



## **COUNCIL GUIDELINES ON MULTIPLE LICENSES**

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## 1. BACKGROUND AND RATIONALE

- 1.1 The Institute of Certified Public Accountants of Kenya (ICPAK) is the body mandated by law to regulate the Accountancy Profession in Kenya
- 1.2 The Accountants Act section 8 recognizes one of the functions of the Institute as promoting standards of professional competence and practice amongst members of the Institute. In view of this, the Institute has developed these requirements as a guide for issuance of practicing certificates which are issued once, and, the annual practicing licenses which are issued annually to align the processes with International Education Standard (IES) 8-Competence Requirements for Audit and Assurance Professionals which became effective from July 1, 2008.
- 1.3 Section 13(2)(a) of the Accountants Act stipulates the functions of the Registration Committee to include among others, to receive, consider and approve applications for registration as an accountant and grant of practicing certificates and annual licenses.
- 1.4 The Finance Act 2018 made amendments to the Accountants Act by redefining the who is an accountant and the practice of accountancy as follows:
  - i. “accountant” is a person registered as an accountant under Section 24 of this Act and is a member as defined in section 4 (2) (a) and (b) with expertise achieved through formal education and practical experience, and shall be held to a high professional standard in respect to—
    - a) demonstrating and maintaining competence in accountancy in line with International Accounting standards;
    - b) compliance with the Institute's code of ethics;
    - c) maintaining good standing status; and
    - d) subject to enforcement of the rules and regulations of the Institute;
  - ii. “accountancy” means practice in accounting, financial reporting, control systems, systems auditing, auditing, assurance, forensic accounting and auditing, finance, financial management, public finance management, taxation, financial risk management, management accounting and advisory services related thereto.

## 2. APPLICABLE LICENSES

### **Assurance and Non-Assurance Services Licences**

- 2.1 In line with the mandate of Institute as outlined in Section 13(2)(a) of the Act, the Council has introduced a Multiple Licenses Framework to regulate assurance and non-assurance services. This will cater for the request by members for issuance of multiple licenses for practice in different capacities. The table below summarizes key licenses offered by the Institute:

*Table 1: License Category*

Category	License	Description
A	Auditing and Assurance	All professional services performed under the Professional Standards issued by International Federation of Accountants ( <b>IFAC</b> ) and International Organization of Supreme Audit Institutions ( <b>INTOSAI</b> )
T	Taxation Services	<p>Taxation and tax consultancy services:- These services should adhere to relevant statutes such as:</p> <ul style="list-style-type: none"> <li>• Tax Procedures Act 2015</li> <li>• Tax Appeals Tribunal Act 2015</li> <li>• Excise Duty Act 2015</li> <li>• Value Added Tax Act 2013</li> <li>• Income Tax Act, CAP 470</li> </ul> <p>Relevant Tax Regulations such as the Tax Procedures (Tax Agents Regulations) and Value Added Tax Regulations 2017 among others.</p>
M	Advisory and Consultancy	<ul style="list-style-type: none"> <li>i. Accounting services- book-keeping</li> <li>ii. Financial Management</li> <li>iii. Public financial management</li> <li>iv. Management accounting</li> <li>v. Advisory services Any other services as envisaged under section 2(1) of the Act</li> <li>vi. Internal audit services</li> </ul>

### **AUDIT ASSURANCE ACTIVITIES - CATEGORY “A” LICENSE**

Regulatory and compliance audits are types of assurance services. They essentially do the same thing, ensure that an organization's operations are following guidelines and rules set forth in either legislation or policy. Regulatory audits are those that test compliance with laws and regulations, while compliance audits are those that test against policies. Audit and Assurance activities involve;

- i. Accounting and assurance/accountants certificate
- ii. forensic auditing
- iii. Examination, Verification and vouching
- iv. Testing Accounting Systems and Internal controls
- v. Forensic accounting and audit
- vi. Operating policy compliance

- vii. Operation efficiency
- viii. Asset safeguarding
- ix. Operation objective compliance
- x. Proper financial administration
- xi. Accurate finance statement representation
- xii. Financial and operating integrity

### **TAX ACTIVITIES - CATEGORY “T” LICENSE**

Tax activities involve advisory related work for organizations and individual where taxation and tax administration procedures need to be undertaken. Advisory work on tax is aimed at ensuring that organizations and individuals are compliant with tax laws and regulations in any given jurisdiction or market.

