



**REGULATION
& CONDUCT**



**REGULATORY
COMMITTEES:
MEASURES AND
SANCTIONS GUIDANCE
(MSG)
CONSULTATION**

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WHO WE ARE AND WHAT WE DO

ICAEW's role is to help ICAEW members and firms to maintain high professional standards and hold them to those standards. We act in the public interest to strengthen trust in ICAEW members and firms by raising standards through a programme of continuous improvement.

ICAEW's regulation and conduct roles are separated from ICAEW's other activities through internal governance so that we can monitor, support and take steps to ensure change if standards are not met. These roles are carried out by the Regulation & Conduct division and overseen by the ICAEW Regulation & Conduct Board and oversight regulators including the Financial Reporting Council, Office for Professional Body Anti-Money Laundering Supervision, the Insolvency Service and the Legal Services Board.

PURPOSE OF THIS CONSULTATION

The ICAEW Regulation & Conduct Board is consulting on proposed new **Regulatory Committees: Measures and Sanctions Guidance (MSG)**.

The revised MSG has been developed as part of ICAEW's wider review of its sanctions guidance. It comprises four committee-specific guidance documents covering the:

- Audit Registration Committee;
- Practice Assurance Committee;
- Investment Business Committee; and
- Legal Services Committee.

The review has considered whether the existing guidance remains clear and proportionate and whether it properly reflects the different regulatory frameworks within which the regulatory committees operate.

The Insolvency Licensing Committee was not included in this review. Insolvency practitioners are subject to the Insolvency Common Sanctions Guidance, which applies across the Recognised Professional Bodies and has been agreed with the Insolvency Service. The sanctions framework applying to insolvency practitioners is therefore not determined by ICAEW and falls outside the scope of this review.

The existing Guidance on Sanctions contains guidance for a number of different regulatory areas within a single document. The revised approach provides guidance specific to each regulatory committee. This enables each document to use the terminology, regulatory requirements, measures and sanctions relevant to the particular regulated area.

This consultation is likely to be of interest to ICAEW members, ICAEW member firms and regulated firms, contracted firms, accredited firms, non-members who are registered with ICAEW for a regulated activity, clients of ICAEW-regulated firms, members of ICAEW's regulatory committees, oversight regulators, other professional services regulators and other interested stakeholders.

We are seeking views on the proposed changes and on any gaps, practical difficulties or unintended consequences which should be considered before the guidance is finalised.

Respondents may comment on one or more of the four guidance documents. Where your response relates to a particular committee, regulated area or regulatory breach, please make this clear in your response.

Please respond using the online form or post your response to ICAEW. Details are provided under the section: [How to respond](#)

The consultation will run between **5 October and 6 November 2026**.

BACKGROUND

Until 1 January 2026, ICAEW's guidance on sanctions for disciplinary and regulatory matters was contained within a single **Guidance on Sanctions (GOS)**. The GOS supported both ICAEW's disciplinary and regulatory committees when determining appropriate outcomes and provided transparency for individuals and firms subject to ICAEW's disciplinary and regulatory processes.

The GOS was last comprehensively reviewed in 2018. In 2023, the then ICAEW Regulatory Board approved a review and restructuring of the guidance, including the development of separate guidance for ICAEW's disciplinary committees and regulatory committees.

The first phase of that work resulted in the revised **Disciplinary Sanctions Guidance (DSG)**. The DSG was subject to public consultation in 2025 and came into effect on 1 January 2026. That consultation also anticipated a subsequent review and consultation on the guidance applicable to the regulatory committees.

The second phase of the review has focused on the guidance applicable to ICAEW's regulatory committees. The primary role of ICAEW's regulatory committees is the rehabilitation of a firm or member whilst ensuring that the public is protected. Their role is not limited to imposing a financial penalty in response to a regulatory breach. Depending on the relevant regulatory framework, they may also impose conditions, restrictions or undertakings, or suspend or withdraw registration, accreditation or authorisation.

The revised guidance therefore addresses the wider range of regulatory measures available to those committees. It deals not only with the response to a regulatory breach, but also with the steps which may be required to manage ongoing regulatory risk, protect clients or the public and secure future compliance.

