

Policy document

aat

# Licence Exemption

# Licence Exemption

## Contents

- Purpose ..... 3
- Policy statement..... 3
- Terminology ..... 3
- Policy detail ..... 3
- Associated regulations and policies ..... 4
- Schedule 1 – Licence Tiers ..... 5

# Licence Exemption

## Purpose

1. This policy sets out the criteria upon which AAT may exempt *associate members*, *full members* and *fellow members* from holding a *licence*.

## Policy statement

2. AAT recognises that some members providing *self-employed accountancy services* to clients do not require a *licence*. This policy sets out the terms upon which AAT makes such a determination.

## Terminology

3. All terms in italics, save titles of publications, are defined in the *AAT Glossary* which supports the entire policy framework.

## Policy detail

4. *Associate members*, *full members* and *fellow members* providing *self-employed accountancy services* to clients are exempt from holding a *licence* if they meet the criteria in 4a), 4b) or 4c) below:
  - a) they are authorised and regulated by any of the following accountancy bodies for the provision of services to clients:
    - i. ICAEW - The Institute of Chartered Accountants in England and Wales
    - ii. ICAS - Institute of Chartered Accountants of Scotland
    - iii. CAI – Chartered Accountants Ireland
    - iv. ACCA - Association of Chartered Certified Accountants
    - v. CIMA - Chartered Institute of Management Accountants
    - vi. AIA - Association of International Accountants
  - b) they provide services to other accountancy firms on a subcontractor basis only and have a subcontracting agreement in place clarifying their role and responsibilities, along with arrangements in place for professional indemnity insurance, GDPR compliance, and anti-money laundering policies, procedures and controls
  - c) they provide services which have been agreed by AAT to be outside those outlined in Schedule 1 – *Licence Tiers*.
5. *Licence* exemptions will be granted upon receipt of a completed *licence* exemption form and supporting evidence as prescribed by AAT.
6. *Members* approved as exempt from holding a *licence* may not refer to themselves as being licensed by AAT or advertise their services in connection to AAT in any way.
7. *Members* granted a *licence* exemption must inform AAT immediately if they are no longer eligible for exemption.

## **Associated regulations and policies**

- *Licensing Regulations*
- *Practice Assurance Standards*

Attachment:  
Schedule 1 – *Licence Tiers*

## Schedule 1 – Licence Tiers

The below outlines the *self-employed accountancy services* which *members* can apply to deliver and the *licence tier* they fall within. *Members* are not automatically approved in all services within a tier; approval of services is on an individual basis and subject to demonstration of competence as set out in the *Licensing* policy.

<i>Licence tier</i>	<i>Available to</i>	<i>Services</i>
Tier 1	<i>Full members, fellow members</i>	<ul style="list-style-type: none"> <li>• Limited Assurance Engagements</li> <li>• Independent Examination</li> <li>• Internal Audit</li> <li>• Forensic Accounting</li> <li>• Company Secretarial Services</li> <li>• Any/all tier 2 services</li> <li>• Any/all tier 3 services</li> <li>• Any/all tier 4 services</li> </ul>
Tier 2	<i>Full members, fellow members</i>	<ul style="list-style-type: none"> <li>• Personal Income Tax</li> <li>• Business Income Tax</li> <li>• Corporation Tax</li> <li>• Capital Gains Tax</li> <li>• Inheritance Tax</li> <li>• Any/all tier 3 services</li> <li>• Any/all tier 4 services</li> </ul>
Tier 3	<i>Full members, fellow members</i>	<ul style="list-style-type: none"> <li>• Budgeting and forecasting</li> <li>• Financial accounting and accounts preparation of full and abbreviated accounts required for statutory purposes by the prevailing Companies Act</li> <li>• Management accounting</li> <li>• Any/all tier 4 services</li> </ul>
Tier 4	<i>Full members, fellow members, associate members</i>	<ul style="list-style-type: none"> <li>• Bookkeeping - the part of accounting which deals with the recording of actual transactions in monetary terms, excluding the calculation of transactions.</li> <li>• Financial Accounting and Accounts Preparation for sole traders and partnerships only, specifically excluding any accounts required for statutory purposes by the prevailing Companies Acts.</li> <li>• Computerised Accountancy Systems</li> <li>• Value Added Tax</li> <li>• Payroll</li> </ul>

**The Association of Accounting Technicians**

140 Aldersgate Street

London

EC1A 4HY

t: +44 (0)20 7397 3000

f: +44 (0)20 7397 3009

e: [aat@aat.org.uk](mailto:aat@aat.org.uk)

[aat.org.uk](http://aat.org.uk)