Taxation is one of the areas which will fall under the regulation of the Institute in line with the Accountants Act and the amendments as introduced by the Finance Bill 2018.

Activities under taxation services are;

- i. Income Tax
  - ❖ Corporation tax filing
  - ❖ Pay As You Earn (PAYE) filing
  - ❖ Withholding tax (WHT) filing
  - ❖ Advance tax filing
  - ❖ Instalment tax filing
- ii. Rental Income Tax
- iii. Value Added Tax
- iv. Excise Duty
- v. Capital Gain Tax
- vi. Agency Revenue
  - ❖ Stamp duty filing
  - ❖ Betting and pool tax filing
- vii. Arbitration and Dispute Resolution
- viii. Transfer pricing
- ix. Tax planning

### **ADVISORY AND CONSULTANCY – CATEGORY “M” LICENSE**

Advisory and consultancy entails the services, tools and support offered by firms to their clients. That support is aimed at providing capability to those entities to make the best decisions geared

towards moving their businesses forward with respect to a given goal or objective. These decisions would involve taking actions which include preventing, responding to and remediating a wide range of business threats, risks and complex issues which may face organizations from time to time. Ordinarily, these would be what is categorized as non-audit services. They entail;

### **FINANCIAL REPORTING ACTIVITIES**

Activities under Financial reporting non audit services are;

- i. Accounting and Book-keeping
- ii. Management Accounting
- iii. Public Finance Management
- iv. Financial Risk Management
- v. Financial Management

### **CONSULTANCY AND ADVISORY ACTIVITIES**

- i. Insolvency and Liquidation
- ii. Restructuring
- iii. Contractual requirements
- iv. Regulatory returns
- v. Payroll services

### **CORPORATE FINANCE ACTIVITIES**

Activities or services to be considered under corporate services are;

- i. Promoting shares
- ii. Acting as the lead adviser (Business sale)
- iii. Corporate services support services (Equity raising)
- iv. Valuation of shares

### **Qualification for Practicing Certificate**

For a member to qualify for any practicing category, the Council prescribes the following qualification requirements:

Table 2: Qualification for various licensing categories

Category	Competencies
A	<ul style="list-style-type: none"> <li>▪ Has been an ordinary Member of ICPAK for the last 2 years;</li> <li>▪ Has acquired <b>5 years’ experience</b> performing external audit work full time or <b>7 years’ experience</b> on part time basis, monitored by a holder of a valid practicing certificate and a member in good standing, who has been holding the practicing certificate for a period of not less than six (6) years;</li> <li>▪ Has obtained 40 CPD hours per year, in accordance with ICPAK’s CPD Guidelines, in the years prior to the application for a Practicing Certificate;</li> <li>▪ Has attended any of the <b>two</b> mandatory trainings indicated below <ul style="list-style-type: none"> <li>i. Audit Quality Assurance Seminar</li> <li>ii. Financial Reporting Seminar</li> <li>iii. Audit Staff Training Seminar – Practical Approach</li> <li>iv. Induction Workshop for Aspiring Practitioners</li> <li>v. Ethics</li> <li>vi. Annual Practitioners Growth Forum or any other as may be directed by the Institute</li> </ul> </li> <li>▪ Is in good standing</li> <li>▪ Foreign nationals should possess valid work permits</li> <li>▪ Five (5) years’ experience in taxation and tax consultancy</li> </ul>
T	<ul style="list-style-type: none"> <li>▪ Has been an ordinary Member of ICPAK for the last 2 years;</li> <li>▪ Has acquired five (5) <b>years’ experience</b> performing taxation work full time or seven (7) <b>years’ experience</b> on part time basis, monitored by a holder of a valid practicing and a member in good standing, who has been holding the practicing certificate for a period of not less than six (6) years;</li> <li>▪ Have obtained 40 CPD hours per year, in accordance with ICPAK’s CPD Guidelines, in the years prior to the application for a Practicing Certificate;</li> <li>▪ Has attended any of the <b>two</b> mandatory trainings in tax as directed on an annual basis by the Institute;</li> <li>▪ Ethics</li> <li>▪ Is in good standing;</li> <li>▪ A licensed tax agent as envisaged under section 19 and 20 of the Tax Procedures Act 2015 and Tax Procedures(Tax Agents) Regulations</li> </ul>



