



# *Application for supervision under ICAEW's Practice Assurance scheme*

We have prepared these guidance notes to help you complete your Application for Supervision form. Guidance for the Fit and Proper Declaration is available separately.

The purpose of the Application for Supervision is to give ICAEW key information about the size and activities of the firm that is applying for supervision. We will use the information to assess the level and scope of monitoring required and set fees.

You may find it useful to refer to the Consultative Committee of Accountancy Bodies' (CCAB) Anti-Money Laundering Guidance for the Accountancy Sector at [icaew.com/moneylaundering](http://icaew.com/moneylaundering).

The guidance in this document is in three sections:

1. [Guidance on individual questions](#)
2. [Frequently asked questions](#)
3. [Helplines and useful web links](#)

## **When to use this form**

You should use the Application for Supervision form if you want to apply for supervision in accordance with the The Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017 (MLR.17).

Please do **not** complete the *Application for Supervision* form if you are an estate agent, consumer credit financial institution, money service bureau, high value dealer or casino. Please refer to the FSA's flowchart at [www.fsa.gov.uk/pubs/other/approach.pdf](http://www.fsa.gov.uk/pubs/other/approach.pdf) which lists the supervisory authorities responsible for these and other regulated activities.

## **When you have completed the form**

Please send your signed and completed forms to: Quality Assurance Department (AMLR)  
ICAEW  
Metropolitan House  
321 Avebury Boulevard  
Milton Keynes  
MK9 2FZ

## Completing the form

- In both the Application for Supervision form and this guidance we have used the term 'firm' to include incorporated or unincorporated business entities, and sole practitioners.
- You should only complete the Application for Supervision form if your firm is not already subject to ICAEW's Practice Assurance scheme.
- You should complete the Application for Supervision for the entity that is applying for supervision.
- A Fit and Proper Declaration (download from [icaew.com/AMLR](http://icaew.com/AMLR)) must be completed by every principal, nominated money laundering reporting officer, the board member or member of senior management who is responsible for compliance with MLR17 (MLCP), and shareholder who is not an ICAEW member or affiliate.
- If you need advice about completing the Application for Supervision form, please call +44 (0)1908 248 250.
- If there is not enough space for an answer, please give additional information on a separate sheet and mark each additional sheet with the name of your firm and the number of the question to which it relates.

## Supervisory authorities

The supervisory authorities referred to in the explanatory notes of the Application for Supervision form are:

- Association of Accounting Technicians
- Association of Chartered Certified Accountants
- Association of International Accountants
- Association of Taxation Technicians
- Chartered Accountants Ireland (CAI)
- Chartered Institute of Legal Executives
- Chartered Institute of Taxation
- Council for Licensed Conveyancers
- Faculty of Advocates
- Faculty office of the Archbishop of Canterbury
- Financial Conduct Authority
- Gambling Commission
- General Council of the Bar
- General Council of the Bar of Northern Ireland
- HM Revenue & Customs
- Insolvency Practitioners Association
- Institute of Chartered Accountants in England and Wales
- Institute of Chartered Accountants of Scotland
- Institute of Certified Bookkeepers
- Institute of Financial Accountants
- International Association of Bookkeepers
- Law Society
- Law Society of Scotland
- Law Society of Northern Ireland

## Guidance on individual questions

Key words or phrase	Section reference	Definition or guidance
<b>trading name</b>	A.2	Firms can use trading names. Full details on how to use a trading name can be found in the Practice helpsheet, <a href="#">Practice names and letterheads</a> .
<b>address</b>	A.5	Give the address of the main place from where the business is run. This could be your main premises, a head office, or perhaps a home address.
<b>chartered accountants</b>	A.15	A firm is entitled to call itself a firm of chartered accountants if it meets the detailed requirements of the <a href="#">Regulations governing the use of the description of 'Chartered Accountants' and ICAEW general affiliates</a> and if any non-member principals are ICAEW affiliates.  Our Practice helpsheet, <a href="#">Practice names and letterheads</a> also gives additional guidance.
<b>alternate contact</b>	A.21	Sole practitioners holding clients' money are required to have arrangements that allow another person (the alternate) to distribute or process clients' money in the event of the incapacity or death of the sole practitioner.  You can find additional guidance in our Practice Helpsheet, <a href="#">Arrangements of alternates</a> and <a href="#">ICAEW's Clients' Money Regulations</a> .
<b>business activities</b>	A.22 – A.29	Mark the boxes to show what type of business activities you perform. You can mark as many boxes as apply, but you should only record business activities that you currently carry out or propose to carry out. You can add different activities by notifying us in writing at any time in the future.
<b>investment business</b>	A.22	Investment business consists of work carried out under authorisation from the FSA or under a DPB licence.
<b>audit</b>	A.22	Regulated audit work consists of all audit work carried out as a registered auditor for the entities defined in schedule 1 of the Audit Regulations and Guidance.
<b>designated professional body (DPB)</b>	A.22	These are arrangements whereby a firm obtains a designated professional body (DPB) licence to conduct a specific range of investment business activities in accordance with the DPB (Investment Business) Handbook.
<b>insolvency practice</b>	A.22	Insolvency work consists of services that need to be provided or controlled by a licensed insolvency practitioner.

