

Regulations Governing Corporate Practice

This edition includes all amendments made up to 1 January 2008 and none have been made since.

- 1 These regulations were made by the Council on 6 November 1991 under former Bye-law 59(b) (now Bye-law 51(b)). They came into force on 1 December 1991.

Interpretation

- 2 Words and phrases used in these Regulations have the same meaning as in the Bye-laws.
- 3 The term 'director' means any person occupying the position of director, by whatever name called and includes a shadow director within the meaning of the Companies Act 2006, section 251.

Corporate Practice

- 4 A member is, by virtue of being a director of a body corporate, to be regarded as engaging in public practice if the body corporate is engaged in public practice.
- 5 A member may not so engage in public practice if it is contrary to any applicable law for the body corporate in question to engage in public practice.

NOTES

These notes do not form part of the Regulations.

- i Regulation 4 permits members to engage in public practice as directors of bodies corporate. Under Bye-law 51(b) members are already permitted to engage in public practice as sole practitioners and partners and under Bye-law 1 practice as an employee is not treated as public practice.
- ii As a result of these Regulations the only restrictions on corporate practice are now:
 - a those contained in the Institute's Audit Regulations;
 - b those contained in the Institute's Designated Professional Body Handbook; and
 - c those contained in the Institute's Use of the Title 'Chartered Accountants' Regulations.
- iii A member who is an employee of a corporate firm is required to hold a practising certificate (a) if he is a responsible individual within the meaning of the Audit Regulations; (b) if he is an insolvency practitioner licensed by the Institute; or otherwise (c) in circumstances prescribed by the Council.
- iv Guidance on what constitutes engaging in public practice is contained in the Council statement in section **6.1**.
- v The Companies Act 2006, section 251(1 and 2), states that:
 - '(1) In the Companies Acts "shadow director" means a person in accordance with whose directions or instructions the directors of the company are accustomed to act.
 - (2) A person is not be regarded as a shadow director by reason only that the directors act on advice given by him in a professional capacity.'