Category	Competencies
M	<ul style="list-style-type: none"> <li>▪ Has been an ordinary Member of ICPAK for the last 2 years;</li> <li>▪ Has acquired <b>2 years' experience</b> performing any of the following Accounting services; Financial Management; Public financial management; Management accounting; Advisory services and any other services as envisaged under section 2(1) of the Act.</li> <li>▪ A person who has acquired relevant work experience that does not qualify for category A and category T licenses can apply for category M license;</li> <li>▪ Proof of requisite experience of at least two (2) years;</li> <li>▪ Have obtained 40 CPD hours per year, in accordance with ICPAK's CPD Guidelines, in the years prior to the application for a Practicing Certificate;</li> <li>▪ Has attended any of mandatory trainings as may be directed by Council and which shall include a training on Ethics</li> <li>▪ Must be in good standing.</li> </ul>

### Requirements for Registration of firms

The Council prescribes various requirements for registration of firms. This applies to all the three categories of licenses as outlined below:

#### (a) Firm Name

The firm's name must not include any name other than any of the following:

- a. The names of existing partner or partners;
- b. The names of former partner or partners;
- c. The names of the existing or former partners of a firm with which a member becomes associated;
- d. Abbreviations of the names of the existing or former partner or partners; and
- e. Any other name that may be approved by council.

#### (b) Application and relevant documents

For the purpose of registration of the firm(s) with ICPAK, the partner(s) of the firm shall apply using the appropriate ICPAK license form together with a copy of name reservation received from the relevant Registrar. The Form shall contain all details of the offices and other relevant particulars with the signatures of all partners of the proposed firm.

The partners shall be required to have the names and styles of their practices listed with the Institute by paying applicable license fee as may be determined by Council from time and time. Individual annual licenses shall be paid at rates as shall be determined by Council from time and time.

The firm shall be required to describe itself as **"regulated by ICPAK"** and the same shall be included in all its publications together with the firm Registration Number.

### **Requirements for Signing of Reports**

The name of the person responsible for the preparation of assurance and non-assurance reports shall be included in the final reports. The preparer shall also include:

- (a) The name, membership number and license number
- (b) Signature in the name of the firm or personal name of the proprietor
- (c) The address of the firm
- (d) Date of signing

### **Dispute Resolution**

In case of any dispute in respect of these guidelines, the same shall be referred to the Registration and Quality Assurance Committee (RQAC) of the Institute.

### **Commencement**

These guidelines come into force on 01.01.2020

## **General provisions for assurance and non-assurance services**

This section outlines the various standards, laws, regulations that will guide the practitioners in discharging their engagements in their respective areas of specialization.

### **(a) Assurance Services**

Assurance services are a type of independent professional service usually provided by Certified Public Accountants (CPAs). They include review of any financial document or transaction, such as a loan, contract forensic audit, statutory and special audits.

In Kenya, the practice of assurance services is guided by International Auditing Standards and Code of Ethics for professional accountants. For instance, ISA 700 provides guidelines on forming of an opinion on the financial statements based on an evaluation of the conclusions drawn from the audit evidence obtained.

