

# ICAEW Corporate practice regulations



These regulations may be cited as the ICAEW corporate practice regulations. They were made by the ICAEW Regulatory Board in accordance with their terms of reference and take effect on 1 January 2024. These concern when a director can engage in public practice.

## Interpretation

1. Words and phrases used in these regulations have the same meaning as in the Principal Byelaws (PBLs).
2. The term director means any person occupying the position of director, by whatever name called and includes a shadow director within the meaning of the Companies Act 2006, section 251.

## Corporate Practice

3. A member is, by virtue of being a director of a body corporate or a member of an LLP, to be regarded as engaging in public practice if the body corporate is engaged in public practice.
4. A member may not so engage in public practice if it is contrary to any applicable law for the body corporate in question to engage in public practice.

## Notes

(These notes do not form part of the regulations)

- i. Regulation 4 permits members to engage in public practice as directors of bodies corporate and / or members of an LLP. Under PBL 51(b) members are already permitted to engage in public practice as sole practitioners and partners and under PBL 1, to practice as an employee is not treated as public practice (Note, PBL 1 contains the definition of 'public practice').
- ii. As a result of these regulations the only restrictions on corporate practice are now:
  - a. those contained in ICAEW's Audit Regulations and Guidance; ([www.icaew.com/auditnews](http://www.icaew.com/auditnews))
  - b. those contained in ICAEW's Designated Professional Body Handbook; ([www.icaew.com/dpb](http://www.icaew.com/dpb)) and
  - c. those contained in ICAEW's Regulations governing the use of the description 'chartered accountants.'
- iii. A member who is an employee of a corporate firm is required to hold a practising certificate (PC) if they are:
  - a. a responsible individual within the meaning of the Audit Regulations and Guidance ([www.icaew.com/auditnews](http://www.icaew.com/auditnews));
  - b. a licensed insolvency practitioner who accepts appointments;
  - c. in circumstances prescribed by the ICAEW Regulatory Board.
- iv. Guidance on what constitutes engaging in public practice is contained in the ICAEW statement on members engaging in public practice.
- v. The Companies Act 2006, section 251(1) and (2), states that:
  - 'In the Companies Acts "shadow director" means a person in accordance with whose directions or instructions the directors of the company are accustomed to act.
  - A person is not to be regarded as a shadow director by reason only that the directors act on advice given by him in a professional capacity.'