Key words or phrase	Section reference	Definition or guidance
<b>other accountancy services</b>	A.22	These may include: <ul style="list-style-type: none"> <li>• internal audit of accounting and internal control systems</li> <li>• preparation of cash flows and budgets</li> <li>• preparation of business plans</li> <li>• due diligence</li> <li>• debt counselling</li> <li>• compliance services (including file reviews) supplied to firms of accountants</li> <li>• forensic accounting.</li> </ul>
<b>expected turnover from MLR-related business activities</b>	A.33	Firms should provide turnover information using the latest financial information available. Best estimates are acceptable; there is no need for firms to reanalyse their client invoices.
<b>number of staff</b>	B.3	Please express figures in terms of numbers of staff, not full-time equivalents. If, for example, three people work part-time, write '3'.
<b>other professional staff</b>	B.3	All staff who are not identified as principals, responsible individuals, or audit staff who have a recognised qualification from a professional body.
<b>administrative staff</b>	B.3	All staff who are not identified as principals, responsible individuals, audit staff or professional staff.
<b>principals</b>	Sections B3, C and D	A principal is a generic term for a sole practitioner, partner in a firm, member of an LLP or director of a corporate practice.
<b>practising certificate</b>	C.4, D.4	All members engaged in public practice within the European Community (ie, the EU member states together with Norway, Iceland and Liechtenstein), must hold a practising certificate or, if regulated for audit, wherever based, and they are a 'responsible individual' under the Audit Regulations. The situations when a practising certificate is needed are set out in the ICAEW Statement on Engaging in Public Practice. You can also contact us on +44 (0)1908 248 250.
<b>affiliate status</b>	D.5	Individuals may already be an ICAEW affiliate, in which case please give their seven-digit affiliate number.

Key words or phrase	Section reference	Definition or guidance
<b>individuals with beneficial interests</b>	Section E	This is an individual who is directly or indirectly entitled to shares, voting rights, capital, profits or property of the firm. In addition, 'beneficial owner' includes the executor or administrator of an estate.
<b>connected entities</b>	Section F	<p>Connected entities are any entities which have one or more of the firm's principals among their principals, are part of the same group or are under common ownership. In this context, 'principal' is a generic term for a sole practitioner, partner in a firm, member of an LLP, or director or shareholder of a corporate practice. Connected entities are those that provide accounting services or are trust and company service providers.</p> <p>ICAEW may already have a record of the connected entity which may include any firm, company or LLP which, for the purposes of this application, provides to the public accountancy or other services that are within the Money Laundering Regulations, whether or not the entity is entitled to describe itself as 'chartered accountants'. For a note of the relevant services, please see sections G and H of the application form.</p>
<b>money laundering reporting officer (MLRO)</b>	G.1	<p>If you are a sole practitioner with no employees, you are the MLRO and do not need to answer this question.</p> <p>Firms with employees must appoint a nominated officer. You can find out more about appointing a nominated officer by reading our anti- money laundering guidance which can be found at <a href="http://icaew.com/moneylaundering">icaew.com/moneylaundering</a>.</p>
<b>the board member or member of senior management who is responsible for compliance with MLR17 (MLCP)</b>	G.1a	<p>If you are a sole practitioner with no employees, you are the MLCP and do not need to answer this question.</p> <p>Firms with employees must appoint a board member or member of senior management who is responsible for compliance with MLR17. This person may be the same as the MLRO. You can find out more about appointing a nominated officer by reading our anti- money laundering guidance which can be found at <a href="http://icaew.com/moneylaundering">icaew.com/moneylaundering</a>.</p> <p>The MLCP will be our main point of contact on matters relating to MLR17.</p>
<b>business bank account</b>	G.2	If you have a dedicated business bank account, answer 'Yes'. If you operate your business affairs through a personal account, answer 'No'.