The regulatory frameworks within which the committees operate also differ. The applicable requirements, terminology, regulatory measures, sanctions and risks arising from non-compliance vary between regulated areas.

The review has therefore developed guidance around the responsibilities of each regulatory committee while retaining a common approach to the core principles which apply when determining an appropriate regulatory outcome.

In developing the revised guidance, ICAEW worked with the relevant regulatory committees and internal regulatory teams. The review considered how the existing guidance operated in practice, where greater clarity was required, the breaches which should be addressed and the indicative measures and sanctions applicable to those breaches.

Relationship with the Disciplinary Sanctions Guidance consultation

A number of the overarching principles reflected in the revised MSG have already been subject to public consultation through the DSG project.

These include the revised approach to assessing **very serious, serious and less serious** conduct and the methodology underlying the revised indicative financial penalty levels. The DSG consultation also considered the approach to common and breach-specific aggravating and mitigating factors.

Those principles are not being reopened through this consultation simply because they are now being applied within the regulatory committees' guidance.

This consultation instead focuses on matters which are specific to the regulatory framework, or which have materially changed through this review. This includes the committee-specific application of the common decision-making framework, indicative measures and sanctions for particular regulatory breaches and regulatory-specific provisions which were not considered as part of the DSG consultation.

Respondents may nevertheless identify any circumstances in which the application of those principles to a particular regulatory breach or regulated area produces an outcome which they consider unclear or disproportionate.

SUMMARY OF PROPOSED CHANGES

The review proposes replacing the relevant regulatory sections of the existing Guidance on Sanctions with four committee-specific MSG documents. The principal changes are:

Committee-specific guidance

The guidance has been reorganised to provide a clearer focus on each regulatory committee and the particular regulatory area for which it is responsible.

The four documents retain common principles and a common decision-making structure where appropriate, while allowing the guidance to reflect the distinct regulatory framework, powers and responsibilities of each committee.

Regulatory-specific terminology

Generic terminology has, where appropriate, been replaced with language which reflects the applicable regulations, regulatory requirements and work of the relevant committee.

This is intended to make the guidance more directly relevant to the regulated area and to ensure that the terminology used is consistent with the framework under which the committee exercises its functions.

Clearer distinction between measures and regulatory penalties

The guidance more clearly recognises the range of regulatory outcomes available to committees, including protective, remedial and restrictive measures as well as regulatory penalties.

A regulatory measure may be required to address regulatory risk, protect clients or the public or secure future compliance. A regulatory penalty may be imposed in response to a regulatory breach. Depending on the relevant regulatory framework and the circumstances of the case, a committee may determine that one or more measures and/or regulatory penalties are appropriate.

Not every measure is available to every committee, and the relevant powers are therefore addressed within each committee-specific guidance.

Revised indicative sanctions tables

The indicative sanctions tables have been reviewed to identify the regulatory breaches relevant to each committee and provide clearer indicative starting points.

The starting point does not determine the outcome. The committee must consider the facts and circumstances of the case, including relevant aggravating and mitigating factors, before determining the appropriate and proportionate regulatory outcome.

Consistent approach to seriousness

The revised MSG applies the overarching **very serious, serious and less serious** framework adopted through the wider sanctions review.

The overarching approach is applied consistently across the four guidance documents, with the indicators tailored where appropriate to reflect the nature of particular regulatory breaches and the regulatory context in which they arise.

Updated aggravating and mitigating factors

The guidance provides clearer factors to assist committees in determining whether movement from an indicative starting point is appropriate.

Common factors are retained where they are relevant across the regulatory framework, alongside breach-specific aggravating and mitigating factors where the nature of a particular breach requires more specific guidance.

Additional committee-specific guidance

Where appropriate, further guidance has been included to reflect the particular regulatory context in which the relevant committee exercises its functions.

This includes provisions which are necessary because of differences in the applicable regulatory framework, the nature of the regulated activity, the measures available to the committee or particular considerations relevant to the regulated area.

The overall approach is therefore to retain common principles and methodology across the four guidance documents while providing sufficient committee-specific detail to reflect the different regulatory regimes.

PROPOSED COMMITTEE-SPECIFIC GUIDANCE DOCUMENTS

View the four proposed committee-specific guidance documents.

