Policy document

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 and/or bookkeeping 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
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.

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.
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.

<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 for statutory purposes  
• Management accounting  
• Any/all tier 4 services |
| Tier 4       | **Full members, fellow members, associate members** | • 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 |