

RULEBOOK CHANGES

This paper provides an explanation of the main changes to the *ACCA Rulebook*, which take effect on 1 January 2019.

This document has no regulatory status. It is issued for guidance purposes only. Nothing contained in this document should be taken as constituting the amendment or adaptation of the *ACCA Rulebook*. In the event of any conflict between the content of this document and the content of the *ACCA Rulebook*, the latter shall at all times take precedence.

The Rulebook is divided into three sections:

- Section 1 carries the Royal Charter and Bye-laws. There are no proposed changes to Section 1 for the 2019 Rulebook.
- Section 2 carries the Regulations, covering membership of ACCA, practising and licensing arrangements, and regulatory and disciplinary matters. Some of these changes are relevant across all the regulatory and disciplinary Regulations, and provide consistency across the Regulations. Commentary on the proposed changes to each set of Regulations is set out below.
- Section 3 carries the Code of Ethics and Conduct. ACCA has adopted the Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants (IESBA). However, the IESBA Code is augmented with additional requirements and guidance that are appropriate to ACCA and its members. There have been substantial changes to the IESBA Code published during 2018, including renaming it as the *International Code of Ethics for Professional Accountants (including International Independence Standards)*. The impact of the changes on ACCA's Code of Ethics and Conduct is set out below.

Changes to the Regulations arise largely from policy decisions, legislative changes and the requirements of lead regulators. Other changes are also considered in order to bring about greater consistency across the Regulations, or to reflect improved processes in regulation and discipline.

Section 2 – Regulations

Membership Regulations

Changes to the Membership Regulations include:

- the amendment of all generic references to ACCA's module in professional ethics, instead referring specifically to the 'Ethics and Professional Skills module', and providing a definition for the module

- the ability to exclude persons from a hearing (providing consistency with other Regulations)
- clarification concerning the disclosure of personal data, in order to ensure compliance with the General Data Protection Regulation (regulation 4(7))
- a provision requiring written reasons for a decision to be provided to an applicant (following a bankruptcy event) (regulation 13(9))

and

- new provisions concerning service of notices and documents (regulation 15), including:
 - the ability to serve a copy of the notice served on the relevant person with that person's representative
 - that notices and documents sent by email will be deemed to have been served on the day on which they are delivered, rather than after 72 hours (as is the case currently)
 - that the relevant person will no longer be required to indicate willingness to receive service by email, so long as he or she has previously notified ACCA that a particular email address is suitable for communication
 - where the relevant person has no registered address, service at the relevant person's last known address has been removed, in order to avoid the implication that data may be retained by ACCA beyond permitted periods.

Global Practising Regulations

Changes to the Global Practising Regulations include:

- changes to reflect the removal of the detailed Practising Certificate Training Requirements from the annexes to the Regulations, in order to allow greater agility within the Practising Certificate Experience Requirement (available on the ACCA website)
- clarification that trust or company services do not constitute public practice (regulation 4(3)), and so do not give rise to the need to hold a practising certificate. Nevertheless, members providing trust or company services who are not supervised by ACCA for anti-money laundering will be required to register with HMRC.

- simplification and clarification of the honorary reporting exemption provisions, which simplify the regulation, and would enable a member to undertake an independent examination for a charity whose gross income does not exceed £250,000 (regulation 4(5))

and

- removal of the requirement to hold an ACCA practising certificate for South African members (Annex 5), and the transfer of all those who renewed their practising certificates with effect from 1 July 2018 to the register of practitioners from 1 January 2019. (Specific requirements in respect of registered tax practitioners are required to be retained in accordance with the requirements of the South African Revenue Service, namely the 'fit and proper' requirements of regulation 5 and the CPD requirements of regulation 6).