- > [Proposed Audit Registration Committee Measures and Sanctions Guidance](#)
- > [Proposed Practice Assurance Committee Measures and Sanctions Guidance](#)
- > [Proposed Investment Business Committee Measures and Sanctions Guidance](#)
- > [Proposed Legal Services Committee Measures and Sanctions Guidance](#)

DETAIL OF PROPOSED CHANGES AND QUESTIONS

About you

Question 1: Please provide your name and email address:

- Name:
- Email:

About your organisation

Question 2: Please indicate into which category your organisation belongs?

- ☐ ICAEW small firm – fee income less than £800,000
- ☐ ICAEW medium firm – fee income between £800,000 and £50 million
- ☐ ICAEW large firm – fee income over £50 million
- ☐ ICAEW member – not in practice
- ☐ Individual registered with ICAEW for a regulated activity
- ☐ Accountancy firm regulated by another professional body
- ☐ Other professional or oversight body
- ☐ Consumer/client of an ICAEW member or firm
- ☐ Other – please specify:

Question 3: Please confirm if your organisation is regulated or supervised by ICAEW in any of the following areas:

- ☐ Anti-money laundering
- ☐ Audit
- ☐ Investment business
- ☐ Insolvency
- ☐ Licensed Practice (ATOL)
- ☐ Local audit
- ☐ Legal services
- ☐ Practice Assurance
- ☐ N/A

About your response

Question 4: Please indicate which of the following Measures and Sanctions Guidance (MSG) documents your response relates to. Respondents may select more than one option.

- ☐ Audit Registration Committee MSG
- ☐ Practice Assurance Committee MSG
- ☐ Investment Business Committee MSG
- ☐ Legal Services Committee MSG
- ☐ All four guidance documents

General framework and implementation

The existing Guidance on Sanctions contains guidance relating to different regulatory areas within a broader sanctions document.

The revised approach provides separate guidance for each of the four regulatory committees. This enables the guidance to focus more directly on the relevant regulated area and to use terminology, regulatory requirements and examples which are appropriate to the committee concerned.

The structure and language have also been reviewed to make the decision-making process clearer and the guidance easier for regulatory committees, regulated firms and other stakeholders to navigate and understand.

Question 5: Is the committee-specific guidance clear and easy to use?

- ☐ Yes
- ☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

- ☐ Audit Registration Committee MSG
- ☐ Practice Assurance Committee MSG
- ☐ Investment Business Committee MSG
- ☐ Legal Services Committee MSG

Question 6: Do you agree that the committee-specific approach improves the clarity and accessibility of the guidance for each regulated area?

- ☐ Yes
- ☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

- ☐ Audit Registration Committee MSG
- ☐ Practice Assurance Committee MSG
- ☐ Investment Business Committee MSG
- ☐ Legal Services Committee MSG

Measures and sanctions

Regulatory committees have a range of regulatory measures available to them under the applicable regulatory frameworks. Depending on the committee and the circumstances of the case, these may include conditions, restrictions, undertakings, suspension or withdrawal of registration, accreditation or authorisation.

A regulatory committee may also impose a regulatory penalty in response to a regulatory breach. The amount of the penalty will depend on the nature and seriousness of the breach and the relevant indicative starting point.

The revised guidance distinguishes between **regulatory measures** and **regulatory penalties**.

- Regulatory measures are used to address regulatory risk, protect clients or the public or secure future compliance.
- A regulatory penalty is imposed in response to the regulatory breach. Depending on the circumstances, a committee may impose one or more regulatory measures in addition to a regulatory penalty.

The indicative sanctions tables have been reviewed and updated to identify the regulatory breaches relevant to each committee and to provide starting points for the regulatory penalties applicable to those breaches.

The starting point does not determine the final outcome. The committee must consider all the circumstances of the case, including the relevant aggravating and mitigating factors, before determining whether movement from the starting point is appropriate and the level of regulatory penalty to be imposed.

The methodology underlying the revised financial penalty levels formed part of the wider sanctions review and was consulted upon through the DSG consultation. This consultation does not therefore seek to revisit that methodology. The consultation instead seeks views on whether the tables contain the appropriate regulatory breaches and whether the starting points assigned to those breaches are appropriate and proportionate.

Question 7: Does the revised guidance clearly set out the regulatory measures available to the relevant committee and the circumstances in which they may be applied?

