Licence Exemption
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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 to other accountancy firms on a subcontractor basis only and have a subcontracting agreement in place clarifying their role and responsibilities, along with arrangements in place for professional indemnity insurance, GDPR compliance, and anti-money laundering policies, procedures and controls

   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 or advertise their services in connection to AAT in any way.

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
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.

<table>
<thead>
<tr>
<th>Licence tier</th>
<th>Available to</th>
<th>Services</th>
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| **Tier 1**   | *Full members, fellow members* | • 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**   | *Full members, fellow members* | • 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**   | *Full members, fellow members* | • Budgeting and forecasting  
• Financial accounting and accounts preparation of full and abbreviated accounts required for statutory purposes by the prevailing Companies Act  
• Management accounting  
• Any/all tier 4 services |
| **Tier 4**   | *Full members, fellow members, associate members* | • 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  
• Payroll |