT to be outside those outlined in Schedule 1 – *Licence Tiers*.
5. *Licence* exemptions will be granted upon receipt of a completed *licence* exemption form and supporting evidence as prescribed by AAT.
6. *Members* approved as exempt from holding a *licence* may not refer to themselves as being licensed by AAT.
7. *Members* granted a *licence* exemption must inform AAT immediately if they are no longer eligible for exemption.

Associated regulations and policies

- *Licensing Regulations*
- *Practice Assurance Standards*

Attachment:
Schedule 1 – *Licence Tiers*

Schedule 1 – Licence Tiers

The below outlines the *self-employed accountancy services* which *members* can apply to deliver and the *licence tier* they fall within. *Members* are not automatically approved in all services within a tier; approval of services is on an individual basis and subject to demonstration of competence as set out in the *Licensing* policy.

<i>Licence tier</i>	Available to	Services
Tier 1	<i>Full members, fellow members</i>	<ul style="list-style-type: none"> • Limited Assurance Engagements • Independent Examination • Internal Audit • Forensic Accounting • Company Secretarial Services • Any/all tier 2 services • Any/all tier 3 services • Any/all tier 4 services
Tier 2	<i>Full members, fellow members</i>	<ul style="list-style-type: none"> • Personal Income Tax • Business Income Tax • Corporation Tax • Capital Gains Tax • Inheritance Tax • Any/all tier 3 services • Any/all tier 4 services
Tier 3	<i>Full members, fellow members</i>	<ul style="list-style-type: none"> • Budgeting and forecasting • Financial accounting and accounts preparation of full and abbreviated accounts required for statutory purposes by the prevailing Companies Act • Management accounting • Payroll • Any/all tier 4 services
Tier 4	<i>Full members, fellow members, associate members</i>	<ul style="list-style-type: none"> • Bookkeeping - the part of accounting which deals with the recording of actual transactions in monetary terms, excluding the calculation of transactions. • Financial Accounting and Accounts Preparation for sole traders and partnerships only, specifically excluding any accounts required for statutory purposes by the prevailing Companies Acts. • Computerised Accountancy Systems • Value Added Tax

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