Equally, the Constitution of Kenya provides for matters accounts, audit of public entities, keeping of financial records and measures for efficient and transparent fiscal management. This is further cascaded through the Public Finance Management Act and attendant Regulations and other statutory provisions including but not limited to the Companies Act, Banking Act, Societies Act, Universities Act, Retirement Benefits Act, Insurance Act, Capital Markets Authority Act and Public Benefits Organizations Act.

### **General Requirements for category A**

1. Holders of Category A licenses are eligible to provide category T and category M services
2. The Partner(s) in addition to being members of the Institute shall abide by the Continuous Professional Development guidelines be in good standing with the Institute.
3. The firm/practioners must have adequate Professional Indemnity Insurance.
4. The assurance services shall be undertaken by practitioners within a licensed firm.
5. The partner(s) of such a firm shall be members of ICPAK holding a practicing certificate issued under the Accountants Act. In addition, the firm will be issued with a firm license.
6. The firm shall be required to describe itself as “Licensed by ICPAK” and the same shall be included in all its publications together with the firm Registration Number.
7. The licensee(s) will be required to adhere to the all the provisions of the Accountants Act, the Regulations, by-laws and the Code of Ethics issued by ICPAK.
8. The grant of the license does in no way grants the holder the right to provide audit and assurance services but is limited to the services described above.
9. The firm and proprietors will be required to adhere to ICPAK guidelines on acceptable advertising as they seek to publicize their services.

## **Category T license**

- In Kenya, the Tax Procedures Act 2015 provides for tax agents under section 19 and 20.  
1) The Commissioner shall issue a licence to an applicant under section 19 if the applicant is a fit and proper person to prepare tax returns, notices of objection or otherwise transact business with the Commissioner under a tax law on behalf of a taxpayer. While providing for the license under this category, the council is of cognizance of the Tax Procedures Act 2015, Tax Appeals Tribunal Act 2015, Excise Duty Act 2015, Value Added Tax Act 2013, Income Tax Act, CAP 470 and any other Acts as shall be prescribed from time to time.

## **Provisions under Taxation Services**

- (1) A professional accountant who renders professional tax services:
- i. shall put forward the best position in favour of a client or an employer in accordance with the law but shall not in any way impair integrity and objectivity;
  - ii. shall take necessary steps to ensure that the client or employer are aware of the limitations attaching to tax advice and services so that they do not misinterpret an expression of opinion as an assertion of fact; and that the tax return prepared and the tax advice offered are beyond challenge;
  - iii. shall, in the preparation of a tax return advise the client or the employer that the responsibility for the content of the return rests primarily with the client or employer; and that the tax return is properly prepared on the basis of the information received;
  - iv. shall record the tax advice or opinion of material consequence and give to a client or an employer, either in the form of a letter or in a memorandum for the files;
  - v. shall not be associated with any return or communication in which there is reason to believe that:
    - a) it contains a false or misleading statement;
    - b) it contains statements or information furnished recklessly or without any real knowledge of whether they are true or false;
    - c) omits or obscures information required to be submitted and that the omission or obscurity will mislead the revenue authorities.
  - vi. may prepare tax returns involving the use of estimates if that use is generally acceptable or if it exact data and the estimates shall be presented in such a manner so as to avoid the implication of greater accuracy than what exists;
  - vii. may rely on information furnished by a client or an employer provided that the information appears reasonable and where appropriate shall encourage supporting data to be provided; and
  - viii. shall make use of the clients returns for prior years whenever feasible; and make reasonable inquiries when the information presented appears to be incorrect or incomplete and to make reference to the books and records of the business operations.