- ☐ Yes
☐ No

Please add any comments to explain the reason for your answer.

If your coverall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

- ☐ Audit Registration Committee MSG
☐ Practice Assurance Committee MSG
☐ Investment Business Committee MSG
☐ Legal Services Committee MSG

Question 8: Do you consider that the indicative sanctions and financial penalty starting points for the relevant regulatory breaches are appropriate and proportionate?

☐ Yes

☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

☐ Audit Registration Committee MSG

☐ Practice Assurance Committee MSG

☐ Investment Business Committee MSG

☐ Legal Services Committee MSG

Question 9: Are there any regulatory breaches which you consider should be included within, or removed from, the relevant indicative sanctions table?

☐ Yes

☐ No

If yes, please specify the change(s) you think should be made including which MSG your response relates to.

Assessment of seriousness and starting points

The revised MSG adopts the three-level framework of **very serious, serious and less serious** used in ICAEW's revised sanctions framework.

The underlying definitions of seriousness were subject to public consultation through the DSG review and are not being reopened through this consultation. The MSG applies those overarching principles within the regulatory context, to maintain a consistent methodology, with guidance and indicators tailored where necessary to reflect the nature of the particular regulatory breach and the regulatory risk arising from it.

The indicative starting point represents the point from which the committee begins its consideration of the appropriate regulatory penalty. It should then consider all relevant circumstances, including the applicable aggravating and mitigating factors, before determining whether movement from that starting point is appropriate.

The revised guidance distinguishes, where appropriate, between factors of general relevance and those which are particularly relevant to a particular regulatory breach. This is intended to assist committees to apply the guidance consistently while ensuring that the particular facts and circumstances of the case remain central to the decision.

Question 10: Does the revised guidance provide a clear framework for assessing the seriousness of regulatory breaches and determining the appropriate starting point?

☐ Yes

☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

☐ Audit Registration Committee MSG

☐ Practice Assurance Committee MSG

☐ Investment Business Committee MSG

☐ Legal Services Committee MSG

Question 11: Does the guidance provide sufficient clarity on the aggravating and mitigating factors which may justify movement from an indicative starting point?

☐ Yes

☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

☐ Audit Registration Committee MSG

☐ Practice Assurance Committee MSG

☐ Investment Business Committee MSG

☐ Legal Services Committee MSG

Impact assessment, including equality, diversity and inclusion (EDI)

We do not believe the proposed changes will result in a worse outcome or quality of service for anyone due to their background or life circumstances. Please tell us if you think your firm or any of your clients will be adversely impacted by the proposals due to a protected characteristic (such as age, disability or race). We intend to continue to consider EDI impacts as the project continues.

Question 12: Are there any adverse impacts arising from an equality, diversity and inclusion perspective from the proposed changes outlined in this consultation?

Please provide your feedback in relation to our assessment of what impact the consultation will have on the profession and individuals.

Question 13: Are there any other challenges or barriers that we have not identified that we should consider further?

Please provide an explanation and if available, provide evidence which supports your view.

Final comments

We welcome any further comments on the revised MSG which have not been addressed by the questions above.

In particular, we would welcome views on any gaps, practical difficulties or unintended consequences which may arise from applying the guidance, whether generally or in relation to a particular committee, regulated area or regulatory breach.

Question 14: Do you see any other issues in the application of the revised guidance, either generally or in relation to a specific regulated area or regulatory breach?

Please explain the reason for your answer.

HOW TO RESPOND

Please respond to the consultation online.

- > [Access the consultation questions online](#)

Or write to us with your response to:

FAO Adjudication
ICAEW Regulation & Conduct
Metropolitan House
321 Avebury Boulevard
Milton Keynes MK9 3FZ

Please [contact us](#) if you need anything further (for example for accessibility reasons) to enable you to submit your response.

Data protection information

The protection of personal privacy is an important concern to ICAEW. Any personal data collected will be treated in accordance with current data protection legislation. For more information about our data protection policy please go to [ICAEW privacy notices](#)

TIMELINE

This consultation closes on **6 November 2026**.