<b>clients' money</b>	G.3	<p>Clients' money means money in any currency that a firm holds or receives, for or from a client. This includes money held by a firm as stakeholder and which is not immediately due and payable on demand to the firm. For further details, please refer to the Clients' Money Regulations.</p>
<b>professional indemnity insurance (PII)</b>	Section H	<p>ICAEW's PII Regulations have not changed since the introduction of MLR.17. Firms/members who were not required to have PII before MLR.17 will not be required to have cover in place simply to join the PA scheme for the purposes of money laundering supervision. For firms/members who needed PII cover before MLR.17, there is no change — cover is still required.</p> <p>If you have any questions about PII, please call +44 (0)1908 248 250.</p> <p>Compliance with the PII Regulations is mandatory for all members who are subject to audit regulation, have a DPB licence or are licensed for insolvency work by ICAEW, wherever they are based; or who have a practising certificate and are engaged in public practice in the UK (which includes the Isle of Man and the Channel Islands) and the Republic of Ireland, whether through their main firm or through connected entities. The PII regulations are published at <a href="http://icaew.com/regulations">icaew.com/regulations</a>.</p> <p>Most firms (ie, sole practitioners, partnerships, LLPs or corporate entities) will arrange their own PII cover. However, if you act as a sub-contractor to another firm, some or all of your work may be covered by that other firm's PII.</p>

## Frequently asked questions

### 1. Which firms are already subject to ICAEW's Practice Assurance (PA) scheme?

If you are a **member firm** (one that is controlled by ICAEW members) you should already be a member of the PA scheme.

A member firm is:

- a. a member engaged in public practice as a sole practitioner; or
- b. a partnership engaged in public practice of which more than 50% of the rights to vote on all, or substantially all, matters of substance at meetings of the partnership are held by members; or
- c. a limited liability partnership engaged in public practice of which more than 50% of the rights to vote on all, or substantially all, matters of substance at meetings of the partnership are held by members; or
- d. any body corporate (other than a limited liability partnership) engaged in public practice of which:
  - i. 50% or more of the directors are members; and
  - ii. more than 50% of the nominal value of the voting shares is held by members; and
  - iii. more than 50% of the aggregate in nominal value of the voting and non-voting shares is held by members.

Conversely, a non-member firm is one that is not controlled by ICAEW members.

### 2. I don't think I'm engaged in public practice. Do I still need to complete the Application for Supervision form?

It can be difficult deciding whether you are actually engaged in public practice. You should refer to the ICAEW statement on engaging in public practice. You might also contact us on +44 (0)1908 248 250. Although you may not be 'in practice' according to ICAEW's definition, you may nevertheless be subject to money laundering supervision if you provide any of the following services:

- trust services
- company services
- company formation
- interim manager services
- agency providing company directors/company secretaries
- agency providing trustees
- other trust or company services.

## Helplines and useful web links

	Web address	Helpline
Advisory services	<a href="http://icaew.com/support">icaew.com/support</a>	+44 (0)1908 248 025
Anti-money laundering	<a href="http://icaew.com/moneylaundering">icaew.com/moneylaundering</a>	+44 (0)1908 248 025
APB Ethical Standards	<a href="http://www.frc.org.uk/apb/publications/ethical.cfm">www.frc.org.uk/apb/publications/ethical.cfm</a>	
Continuing professional development	<a href="http://icaew.com/cpd">icaew.com/cpd</a>	+44 (0)1908 248 028
Complaints	<a href="http://icaew.com/complaints">icaew.com/complaints</a>	+44 (0)1908 546 235
Ethics advisory services	<a href="http://icaew.com/ethics">icaew.com/ethics</a>	+44 (0)1908 248 025
Library and information services	<a href="http://icaew.com/library">icaew.com/library</a>	+44 (0)20 7920 8620
Practice Assurance	<a href="http://icaew.com/practiceassurance">icaew.com/practiceassurance</a>	+44 (0)1908 248 250
Practice services	<a href="http://icaew.com/practice">icaew.com/practice</a>	+44 (0)1908 248 250
Professional indemnity insurance	<a href="http://icaew.com/pii">icaew.com/pii</a>	+44 (0)1908 248 025
Regulations, standards and guidance	<a href="http://icaew.com/regulations">icaew.com/regulations</a>	+44 (0)1908 248 025
Regulatory support	<a href="http://icaew.com/dpb">icaew.com/dpb</a> <a href="http://icaew.com/auditnews">icaew.com/auditnews</a>	+44 (0)1908 248 025
Support members	<a href="http://icaew.com/supportmembers">icaew.com/supportmembers</a>	+44 (0)800 917 3526
Technical enquiries	<a href="http://icaew.com/technical">icaew.com/technical</a>	+44 (0)1908 248 025

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