## Qualifications for category M License

- One must have acquired relevant experience performing any of the following Accounting services, Financial Management, Public financial management, Management accounting, Advisory services, and any other services as envisaged under section 2(i) of the Act;
- A person who has acquired relevant work experience that does not qualify for category A and category T licenses can apply for category M license.
- Proof of requisite experience of at least two (2) years

## 3. CAPABILITIES AND COMPETENCES

- a. Professional accountants who intend to go into accounting practice will be required to acquire and demonstrate that they have the professional capacity, appropriate training and supervision and are competent to undertake assignments given to them. To acquire the capabilities and competence required of accounting professionals, individuals will need further education and development beyond that needed to qualify as professional accountants. These additional education and development requirements can be met during the education and development program for qualifying as a professional accountant, or after.
- b. Education and development for acquiring and maintaining the capabilities of accounting professionals shall include:
  - a. advanced professional education pursued at academic institutions or through training programs offered by the Institute;
  - b. on-the-job training and experience programs; and,
  - c. In undertaking the auditing training programs for Category A, the professional accountant shall demonstrate knowledge, competency and applicability of:
    - i. Best practices in the audit of historical financial information including relevant current issues and developments;
    - ii. International Standards on Auditing (ISAs);
    - iii. International Auditing Practice Statements (IAPSs);
    - iv. International Standards on Review Engagements (ISREs);
    - v. International Standards on Assurance Engagements (ISAES);
    - vi. International Standards on Related Services (ISRSs);
    - vii. International Standards on Quality Management;
    - viii. International Financial Reporting Standards (IFRSs);
    - ix. International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SMEs) alongside other acceptable standards; and
    - x. International Public Sector Accounting Standards (IPSASs).

- c. In undertaking the training programs for Category T, the professional accountant shall demonstrate knowledge, competency and applicability of Income Tax Act, VAT Act, Excise Act, Tax Procedures Act, East Africa Customs Management Act and international taxation;
- d. In undertaking the training programs for Category M, the professional accountant shall demonstrate knowledge, competency and applicability in their appropriate area of specialization.
- e. In addition to acquiring the necessary knowledge and skills, professional accountants will have to be assessed through review of the engagements they have carried out to demonstrate the capabilities and competence needed to take up responsibility for significant judgments in their area of specialization.

## **PROFESSIONAL SKILLS**

### **This applies for Category A, Category T and Category M**

The skill requirements for accounting professionals include:

- i. Applying the following in an accounting environment
  - a. identifying and solving problems;
  - b. undertaking appropriate technical research;
  - c. working in teams effectively;
  - d. gathering and evaluating evidence;
  - e. presenting, discussing, and defending views effectively through formal, informal, written and spoken communication.
- ii. Developing the following professional skills at an advanced level in an accounting environment:
  - f. applying relevant accounting standards and guidance (and auditing standards for Category A/Tax law developments for category T/recent professional developments for category M);
  - g. evaluating applications of relevant financial reporting standards;
  - h. demonstrating capacity for inquiry, abstract logical thought, and critical analysis;
  - i. demonstrating professional skepticism; and
  - j. applying professional judgment.

## 4. PROFESSIONAL VALUES, ETHICS AND ATTITUDES

4.1 The IFAC Code of Ethics for Professional Accountants sets out these fundamental principles:

- a. Integrity;
- b. Objectivity;
- c. Professional competence and due care;
- d. Confidentiality; and
- e. Professional behaviour.

4.2 Professional accountants in practice are expected to apply professional values, ethics and attitudes throughout their professional careers. The professionals should have:

- professional approach to ethics;
- practical application of the fundamental principles;
- consequences of unethical behaviour; and
- resolution of ethical dilemmas.

## 5. PRACTICAL EXPERIENCE

5.1 In deciding whether an applicant has the necessary competences and practical experience, the Institute is guided by International Education Standard 8, which came into force in 2008. This requires anyone acting as an accounting professional to complete a period of relevant practical training.

5.2 Professional accountants should complete a period of relevant practical experience before taking on the role of an accounting professional. This period should be long enough and intensive enough to permit them to demonstrate that they have acquired the necessary professional knowledge; professional skills; and professional values, ethics and attitudes.

5.3 A substantial proportion of the period of practical experience should be in the area of specialization. A period of practical experience will normally involve the appropriate number of years as above after admission as a member of the Institute.

5.4 A member of the Institute who wishes to go into accounting practice will have the appropriate number of years' experience as shown above. This experience shall be verified through review of work carried out by the applicant after admission as a member. The Institute in assessing competency of applicants will require the work experience to be recent.

