



GUIDELINE ON LICENSING OF FIRMS

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DOCUMENT CHANGES & HISTORY

DATE	CHANGES	Reviewed by
April 2018	Document developed	PDC
May 2018	Reviewed by Registration and Quality Assurance	RQAC
September 2018	Approved by Professional Development Committee	PDC
October 2018	Approved by Professional Standards Committee	PSC
October 2018	Reviewed by Chief Executive Officer	CEO
October 2018	Reviewed to incorporate feedback from members	PSC
October 2018	Approved by Council	Council

1.0 PREAMBLE

The Institute of Certified Public Accountants of Kenya (ICPAK) is the statutory body of Accountants established in 1978 and draws its mandate from the Accountants Act No.15 of 2008. It is also a member of the Pan African Federation of Accountants (PAFA) and the International Federation of Accountants (IFAC), the global Accountancy umbrella body since 1980.

2.0 LICENSING OF FIRMS

During the 339th ICPAK Council meeting held on the 6th day of October 2018 session, The Registration and Licensing of firm's policy was approved. This takes effect from the 1st day of January 2019. All the current and prospective auditing and assurance firms will need to be licensed by the Institute henceforth.

This resolution has been discussed and approved by the relevant committees of the Council including the Registration and Quality Assurance Committee (RQAC), the Professional Development Committee (PDC) and the Professional Standards Committee (PSC) before approval of the Council.

Consequently, we shall now commence licensing of firms and all names of the firms currently operating and listed on the Institute's website will be pulled down on the 31st December 2018. Those firms who will have met the licensing requirements will be posted as authorized firms to carry out the Auditing and assurance services. These firms will either be ordinary accounting firms as has been the case in the past or as Limited Liability Partnership Firms (LLPs).

For detailed guidance on registration and licensing of firms please click here: [Registration and Licensing of Firms \(RLFs\).doc](#) and Registration and conversion to Limited Liability Partnerships, please use the link: [Council Guidelines for Conversion of CPA Firms into Limited Liability Partnerships \(LLPs\).doc](#) to access the Guideline on Registration of firms.

3.0 CONSIDERATION

All firms will be required to apply for a license and by complying with all the requirements of Audit firms before they can be included in the list of firms of auditors for the year 2019. It is expected that all qualifying firms whether sole proprietorships, partnerships or LLPs will now be required to

register immediately after fulfilling the necessary requirements and pay the firm’s license fee together with that of the partners before the 31st day of December this year 2018. For those who desire to receive their licenses this year 2018, they will need to apply and fulfil all the application’s requirements by the 30th November 2018. These licenses will be ready by Friday the 7th day of December 2018.

The chart for fees applicable for licensing of firms, including registration as Limited Liability Partnerships (LLPs) is shown below.

4.0 FEE CHART

The table below provides the scale of fees payable for the listing of firms based on the number of Partners per Firm and the type of the listing;

No of Partners	Fees based on Turnover pa - Normal Firm		Fees based on Turnover pa – LLP Firm	
	Below KSh 1 Million	Over KSh 1 Million	Below KSh 1 Million	Over KSh 1Million
1	KSh 10,000	KSh 20,000	N/A	N/A
2 – 5	KSh 30,000	KSh 50,000	KSh 30,000	KSh 50,000
More than 5	KSh 50,000	KSh 100,000	KSh 100,000	KSh 200,000

5.0 RESOURCES

Please use the link below to access the Guideline, and other relevant information.
<https://www.icpak.com/package/assurance-engagements/>

REGISTRATION:

The online registration link will be circulated to all practicing members in due course.

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CHIEF EXECUTIVE OFFICER