

# Licensing Policy

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## Document properties

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## Associated regulations and policies

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<i>Code of Professional Ethics</i>	<i>Civil Sanctions Policy</i>
<i>Disciplinary Regulations</i>	<i>Disciplinary Sanctions Policy</i>
<i>AAT Regulations</i>	<i>Insolvency Policy</i>
<i>Publication Policy</i>	<i>Continuity of Practice Policy</i>
<i>CPD Policy</i>	<i>Clients' Money Policy</i>
<i>Appeals Regulations</i>	<i>Professional Indemnity Insurance Policy</i>
<i>Health Policy</i>	<i>Client Care Policy</i>
<i>Protected Characteristics Policy</i>	<i>Complaints Investigation Policy</i>
<i>Indicative Sanctions Guidance</i>	
<i>Criminal Convictions Policy</i>	

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# Contents

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<b>1.</b>	<b>Introduction</b>	<b>4</b>
<b>2.</b>	<b>Scope and applicability</b>	<b>4</b>
<b>3.</b>	<b>Purpose and objectives</b>	<b>4</b>
<b>4.</b>	<b>Terms and definitions</b>	<b>4</b>
<b>5.</b>	<b>Policy detail</b>	<b>4</b>

# 1. Introduction

- 1.1. 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.

# 2. Scope and applicability

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

# 3. Purpose and objectives

- 3.1. This policy sets out the terms upon which AAT will grant a licence.

# 4. Terms and definitions

- 4.1. 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.

# 5. Policy detail

## Applicable to all membership types

- 5.1. In order to be granted a *licence* an *applicant* must:

- a) complete and submit the *licence application* form
- b) meet the *fit and proper* requirements as set out in the following policies and regulations:
  - i. *Criminal Convictions Policy*
  - ii. *Disciplinary Sanctions Policy*
  - iii. *Insolvency Policy*
  - iv. *Civil Sanctions Policy*

**AAT** c) submit a basic disclosure certificate issued by the Disclosure Barring Service (DBS) within three  
30 Churchill Place of the date applying for a licence  
London E14 5RE

d) pay the *prescribed fee*  
[aat.org.uk](http://aat.org.uk)

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- e) inform AAT of the regulated *services* they wish to provide to clients from the list in Schedule 1 - *Licence Tiers*
  - f) confirm they have relevant work experience for the accountancy and/or bookkeeping services they wish to provide to clients and, if stipulated by AAT, complete a supplementary CPD pathway
  - g) successfully pass AAT's licence application tests on:
    - i. professional ethics; and
    - ii. anti-money laundering; and
    - iii. practice management
  - h) confirm they understand and will adhere to AAT's practice management standards
  - i) confirm they have *professional indemnity insurance* cover which meets the requirements as set out in the *Professional Indemnity Insurance Policy*
  - j) confirm they have appropriate continuity of practice cover as set out in the *Continuity of Practice Policy* and have informed/will inform their clients who this cover is
  - k) confirm they will comply with the requirements as set out in the *Client Care Policy*
  - l) confirm they will comply with the requirements as set out in the *Clients' Money Policy* (if applicable)
  - m) confirm they are registered and have paid the data protection fee to the Information Commissioner's Office (ICO)
  - n) if not supervised by AAT, submit details of their current anti-money laundering *supervisory authority to enable a supervisor check to be undertaken*
  - o) agree to comply with any other *condition*, requirement, modification, or restriction imposed on their *licence* at AAT's discretion.

5.2 Where an *applicant* does not demonstrate that they meet the requirements as set out in paragraph 5.1 above, their *application* will be rejected, unless AAT considers it would be unfair to do so.

5.3 At all times whilst holding a *licence* a *member* must adhere to the conditions set out in AAT's *Licensing Regulations*.

5.4 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*.

5.5 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*.

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- 5.6 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 accountancy services or bookkeeping services to the public.
- 5.7 *Members* may apply to reinstate a *licence* within 12 months of the date of termination unless otherwise stipulated as part of a *licensing decision* made under the *Licensing Regulations*.
- 5.8 *Members* reinstating their *licence* after more than 12 months must apply for a new *licence* in accordance with paragraph 5.1.
- 5.9 To reinstate a *licence*, *members* must:
- a) complete and submit a *licence* reinstatement 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) submit a basic disclosure certificate issued by the Disclosure Barring Service (DBS) within three months of the date applying for a licence to satisfy the [Money Laundering Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#)
  - d) pay the *prescribed fee*
  - e) confirm they have professional indemnity insurance cover which meets the requirement as set out in the *Professional Indemnity Insurance Policy*.

## Right of Appeal

- 5.10 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 *accountancy and bookkeeping 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 in the area.

<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 Engagement</li> <li>• Independent Examination</li> <li>• Internal Audit</li> <li>• Forensic Accounting</li> <li>• Company Secretarial Services (Trust and Company Services (TCSP))</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 accounts and accounts preparation of full and abbreviated accounts required for statutory purposes by the prevailing Companies Act</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 part of accounting which deals with the recording of actual transactions in monetary terms, excluding the calculation of transactions.</li> <li>• Financial accounts and accounts preparation for sole traders and partnerships only, specifically excluding any accounts required for statutory purposes by the prevailing Companies Act.</li> <li>• Computerised Accountancy Systems</li> <li>• Value Added Tax</li> <li>• Payroll</li> </ul>

**AAT**  
30 Churchill Place  
London E14 5RE

**[aat.org.uk](http://aat.org.uk)**

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