5.5 The practical experience for category A shall be in external audit firms licensed by the Institute.

- 5.6 The practical experience for category T shall be in either a tax practitioner's firm licensed by the Institute or in tax administration body/authority.
- 5.7 The practical experience for category M shall be in an entity which offers services in the respective area.
- 5.8 Members who after joining the Institute have career breaks, will have the breaks consolidated, and considered on a case by case basis.
- 5.9 Members who after joining the Institute and having acquired experience through part-time work, by virtue of being engaged on full time basis or in other gainful employment will be required to have a total of 7 years post-membership experience for categories A and T, and 4 years for category M. Members will be required to notify the Institute when such experience is being acquired, for the Institute to monitor the quality of experience.

## **TRAINING AND DEVELOPMENT**

- 5.10 Members who wish practice accountancy will be required to have complied with Continuous Professional Development (CPD) program as prescribed by Council.

## **6. APPLICATION FOR A PRACTISING CERTIFICATE**

**This applies for Category A, Category T and Category M**

- 6.1 Members of the Institute who comply with the above requirements (Table above) and wish to go into accounting practice will be required to apply for grant of practicing certificate. Members of other Accountancy Institutes which ICPAK has reciprocal arrangements with shall apply for grant of practicing certificates as per the provisions of the reciprocal agreements.
- 6.2 The application shall be duly filled, with all necessary attachments (as prescribed by the application for practicing certificate form) and full payment of requisite fees.
- 6.3 The Institute shall review the application and at the Institute's discretion, the applicants work, and experience may be reviewed for compliance with applicable standards.
- 6.4 Applicants seeking grant of practicing certificates shall be recommended by two members of the Institute; one member being the partner who supervised the relevant accounting experience acquired by the applicant. Such a recommendation letter shall be no more than three months old from the date of application. Where an applicant's accounting experience is based on experience obtained more than four years from the date of application, the applicant will be required to demonstrate accounting competency to warrant grant of a practicing certificate. The mode of demonstration shall be at the discretion of the committee.



- 6.5 The Registration and Quality Assurance Committee, a statutory committee that is mandated to grant practicing certificates to members shall review the application. Successful applicants shall be issued with a notification letter informing them of their admission as practicing members and their practicing number.
- 6.6 After issue of a practicing certificate the member shall apply for annual license in that financial year. A financial year shall be taken to start from 1st January to 31st December. The member will be expected to commence accounting practice within one year from the date of issuance of the practicing certificate. If the member is unable to commence practice within the one year, he/she shall return the practicing certificate to the Institute immediately upon the expiry of the period.
- 6.7 Where a practicing certificate is returned to the Institute voluntarily, the member shall apply for reinstatement after which the practicing certificate shall be re-issued without any charges. However, if the reinstatement is applied for after two years have lapsed, the member shall be required to undergo relevant training as maybe prescribed by the Committee.
- 6.8 When a Member is de-registered for any reason, the practicing certificate and the license shall cease to be in force and shall be returned to the Institute within 14 days
- 6.9 Loss of practicing certificate shall attract a replacement fee as prescribed by Council to cater for re-printing of the lost certificate.

## **CAREER BREAKS**

- 6.10 A member who holds a practicing certificate but ceases practicing for a continuous period of four years and wishes to be licensed again shall be required to satisfy any of the following requirements; (a) Attend prescribed CPD training; or (b) be attached to a practicing member as may be deemed necessary by the Committee
- 6.11 The Committee in making its decision will be guided by the relevance of the work experience immediately prior to the career break and the CPD undertaken during the break and up to the point of application

## **7. ANNUAL LICENSES**

- 7.1 All holders of practicing certificates who intend to practice in any calendar year will be required to apply for annual license for that particular year. All applications shall be received by the Institute not later than **30<sup>th</sup> November** of the preceding year for existing members in practice. An application for renewal of a practicing license shall be made in such form and contain such information as the Institute may requires on an annual basis. The renewal application shall be submitted online.

