

# Licensing

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## Document properties

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V1.1	6	Regulation 12 added to provide consistency with the <i>Licensing Regulations</i>	19/06/2019

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## Associated regulations and policies

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*Code of Professional Ethics*

*AAT Regulations*

*Disciplinary Regulations*

*Licensing Regulations*

*Criminal Conviction Policy*

*Insolvency Policy*

*Civil Sanctions Policy*

*Disciplinary Sanctions Policy*

*Client Care Policy*

*Clients' Money Policy*

*Continuity of Practice Policy*

*Professional Indemnity Insurance Policy*

*CPD policy*

*Health and Disability Policy*

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## Scope and applicability

1. It is in the public interest for AAT to be satisfied that *applicants* for a *licence* demonstrate technical competence, adhere to practice assurance standards and demonstrate their status as a *fit and proper* person to hold a *licence*. *Associate members, full members and fellow members* providing *self-employed accountancy and/or bookkeeping services* to clients must hold a *licence*. This policy sets out the terms upon which AAT will grant a *licence*.

## Purpose and objectives

2. This policy sets out AAT's criteria for the granting of *licences*.

## Terms and definitions

3. The website is the definitive guide to all policies currently in force. All terms in italics, save titles of publications, are interpreted in the *AAT Glossary* which supports the entire policy framework.

## Policy detail

4. Only AAT *associate members, full and fellow members* may apply for a *licence*. AAT does not grant *licences* to *student or affiliate members* unless they also hold associate membership. *Student and affiliate members* who hold associate membership may provide services only in accordance with those only those services which that status allows.

### Applicable to all membership types

5. In order to be granted a *licence* an *applicant* must:
  - a) complete and submit the *licence application* form
  - b) meet AAT's *fit and proper* requirements as set out in the following policies:
    - i. *Criminal Convictions* policy
    - ii. *Disciplinary Sanctions* policy
    - iii. *Insolvency* policy
    - iv. *Civil Sanctions* policy
  - c) pay the *prescribed fee*
  - d) inform AAT of the *accountancy services* they wish to provide to clients from the list in Schedule 1 - *Licence Tiers*
  - e) submit details of relevant work experience in the *accountancy services* they wish to provide to clients
  - f) successfully pass AAT's professional ethics diagnostic test
  - g) successfully pass AAT's *Anti Money Laundering* diagnostic test
  - h) provide a professional reference which is acceptable to AAT. An acceptable reference must be from someone who:

- i. has had knowledge of the *applicant* in a professional capacity for at least six months
  - ii. is not a relative of the *applicant*
- i) submit evidence of *professional indemnity insurance* which meets the requirement as set out in the *Professional indemnity insurance policy*
  - j) provide details of continuity of practice cover as set out in the *Continuity of Practice policy*
  - k) confirm that they will comply with the requirements as set out in the *Client Care policy*
  - l) if not supervised by AAT, submit details of their anti-money laundering *supervisory authority*
  - m) confirm they are registered/will register with the Information Commissioner's Office
  - n) agree to comply with any other *condition*, requirement, modification or restriction imposed on their *licence* at AAT's discretion.
6. Where an *applicant* does not demonstrate that they meet the requirements as set out in paragraph 5 above, their *application* will be rejected, unless AAT considers it would be unfair to do so.
7. At all times whilst holding a *licence* a *member* must adhere to the following conditions:
- a) continue to meet AAT's *fit and proper* requirements as set out in the following policies:
    - i. *Criminal Convictions* policy
    - ii. *Disciplinary Sanctions* policy
    - iii. *Insolvency* policy
    - iv. *Civil Sanctions* policy
  - b) pay the *prescribed fees*
  - c) submit an annual licence declaration by the deadline prescribed by AAT
  - d) comply with the *CPD* policy
  - e) maintain *continuity of practice* arrangements in accordance with the *Continuity of Practice policy*
  - f) have in place at all times arrangements for *professional indemnity insurance*, *client care*, holding client money and *Anti Money Laundering supervision* that are in line with AAT's policies
  - g) submit to *practice assurance monitoring* when required to do so
  - h) comply fully with AAT's *Code of Professional Ethics*
  - i) comply with any other *condition*, requirement, modification or restriction imposed on their *licence* at AAT's discretion.
8. A *member* may at any time apply to AAT to have any *condition*, requirement, modification or restriction on their *licence* removed, or modified.
9. AAT, at its discretion, may approve such an application as specified in paragraph 8 above, taking into account any facts or matters it considers appropriate including factors which may call into question a *member's fit and proper* status.