Authorisation Regulations

Amendments to the Authorisation Regulations:

- make consideration of applications under regulation 3(2) by a Chairman (alone on the papers) the norm
- include the requirements of the Statutory Auditors and Third Country Auditors Regulations 2016 with regard to orders of the Admissions and Licensing Committee (regulation 6(14))
- bring together all the publicity requirements, and require post-hearing publicity (with reasons), subject to a hearing (or part of a hearing) being held in private
- better explain the limited circumstances in which a regulatory assessor's decision would not be published (regulation 7(6))
- extend the period for notification and submission of documents by the relevant person to 21 days before a hearing, and so enhance consistency throughout the Regulations
- clarify the slip rule (regulation 8(1))

and

- amend the regulations in respect of the service of documents, consistent with the Membership Regulations and throughout the Rulebook.

Complaints and Disciplinary Regulations

Amendments to the Complaints and Disciplinary Regulations:

- refer more consistently to notices and documents being 'served', rather than 'received'
 - make clear that the chairman who grants an application to withdraw an allegation shall determine the issue of costs, rather than a Disciplinary Committee
 - extend the period for notification and submission of documents by the relevant person to 21 days before a hearing, and so enhance consistency throughout the Regulations
 - remove the requirement to have a differently constituted Health Committee where the Disciplinary Committee orders referral to a health hearing (regulation 10(12))
 - clarify the slip rule (regulation 19(1)(d))
- and
- amend the regulations in respect of the service of documents, consistent with the Membership Regulations and throughout the Rulebook.

Appeal Regulations

Changes to the Appeal Regulations include:

- consistent references to notices and documents being 'served', rather than 'received'
- where an application to appeal has been refused by the Chairman, removal of the relevant person's right to request that his application be considered by an Appeal Committee. Instead, permission to appeal may be considered by a second Chairman. (regulations 6 and 10(1))
- extension of the period for notification and submission of documents by the appellant to 21 days before a hearing, and so enhance consistency throughout the Regulations
- provision to allow concessions to be made by the respondent at any time during the appeal process, and not only while the appellant is seeking permission to appeal (regulation 9(6))

and

- amendments in respect of the service of documents, consistent with the Membership Regulations and throughout the Rulebook.

Interim Orders Regulations and Health Regulations

Changes to the Health Regulations permit the relevant person (as well as other parties) to request that his fitness to participate in the proceedings be considered by the Health Committee. Both sets of Regulations have also been amended to clarify the slip rule.

Section 3 – Code of Ethics and Conduct

In April 2018, the International Ethics Standards Boards for Accountants (IESBA) issued its final pronouncement on its project to restructure the IESBA *Code of Ethics for Professional Accountants*. The major revision of the ethical framework for professional accountants was highlighted in an article '[The evolution of ethics](#)', published in *Accounting and Business* magazine (October 2018).

The IESBA *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code') includes substantive revisions and is completely rewritten under a new structure and drafting convention.

Other key revisions to the restructured IESBA Code include enhancements in the areas of:

- 'safeguards' (better aligned to threats to compliance with the fundamental principles)
- long association of personnel with audit clients
- and
- professional accountants in business and pressure to breach the fundamental principles.

The 2019 Rulebook incorporates the restructured IESBA Code within Section A of the ACCA Code of Ethics and Conduct ('ACCA Code'), as early adoption of the restructured IESBA Code is permitted by IESBA.

The ACCA provisions (ie material that does not appear in the IESBA Code) that were previously held in sections B1 to B12, C1 and C2 have been incorporated within Sections B and C of the ACCA Code. Such material continues to be denoted by the use of italics.

Other ACCA provisions have also been retained within the ACCA Code. In particular, ACCA's provisions in respect of the marketing of professional services have been preserved as a separate section, B13.

Other changes to the ACCA Code include:

- retitling the 'preface' to the ACCA Code as the 'Guide to the ACCA Code of Ethics and Conduct' – this is now a combination of the ACCA preface and the IESBA Guide
- and
- embedding a recently completed project of the IESBA on the offering and accepting of inducements in sections 250, 340, 420 and 906.