7.2 Applications for annual licenses shall be accompanied by the following mandatory requirements:

- a. Proof of professional indemnity insurance (type of insurance designed to protect your business against any claims arising from bad or negligent advice or services) as provided under the Sixth Schedule of the Accountants Act and the By-Laws of the Institute on Professional Conduct and Ethics.
- b. Copy of agreement signed between the member and the appointed interim manager.
- c. For members with branches; curriculum vitae and a copy of ICPAK membership certificate for the designated branch manager.
- d. Declaration of compliance with anti-money laundering laws and regulations (section 48 of the POCAMLA).
- e. Copy of a KRA PIN certificate

7.3 Holders of practicing certificates who do not intend to practice in any calendar year shall apply to the Institute for omission of their names in the list of practicing members. They shall be required to return the Practicing certificate to the Institute until such a time when they will intend to resume active practice. A member who fails to return the practicing certificate shall be deemed to be in in practice and as such will be required to pay the appropriate annual practicing fee

7.4 Members with branches will be required to apply for annual licenses for all the branches. Additional fees of **Kenya shillings seven five thousand (KShs. 5,000)** will be charged for each branch.

7.5 Annual licenses shall be valid only up to 31st December of the year for which they are issued.

7.6 Annual licenses shall become invalid upon de-registration of members.

## 8. ESTABLISHMENT OF BRANCHES

8.1 Members in accounting practice who intent to open branch offices shall apply to the Institute to be granted such authority. The application shall be in such a form as prescribed by Council.

8.2 Branches shall be managed by full time Managers who shall be members of the Institute in good standing.

8.3 The Managing partner shall take overall responsibility for branch management including signing of reports as per the category of firm license. The branch managers shall operate on delegated responsibility.

8.4 Closure of branches shall be communicated to the Institute at least three (3) months prior to the closure of the branch.

## **9. SUCCESSION PLANNING**

- 9.1 All firms shall be required to have succession planning.
- 9.2 All Annual license applicants shall be required to provide details on Interim Management.
- 9.3 In cases where the Managing partner of a firm passes on, the Interim Manager shall take over the operations of the firm for a maximum period of two years during which he/she shall have made the necessary arrangements to wind-up the firm. The Interim Manager in the process of winding up shall consult with the next of kin.
- 9.4 After the lapse of two years, the Institute shall notify the general public of the cessation of the firm and where applicable, the firm that has taken over the clients of the deceased member.
- 9.5 An interim manager shall be responsible for their own actions. She/he shall exercise due care and professionalism during the term of his/her engagement and meet other conditions as may be prescribed by the Sixth Schedule of the Accountants Act no. 15 of 2008.

## **BENCHMARKING WITH OTHER JURISDICTIONS**

### **TANZANIA**

The Act defines Public Practice” as the practice or functions of an Auditor at the disposal of the public for a consideration;

#### **Registration of practicing firms**

A firm applying for registration as Certified Public Accountants in Public Practice shall fulfill the following conditions:

- i. complete an application form issued by the Board and submit it to the Board
- ii. Submit professional indemnity insurance cover equal to at least three times the latest annual turnover of the firm;
- iii. submit a proof of formation of partnership;
- iv. submit a proof that there are arrangements for the continuity of the practice in the event of death or incapacity of the partner(s);
- v. submit a proof that there is a proper place of business with proper physical address.
- vi. Pay the appropriate application fees.

#### **Description of Practicing firms**

Any firm of registered members in public practice that has been duly registered shall be entitled to describe itself as Certified Public Accountant in Public Practice.

#### **Professional Accountants in Commerce, Industry and The Public Sector in Tanzania**

Certified Professional Accountants in commerce, industry and the public sector are required to comply with the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

### **BRITISH COLOMBIA**

The following categories of public practice licenses are established:

- i. Audit Licence;
- ii. Review Licence;
- iii. Compilation Licence;
- iv. Other Regulated Services Licence.

