

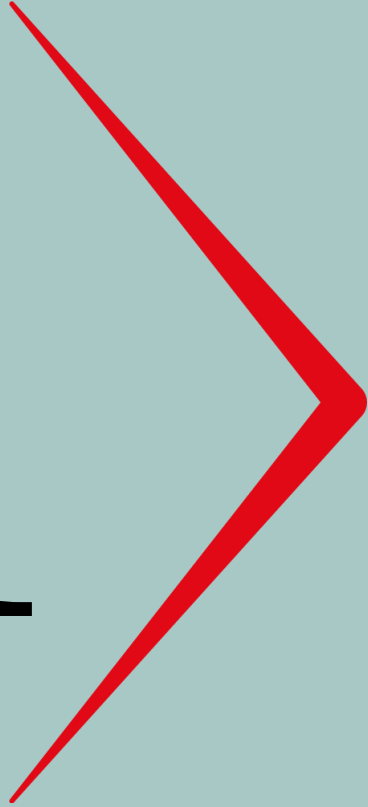


Practice Assurance Webinar

WHAT YOU NEED TO KNOW

Part 2: The application of practice assurance principles to specific services

1

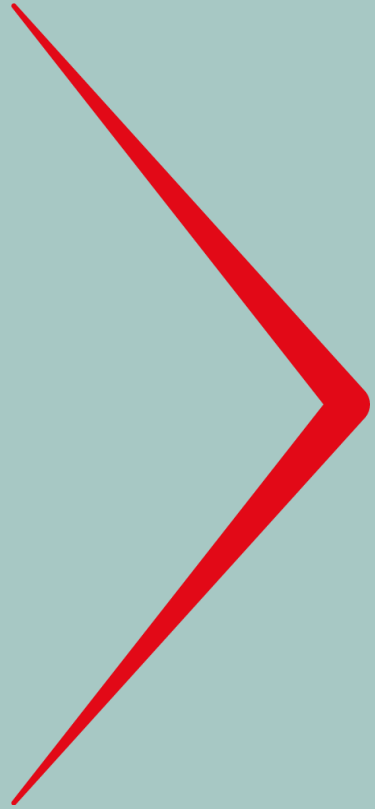


Introduction

Practice Assurance Webinar: what you need to know
Part 2: The application of Practice Assurance principles to specific services

1. Introduction
2. Clients' money
3. DPB (Investment Business) licence
4. Referrals, commissions and fee protection scheme
5. Other regulated areas: probate and consumer credit
6. Further ICAEW resources and support

2



Clients' money

Clients' money

- Good reasons for holding it?
- Relates to an accountancy service?
- Anti-money laundering
- ICAEW Clients' Money Regulations

Opening the account

- Separate account
- Bank confirmation letter:
 - 'Client' in the title
 - No right of offset
 - Interest credited to same account
- Designated accounts

Managing the account

- Identifying clients' money
- Regular reconciliations
- Making payments out
- Alternate
- Compliance review



DPB (Investment Business) licence

DPB (Investment Business) licence

- Exempt regulated activities
 - Explain, evaluate, endorse
 - Identify unsuitable advice
 - Arrange implementation of investment advice
- Corporate finance (non-controlling shareholding)
- Insurance distribution – fee protection, negotiation
- Licence helps you develop services for personal clients
 - Personal Financial Planning Community
 - *‘Personal financial planning – traffic light guide to regulation’*
- Visit **icaew.com/dpb** for more information or to apply for a licence

Be aware...

- DPB (Investment Business) Handbook
- Eligibility
- Incidental and complementary
- Disclosures
- Referrals and commissions
- Annual compliance review
- DPB legend: *Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities*



*Referrals, commissions and fee
protection schemes*

Referrals

- Remain objective
- Is the advisor independent?
- Why is the referral in the client's best interest?
- Record your assessment
 - Product providers
 - Proportion of relevant market
 - Sector and client's needs

Commissions: regulated or unregulated?

- Regulated versus unregulated commissions
- Regulated – DPB (Investment Business) licence
- Unregulated – any firm
- Income from fee protection schemes

Unregulated commission

- ICAEW Code of Ethics sections 330.12 – 330.13
- Consent to retain
- Engagement letter disclosures
- Clients' money

Regulated commission

- DPB (Investment Business) Handbook paragraph 4.15
- Referrals
- Trail commissions
- Clients' right to request the commission
- Specific written permission
- Clients' money

Fee protection schemes

Unregulated

- Firm is insured
- Administration fee

Regulated

- DPB (Investment Business) licence required
- Client has rights
- Insurance intermediary
- Administration fee or commission
- 'On risk' – clients' money?
- Disclosures
- Professional indemnity insurance

Aspect enquiries

Annual return



Other regulated areas

Probate

- Reserved area
- When to seek a licence for probate
- Probate Regulations
- Guidance

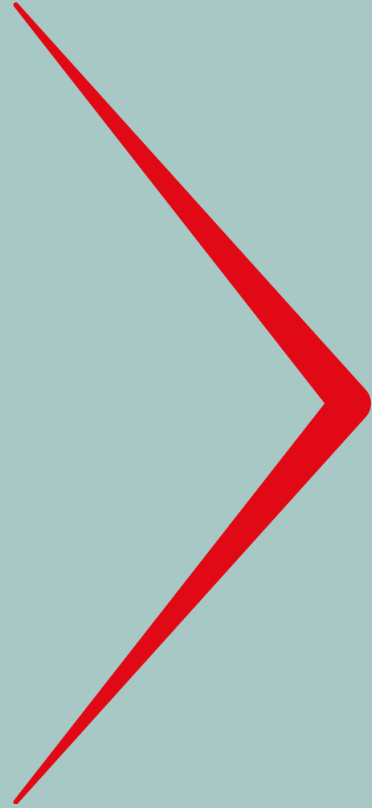


Consumer credit

- Consumer client:
 - Individual
 - Partnership (2 or 3 persons)
 - Unincorporated body*
- Eligibility
- DPB (Consumer Credit) Handbook
- Incidental to other activities of firm
- Complementary to other services for client
- Exempt regulated activities include:
 - Payment of fees
 - Credit broking
- A guide to credit-related activity
- Types of activity
 - Client creditworthiness
 - Fees by instalments

*Which is not a partnership or which does not consist entirely of corporate bodies

6



**Further ICAEW resources
and support**

Further ICAEW resources

Visit icaew.com to access a wide range of resources.

- **icaew.com/practiceassurance** – the Practice Assurance hub.
- **icaew.com/practiceresources** – guidance for ICAEW members working in practice.
 - Key sections include ‘setting up in practice’ and ‘running your practice and supporting your clients’.
- **icaew.com/regulation**
 - A comprehensive guide to regulation: access the regulations, regulatory resources, the ICAEW Code of Ethics and regulatory governance.
- **icaew.com/helpsheets** – technical helpsheets, ethical guidance and practice resources.

Further ICAEW support

- Support is also available from:
 - The ICAEW technical and ethical advisory helpline +44 (0)1908 248 250
 - ICAEW support members ([icaew.com/support](https://www.icaew.com/support))
 - CABA; the charity supporting chartered accountants' wellbeing – [caba.org.uk](https://www.caba.org.uk)
- Groups and networks include:
 - [icaew.com/faculties](https://www.icaew.com/faculties)
 - [icaew.com/communities](https://www.icaew.com/communities)
 - Local groups and societies



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