



ICAEW practising certificate guidance notes

WHY WOULD I NEED A PRACTISING CERTIFICATE?

As a member of ICAEW you must have an ICAEW practising certificate if you want to engage in public practice within the European Economic Area (EEA). This includes work you do in person or indirectly, regardless of whether you call yourself a chartered accountant, or charge a fee.

You also need a practising certificate if you want to be a responsible individual for audit purposes; or to become an insolvency practitioner licensed by ICAEW. For full details, please see the [ICAEW statement on engaging in public practice](#).

You may not need an ICAEW practising certificate if you are living and practising outside the UK and Republic of Ireland, providing you are already licensed to practise by a comparable body to ICAEW, headquartered in the country you are practising in. For more information please see the [practising certificate regulations](#) and this [flow chart](#).

To find out whether you need to hold a practising certificate, please call ICAEW Advisory Services on +44 (0)1908 248 250.

HOW DO I QUALIFY FOR A PRACTISING CERTIFICATE?

You need to:

- a) have been a member of ICAEW for at least two years;
- b) have completed your application form and accompanying '[Are You Ready to go Into Practice?](#)' checklist to assess your own readiness to practise;
- c) have complied with ICAEW's requirements on CPD for the two years preceding your application;
- d) understand the Fundamental Principles in ICAEW's Code of Ethics, in particular, Section 130, which covers professional competence and due care;
- e) comply with ICAEW's [Professional Indemnity Insurance Regulations](#);
- f) be a fit and proper person to hold a practising certificate (by reference to ICAEW's disciplinary records); and
- g) pay the annual practising fee (this includes a practising certificate fee and the annual Practice Assurance fee).

HOW DO I APPLY FOR A PRACTISING CERTIFICATE?

You need to complete the [Are You Ready to go Into Practice?](#) checklist assessing your readiness to go into practice before you complete the application form. You will need to gain approval for your stationery and PII proposal before submitting the application as you will be required to include a reference number as confirmation.

You will have to sign a declaration that you have satisfied the conditions outlined in (d), (e), (f) and (g) above.

ONCE I HAVE OBTAINED A PRACTISING CERTIFICATE, HOW DO I RENEW IT?

You renew your certificate on an annual basis by continuing to:

- a) pay the annual fee;
- b) comply with the Fundamental Principles set out in the Code of Ethics (part of the Members' Handbook), in particular Section 130 which covers professional competence and due care;
- c) maintain competence in the accounting services you intend to provide;
- d) comply with the Professional Indemnity Insurance Regulations; and
- e) comply with ICAEW's CPD requirements.

IF I RELINQUISH MY PRACTISING CERTIFICATE, HOW CAN I GET IT BACK?

You need to re-apply, as if you are applying for the first time. Complete the application form, pay the annual fee, and confirm your continuing compliance with the required conditions.

HOW DO I SATISFY THE FUNDAMENTAL PRINCIPLE – PROFESSIONAL COMPETENCE AND DUE CARE?

You must judge whether you are suitable and ready to practise. When preparing your practising certificate application, you must read Professional Competence and Due Care, Section 130 of ICAEW's Code of Ethics.

This section is important because it imposes the following obligations on professional accountants:

- a) to maintain professional knowledge and skill at the level required to ensure that clients or employers receive competent professional service; and
- b) to act diligently in accordance with applicable technical and professional standards when providing professional services.

Sometimes, your recent experience will have been in an environment where, for example, legislation and standards differ significantly from those in force in the UK/EEA. In these circumstances, you should consider whether you should gain further relevant experience in the UK/EEA before you apply for your practising certificate in order to comply with Fundamental Principle – Professional Competence and Due Care.

The Code of Ethics is published in full [here](#).

DO I HAVE RELEVANT WORK EXPERIENCE?

Only you know your proposed field(s) of work and the nature of your experience, so only you can judge whether you are ready to practise. The questionnaire accompanying the application form should help you to assess whether your experience is relevant.

