

Policy document

aat

Licensing

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Licensing

Purpose

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

Policy statement

2. 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 services* to clients must hold a *licence*. This policy sets out the terms upon which AAT will grant a *licence*.

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. 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; and
 - 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. *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*; and
 - 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.
12. *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*.
13. *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

14. 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.
15. 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

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

Associated Regulations and policies

- *Code of Professional Ethics*
- *AAT Regulations 2016*
- *Licensing Regulations*
- *Appeals Regulations*
- *Convictions* policy
- *Disciplinary Sanctions* policy
- *Insolvency* policy

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>	<i>Available to</i>	<i>Services</i>
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 for statutory purposes • Management accounting • Any/all tier 4 services
Tier 4	<i>Full members, fellow members, associate members</i>	<ul style="list-style-type: none"> • 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. • Financial Accounting and accounts preparation for statutory purposes • Computerised Accountancy Systems • Value Added Tax • Payroll

The Association of Accounting Technicians

140 Aldersgate Street

London

EC1A 4HY

t: +44 (0)20 7397 3000

f: +44 (0)20 7397 3009

e: aat@aat.org.uk

aat.org.uk