The board is mandated to establish additional categories of public practice licences, or (b) subcategories of public practice licences. British Colombia further defines “public accounting services” as any services included in the following:

- a) performing an audit, review or other assurance engagement governed by standards of professional practice published by CPA Canada or corresponding standards established in a jurisdiction outside Canada, or issuing an auditor's report, a review engagement report or another assurance report in accordance with such standards;
- b) issuing any other certification, declaration, opinion or report with respect to the application of financial reporting and accounting standards published by CPA Canada or other Canadian standards published by CPA Canada, or corresponding standards established in a jurisdiction outside Canada

## **CPA AUSTRALIA**

### **Tax Agent Services regime**

CPA Australia licenses both assurance and non-assurances services. For instance, there is a robust tax agent services regime regulates the registration of three discrete categories of tax practitioners:

- a) tax agents
- b) BAS agents
- c) Tax (financial) advisers.

A registered tax agent is an approved entity providing a tax agent service comprising compliance and advisory services in respect of a taxation law administered by the Commissioner of Taxation or who represents a client in their dealings with the Commissioner in respect of such laws. In practice, most registered tax agents will to some extent provide a mix of compliance, advisory and representative services to clients.

By contrast, a registered BAS agent is an approved entity providing BAS services being compliance, advisory and representative services relating to a BAS provision (being essentially various indirect taxes administered by the Commissioner).

Finally, a registered tax (financial) adviser is an AFS licensee or an authorized representative of an AFS licensee who provides a tax (financial) service to a client being tax compliance and advisory services provided in the ordinary course of giving financial advice by that licensee or authorized representative.

The legislation regulating tax practitioners is principally contained in the *Tax Agent Services Act 2009* (TASA) although various transitional issues are separately dealt with in the *Tax Agent Services (Transitional Provisions and Consequential Amendments) Act 2009*. In addition, the *Tax Agent Services Regulations 2009* sets out the academic qualifications and practical work experience requirements which must be satisfied in order for a person to be a registered tax agent, BAS agent or tax (financial) adviser as well as various other administrative rules.

## **INSTITUTE OF CHARTERED ACCOUNTANTS OF ENGLAND AND WALES (ICAEW)**

ICAEW has established different fee scales

- a) Audit fee scale
- b) Audit-Crown Dependencies 2019
- c) Affiliate fee scale 2019
- d) DFB (Investment Business) fee scale
- e) Insolvency fee scale
- f) Probate fee scale

## **NIGERIA**

### **Institute of Forensic Accountants**

The Institute of Forensic Accountants is a professional body representing and providing professional certification for forensic accountants in Nigeria.

### **Membership**

The membership of the institute consists of two grades:

- Associate member, which bears 'Certified Forensic Accountant' (CFA)
- Fellow member which bears 'Fellow of Forensic Accountant' (FFA)

To be admitted as an Associate, a candidate must have completed a period of qualifying practice of at least three years and passed the institute's qualifying examinations.

## **INDIA**

### **Indian Institute of Insolvency Professionals of ICAI (IIPI)**

Indian Institute of Insolvency Professionals of ICAI (IIPI), a wholly owned subsidiary of the Institute of Chartered Accountants of India, is a Section 8 Public Company established to enrol and regulate insolvency professionals as its members in accordance with the Insolvency and Bankruptcy Code, 2016 read with regulations and rules incidental thereto. Out of total 2314 registered Insolvency Professionals in India as on January 18, 2019, 1439 i.e. 62% are from IIPI. As on date more than 470 Insolvency Professionals who are enrolled with IIPI are handling 864 assignments.

### **APPENDIX III: GLOSSARY**

- Accounting
- financial reporting
- control systems
- systems auditing
- auditing, assurance
- forensic accounting and auditing
- finance
- financial management
- public finance management
- taxation
- financial risk management
- management accounting and advisory services

### **SUBMISSIONS ON THE PROPOSED MULTIPLE LICENSES**

Category	License	Description of services offered	Justification
A	Auditing and Assurance		
T	Taxation Services		
M	Advisory and Consultancy		