If you have been employed in a specialised area – for example, in corporation tax – you may need to gain additional relevant experience before you offer advice on, say, self-assessment as a sole practitioner.

If your recent experience has been in teaching and research, you should consider whether you need any further practical experience before you apply for a practising certificate.

If you have been out of work for a period of time you should consider whether your knowledge is sufficiently up to date in your chosen field and whether you need to undertake further training or work experience before engaging with clients.

CAN I WORK IN THE REGULATED AREAS?

Statutory audit, insolvency, probate and investment advice are areas of work reserved by legislation for appropriately qualified and authorised individuals and firms. Your practising certificate alone will not entitle you to work in a regulated area; you will need to meet additional requirements before you can be authorised.

If you want to become a responsible individual for audit purposes or an appointment-taking insolvency licence holder, you are required by the relevant ICAEW regulations to hold a practising certificate. This rule applies whether or not you are a principal in the firm. Under ICAEW's Insolvency Licensing Regulations, a non-appointment taking insolvency licence holder does not have to hold a practising certificate, but may still need a practising certificate if they are a principal in a firm or undertake other accountancy work that requires a practising certificate.

If you are a member of ICAS or Chartered Accountants Ireland and you are appointed a responsible individual, you may also need to have a practising certificate. (If your firm is registered by another recognised supervisory body, you will only need a practising certificate if you are a principal in the firm.)

If you have an insolvency licence from another recognised professional body (RPB) and if you are not a principal, you should check with that body whether you need to hold a practising certificate from ICAEW.

Whatever the RPB's requirements, you will need a practising certificate if you are a principal in the firm.

In the regulated areas, the practising certificate regulations work in conjunction with other statutory requirements and do not override them. For example, although recent work experience in audit may qualify you for a practising certificate, it will not, in itself, allow you to gain the Audit Qualification (AQ) or responsible individual status. Nor will it allow your firm to become a registered auditor. You/Your firm will have to comply with other regulations.

If you hold a practising certificate and are based in the UK or the Republic of Ireland, you must comply with ICAEW's PII regulations.

If you are a responsible individual or a licensed insolvency practitioner working in practice, your firm will probably arrange your PII cover. However, if you hold an insolvency licence but do not take appointments and work in business, you may need to discuss your position with the Professional Conduct Department. Call +44 (0)1908 546 262.

AM I ELIGIBLE FOR A FEE EXEMPTION?

You will be eligible to apply for a practising certificate fee exemption provided you:

- a) intend to practise as a sole practitioner or as the sole director and sole shareholder of a limited company; and
- b) have not held a practising certificate at any time during the three years before the date of your application and have never received this exemption previously.

We will give an exemption on the initial application and at the first renewal of the practising certificate on 1 January following the date of its issue. This depends on you still being in practice as a sole practitioner or as the sole director and sole shareholder of a limited company, on the renewal date.

WHAT DO I DO WITH MY COMPLETED ‘ARE YOU READY TO GO INTO PRACTICE?’ QUESTIONNAIRE?

When you have completed the self-assessment questionnaire, it will help you to make an informed decision on whether you are ready to go into practice. Although you don't have to submit the questionnaire along with your application, you must keep it while you are in practice as we may ask you to submit it at a later date.

WHO CAN I CONTACT FOR ADVICE?

To find out if you need to hold a practising certificate, or for any query about the application process, call Advisory Services on +44 (0)1908 248 250 or email informationcentre@icaew.com.

We aim to process applications within 21 days. However, the process may take longer if your application has to be referred to the Practising Certificate Monitor because it cannot be approved at staff level.

Your practising certificate must have been approved by ICAEW for the date you intend to begin practising. You will not receive your practising certificate (and any accompanying paperwork) until the first week of the month following your practising start date.

You may set a date several months in the future for your start in practice. However, practising certificates cannot be backdated.