NEXT STEPS

After the consultation closes, we will consider all the feedback and comments received, discuss the results with the ICAEW Regulation & Conduct Board and relevant stakeholders and make any resulting changes as appropriate. A summary of the results will then be published alongside our responses to the feedback and final changes to the regulations.

Other useful resources

The following resources may provide additional useful information when considering your response to this consultation:

- [Current ICAEW Guidance on Sanctions](#)
- [ICAEW Disciplinary Sanctions Guidance](#)
- [ICAEW Regulation & Conduct – Our role](#)

APPENDIX

Summary of consultation questions

Please find all the questions from the consultation amalgamated here. They are the same questions found in the online survey and included in the body of the consultation.

About you, your organisation and your response

Question 1: Please provide your name and email address

Question 2: Please indicate into which category your organisation belongs?

- ☐ ICAEW small firm – fee income less than £800,000
- ☐ ICAEW medium firm – fee income between £800,000 and £50 million
- ☐ ICAEW large firm – fee income over £50 million
- ☐ ICAEW member – not in practice
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- ☐ Consumer/client of an ICAEW member or firm
- ☐ Other – please specify:

Question 3: Please confirm if your organisation is regulated or supervised by ICAEW in any of the following areas:

- ☐ Anti-money laundering
- ☐ Audit
- ☐ Investment business
- ☐ Insolvency
- ☐ Licensed Practice (ATOL)
- ☐ Local audit
- ☐ Legal services
- ☐ Practice Assurance
- ☐ N/A

Question 4: Please indicate which of the following Measures and Sanctions Guidance (MSG) documents your response relates to. Respondents may select more than one option.

- ☐ Audit Registration Committee MSG
- ☐ Practice Assurance Committee MSG
- ☐ Investment Business Committee MSG
- ☐ Legal Services Committee MSG
- ☐ All four guidance documents

General framework and implementation

Question 5: Is the committee-specific guidance clear and easy to use?

- ☐ Yes
☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

- ☐ Audit Registration Committee MSG
☐ Practice Assurance Committee MSG
☐ Investment Business Committee MSG
☐ Legal Services Committee MSG

Question 6: Do you agree that the committee-specific approach improves the clarity and accessibility of the guidance for each regulated area?

- ☐ Yes
☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

- ☐ Audit Registration Committee MSG
☐ Practice Assurance Committee MSG
☐ Investment Business Committee MSG
☐ Legal Services Committee MSG

Measures and sanctions

Question 7: Does the revised guidance clearly set out the regulatory measures available to the relevant committee and the circumstances in which they may be applied?

- ☐ Yes
☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

- ☐ Audit Registration Committee MSG
☐ Practice Assurance Committee MSG
☐ Investment Business Committee MSG
☐ Legal Services Committee MSG

Question 8: Do you consider that the indicative sanctions and financial penalty starting points for the relevant regulatory breaches are appropriate and proportionate?

- ☐ Yes
☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

- ☐ Audit Registration Committee MSG
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Question 9: Are there any regulatory breaches which you consider should be included within, or removed from, the relevant indicative sanctions table?

- ☐ Yes
☐ No

If yes, please specify the change(s) you think should be made including which MSG your response relates to.

Assessment of seriousness and starting points

Question 10: Does the revised guidance provide a clear framework for assessing the seriousness of regulatory breaches and determining the appropriate starting point?

- ☐ Yes
☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

- ☐ Audit Registration Committee MSG
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☐ Investment Business Committee MSG
☐ Legal Services Committee MSG

Question 11: Does the guidance provide sufficient clarity on the aggravating and mitigating factors which may justify movement from an indicative starting point?

- ☐ Yes
☐ No

Please add any comments to explain the reason for your answer.

If your overall consultation response covers more than one committee, but this answer relates to one committee only, please specify which one below.

- ☐ Audit Registration Committee MSG
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Question 12: Are there any adverse impacts arising from an equality, diversity and inclusion perspective from the proposed changes outlined in this consultation?

Please provide your feedback in relation to our assessment of what impact the consultation will have on the profession and individuals.

Question 13: Are there any other challenges or barriers that we have not identified that we should consider further?

Please provide an explanation and if available, provide evidence which supports your view.

Final comments

Question 14: Do you see any other issues in the application of the revised guidance, either generally or in relation to a specific regulated area or regulatory breach? Please explain the reason for your answer.