10. If at any time it appears to AAT that a *member* is or has been in breach of any *condition* of their *licence* or in breach of any relevant Regulation, AAT may:
  - a) terminate the member's *licence* or suspend it until such time as AAT is satisfied that the relevant condition has been complied with
  - b) restrict the *licence* to services where AAT is satisfied that the *member* has appropriate knowledge and experience
  - c) modify or impose any *condition*, requirement or restriction on the *licence*.
11. If a *member's licence* is terminated or suspended, AAT will publicise this fact as it sees fit in accordance with AAT's *Publication policy*.
12. Termination of a *licence* will normally result in termination of all membership unless written confirmation and evidence, as required, is provided to AAT to demonstrate that the member is no longer offering or providing self-employed accountancy and/or bookkeeping services.
13. *Members* may apply to reinstate a *licence* within 12 months of the date of termination. To reinstate a *licence*, *members* must:
  - a) complete a *licence* reinstatement form
  - b) submit evidence of *professional indemnity insurance* which meets the requirement as set out in the *Professional Indemnity Insurance* policy
  - c) pay the *prescribed fee*.
14. *Members* wishing to reinstate their *licence* more than 12 months after termination must apply for a new *licence* in accordance with paragraph 5.

#### **Additional requirements applicable to Licensed Accountants only**

15. In addition to paragraph 5 above, to be granted a *licence*, *applicants* to become Licensed Accountants must also:
  - a) submit details of relevant *CPD* undertaken in the *accountancy services* they wish to provide to clients, in accordance with the *CPD* policy; and
  - b) submit evidence of practice management experience.
16. In addition to paragraph 5 above, to reinstate a *licence* *full members* and *fellow members* must also submit details of *CPD* in the *accountancy services* they wish to provide to clients, in accordance with the *CPD* policy.

#### **Right of appeal**

17. Applicants have the right to appeal any decisions made under this policy. Appeals will be dealt with in accordance with the *Appeals Regulations*.

## 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>	<i>Available to</i>	<i>Services</i>
Tier 1	<i>Full members, fellow members</i>	<ul style="list-style-type: none"> <li>• Limited Assurance Engagements</li> <li>• Independent Examination</li> <li>• Internal Audit</li> <li>• Forensic Accounting</li> <li>• Company Secretarial Services</li> <li>• Any/all tier 2 services</li> <li>• Any/all tier 3 services</li> <li>• Any/all tier 4 services</li> </ul>
Tier 2	<i>Full members, fellow members</i>	<ul style="list-style-type: none"> <li>• Personal Income Tax</li> <li>• Business Income Tax</li> <li>• Corporation Tax</li> <li>• Capital Gains Tax</li> <li>• Inheritance Tax</li> <li>• Any/all tier 3 services</li> <li>• Any/all tier 4 services</li> </ul>
Tier 3	<i>Full members, fellow members</i>	<ul style="list-style-type: none"> <li>• Budgeting and forecasting</li> <li>• Financial Accounting and accounts preparation for statutory purposes</li> <li>• Management accounting</li> <li>• Any/all tier 4 services</li> </ul>
Tier 4	<i>Full members, fellow members, associate members</i>	<ul style="list-style-type: none"> <li>• Bookkeeping - The recording of actual transactions in monetary terms to trial balance only, without any adjustments. It specifically excludes the calculation of actual transactions, for example the calculations of depreciation, accruals/prepayments and work-in-progress.</li> <li>• Financial accounting and accounts preparation for sole traders and partnerships but excludes any accounts required for statutory purposes under the prevailing Companies Acts</li> <li>• Computerised Accountancy Systems</li> <li>• Value Added Tax</li> <li>• Payroll</li> </ul>

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